

Information Brief

AFRICA IS SPENDING MORE THAN ITS FAIR SHARE FOR ADAPTATION



United Nations
Economic Commission for Africa

ACPC
African Climate Policy Centre

Information Brief



20%

Africa contribution to adaptation constitutes 20% of the total adaptation expenditure required to reduce the potential economic impacts of climate change.

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Context

There is a common consensus in all scientific assessments that Africa is the most vulnerable region to the impacts of climate change globally, and is also the least capable to cope and respond to the vagaries of the challenges posed by the phenomenon. This underscores the importance of a morally binding global framework for addressing climate change, that recognizes common but differentiated responsibilities and capabilities. This is despite the fact that Africa contributes the least amount of global GHG emissions, both in absolute terms and as a percentage of its per capita income.

A 2013 UNEP study published as its first Africa's Adaptation Gap report highlighted the fact that the burden of past global emissions would lock Africa into an adaptation cost of USD 7- 15 billion per year by 2020. That is where Africa is now. On the contrary, only roughly USD 1-2 billion per year was flowing into the continent at the time from various sources for adaptation. It's Second Adaptation Gap Report of 2014 reiterated that Africa's adaptation cost could rise to USD 50 billion per year by 2050 in a world below 2C, and up to USD 100 billion per year by 2050 in a 4C warming scenario by 2100. Incidentally, Africa is the continent experiencing the most rapid rate of warming, making adaptation an urgent prerogative. The projections for warming under medium scenarios reveal that most of the continent will exceed 2C by the last two decades of this century. Amidst these situations, the Adaptation Gap report concluded that there is a need for a steep increase in funding for adaptation from developed countries to the region because the current level of international funding is incommensurate with the climate change challenges that grossly exceed regional capacity to respond using domestic resources.

Despite its miniscule share of responsibility for the anthropogenic causes of climate change, Africa has unfortunately, always been labelled as a tenuous recipient of development assistance, with unending expectations of support in addressing climate impacts on its development. While this stigma is baseless, it remains to be fully disbarred using empirical studies demonstrating regional investments for climate adaptation by the countries.

Without discounting the benevolent contribution of development partners in support of Africa's development efforts, the new partnership arrangement of shared responsibility embodied in the Paris Agreement underscores the need for transparency and full recognition of the contribution made by all member states that are signatory to the agreement, towards the achievement of the global temperature goal as well as the global goal for adaptation.

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Financing Adaptation in the NDCs

The Nationally Determined Contributions (NDC) that represent pledges made by countries as their contribution for the realisation of the global targets under the Paris Agreement, constitute the gateway to this new global partnership for addressing climate change. As signatories to the agreement, it is no longer a matter of choice for Africa countries to invest dedicated domestic resources to satisfactorily address climate change, especially for adaptation, in addition to funds from international sources. The International Institute for Environment and Development (IIED) reported in 2015 that Least Developed Countries (LDCs) would require about USD 39.9 billion per year (between 2020 – 2030) to implement the adaptation actions listed in their NDCs.

Category of adaptation funding sources for the NDCs

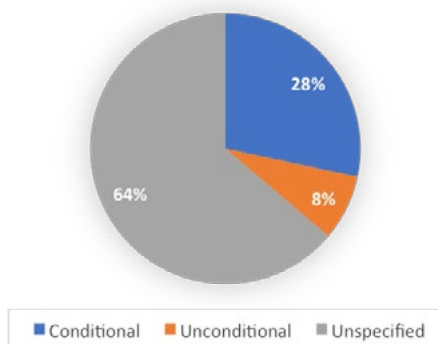


Figure 1: Different sources of funding for adaptation in the NDCs of African countries

With 34 out of the 48 LDCs in Africa, this is an important hint as to the amount of funds that will be required for the implementation of the NDCs. Using actual figures of the costing of adaptation actions provided by some African countries in their NDCs, the funding for unconditional activities constitutes 8%, conditional activities 28%, and 64% were unspecified sources (Fig 1). Ironically, the unconditional funding for adaptation expected to come from domestic sources, is more than twice the continent's share of contribution to global GHG emissions. This is reflected in the growing public and policy appreciation of the scale and nature of the challenges that climate change poses to Africa's development agenda.

Globally, there is increased international commitment to provide resources that will help the poorest countries of the world to respond to the adaptation challenge. There is also growing experience in the analysis of the climate relevance of public expenditure. This is important in achieving the right scale of adaptation response, using mutual efforts that couple domestic and international financing. African countries must pay more attention by anchoring this to their national budgetary system.

To further explore this, a study was jointly commissioned by UNDP Regional Office for Africa, and the African Climate Policy Centre at the UN Economic Commission for Africa, and implemented by two UK centres; Climate Scrutiny and Mokoro to provide estimates of Africa's public expenditure on adaptation as a proportion of the total cost for adaptation.



Least Developed Countries would require about **USD 39.9 billion per year** (between 2020 – 2030) to implement the adaptation actions listed in their NDCs.

(IIED) reported in 2015



Objectives

The objectives of the Review of African Commitment to Adaptation was to provide some initial estimates of the current spending on adaptation by African governments, and to assess the extent to which this funding meets the scale of the adaptation challenge as determined by the IPCC and other assessments.

Adaptation Expenditure

Most adaptation expenditure in Africa is primarily linked to development expenditure that provides good benefits with current climate conditions. As climate changes, these development benefits increase and is thus considered as adaptation benefit, in reducing the impact of climate change on development. Estimates of the adaptation expenditure are provided by classifying the most recent public finance data, preferably actual expenditure data rather than budget data, if it is available. Actual data for 10 countries, and data obtained from the internet for additional 24 countries were used for the analyses in this study. For most countries, expenditure is limited to the central level, except for South Africa and Kenya where local level expenditure was available. The entire analyses in this study does not include expenditure by development partners that is outside the budget.

Results

The estimates of adaptation expenditure as a proportion of GDP expenditure is presented in Figure 2. The bars present the ‘raw expenditure’ regardless of the sector and the diamonds present the expenditure, weighted by adaptation benefits (ABS), which eliminates the tendency for raw expenditure to be dominated by a few large spending items that have only small adaptation contributions (e.g. roads and primary health). Ideally, the estimate of ABS requires details on public expenditure to be available at a level of detail that is at least 1 level below a ministry (e.g. department), and, ideally, two levels below (e.g. division, programme or project).

Africa's estimated adaptation gap is about **80%**.

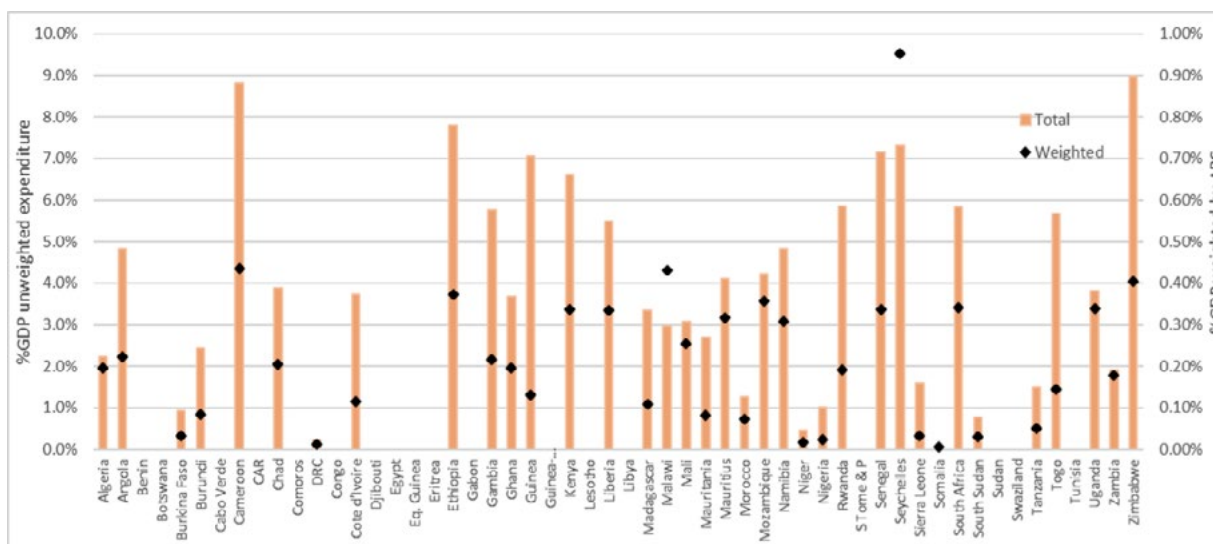


Figure 2: Adaptation Expenditure (%GDP, unweighted and weighted by ABS)

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Key Findings

Here are some key findings from the analysis:

- African countries are already making a major contribution to adaptation that constitutes 20% of the total adaptation expenditure required to reduce the potential economic impacts of climate change.
- For Africa as a whole, the estimated adaptation gap is about 80%.
- The adaptation gap is greater than 90% in nine countries. Most of these countries face major exposure and sensitivity to climate change risks as well as fiscal challenges.
- Countries that have reduced the potential impact of climate change by more than 20% (Fig 3), include those with: low climate change risks (e.g. Liberia, Namibia, Zimbabwe); high expenditure (e.g. Ethiopia, Gambia, Zambia); and lower risk and good expenditure (e.g. Rwanda, Senegal, Uganda).
- The strategic response to close the adaptation gap at an African level is provided below (Table 1). Country level strategies will vary depending on the climate change threat, current adaptation expenditure, the potential of the private sector and prospect for support from international partners.

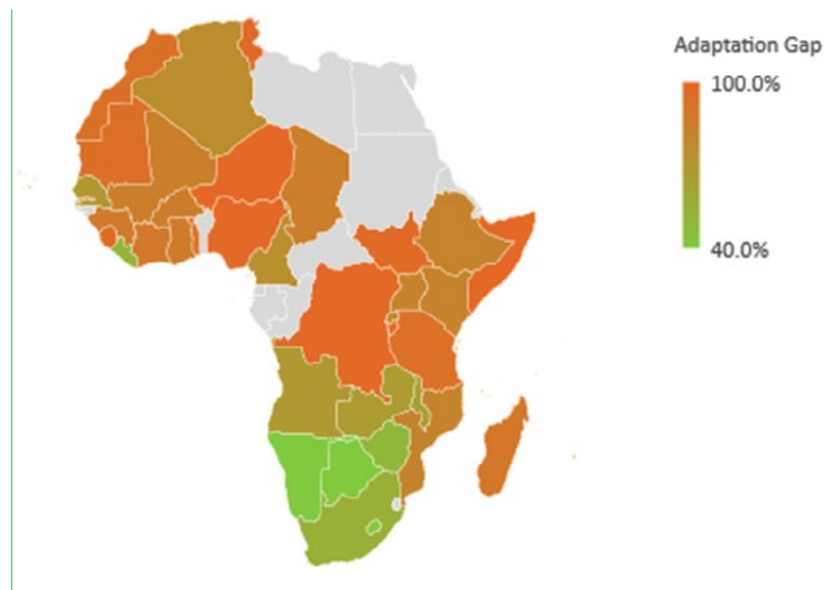


Figure 3: Adaptation Gap

Table 1: Options for Reducing the Adaptation Gap at the African Level

Strategic Response to Reducing the Adaptation Gap	% of Needs
Existing public adaptation expenditure	20%
Some impact is either impossible or inefficient to avoid (e.g. heat stress on labour productivity). This requires further analysis in Africa, but the international literature suggests that up to a third of the potential impact is unavoidable.	20% - 30%
The private sector already contributes to adaptation. For Africa as a whole, private investment is about 50% more than public investment, suggesting an important role for private adaptation, especially if government expands appropriate policies (e.g. subsidies, incentives and regulations). But this requires public and private capacity and there are limits in some sectors (e.g. in water and transport infrastructure).	5% - 10%
There will be scope in most countries to increase adaptation spending by: a) growing public expenditure as a % of GDP; b) prioritising adaptation expenditure; and c) improving spending efficiency with reforms, especially in key adaptation sectors.	5% - 10%
Improving the design of expenditure can raise adaptation benefits without extra costs (e.g. by focusing more CC in detailed activities or introducing new standards). This can be facilitated by improved use of CCA, adjusted to national practices.	5% - 10%
The international commitment to additional spending on adaptation will be important. Africa can expect to receive \$5bn to \$10bn out of the global commitment to increase adaptation spending by \$50bn per year by 2020.	5% - 10%
Remaining gap	10% - 40%



Conclusion

The finding of this study dismisses the insinuation in certain global arena that African countries are not investing in their own adaptation responses and are instead waiting on the international community as recipient of support. The study clearly demonstrates that public expenditure on adaptation by African countries constitutes 20% of their total adaptation needs presently. Although the level of investment as a proportion of GDP expenditure varies among countries, it ranges between 2-9% of GDP; and represents more than other forms of expenditure in public services such as on healthcare, and education. Furthermore, this is significantly higher than the adaptation resource flow from international sources. The disproportionate share of investment in adaptation as opposed to its smallest share of contribution to the global GHG emissions, needs to be fully recognised and boosted under global financing mechanism for climate response especially under the implementation of the nationally determined contributions (NDCs).

African countries adaptation expenditure ranges between 2-9% of their GDP



The African Climate Policy Centre (ACPC) is a hub for demand-led knowledge generation on climate change in Africa. We are an African centre addressing the need for greatly improved climate information for Africa and strengthening the use of such information for decision making, by improving analytical capacity, knowledge management and dissemination activities.

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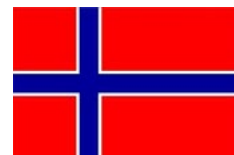
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