As financing for climate change adaptation in developing countries begins to flow, it is essential that the governance of funding at the global and country level be shaped so that the needs of the most vulnerable can be met. The core issue is country-level ownership of adaptation finance. Providers of adaptation finance must put developing countries in the driver’s seat, while the countries themselves must exercise leadership and respond to the needs of those most affected by climate change. Most importantly, civil society and vulnerable communities must be able to steer and hold accountable the way in which adaptation finance is used.
Summary

Vulnerable communities across the world are already feeling the effects of a changing climate. These communities are urgently in need of assistance aimed at building resilience and at undertaking climate change adaptation efforts as a matter of survival and in order to maintain livelihoods.

However, even as financing for climate change adaptation begins to flow to developing countries, it is not yet clear if the funding will respond to those immediate and pressing needs; and whether these funds can succeed in reaching the most vulnerable remains a critical unanswered question.

This represents a new and different challenge from past development issues; climate change adaptation finance should not be considered aid in the traditional sense. However, many lessons learned regarding development and aid effectiveness are relevant.

In order for adaptation funding to be effective and reach those who need it most, developing countries themselves need to own and be invested in the process, with a focus on developing country-led adaptation strategies.

Country ownership in the context of climate change adaptation finance entails a strong role for governments in developing countries. However, governments also have an obligation to create the necessary national governance structures and ensure accountability to civil society and to its citizens, especially the most vulnerable.

Climate change adaptation finance is still at a formative stage and can be shaped such that developing countries and, above all, vulnerable communities, can guide the ways in which it is used. This represents a significant window of opportunity.

There are currently a number of channels of adaptation finance for which this is critical, while the new global Green Climate Fund, in particular, has the potential to build a new approach for managing climate finance at the global and national levels.

This is not a simple or easy task. Oxfam has looked at the ways in which adaptation finance has begun to be implemented in a number of countries. It is clear that both international providers of finance and national governments will need to undertake significant course corrections.

• Adaptation finance is often channelled around governments, through multiple and uncoordinated channels, and without alignment with national adaptation or development plans or investment aimed at enhancing national capacity;

• At the national level, while governments are beginning to put in place structures and initial strategies to handle adaptation finance,
there is often still a lack of clearly identified leadership or adequate coordination and coherence across governments. Added to this, the lack of capacity in many developing countries hampers these efforts;

• Most importantly, the participation and accountability of civil society and vulnerable communities, particularly of women, have yet to be achieved in most countries.

Despite these initial shortcomings, there is an opportunity to create an approach to adaptation finance that is genuinely owned by developing countries.

What is needed is for providers of adaptation finance, particularly within the framework of the Green Climate Fund, to make countries the drivers for the use of funding. Country governments must then step up to lead and create national processes that are responsive to the needs of their most vulnerable communities.

*Providers of adaptation finance must put developing countries in the driver's seat*

• Adaptation finance should be channeled through a national entity chosen by the government and on the basis of a national adaptation strategy designed through a participatory, country-driven process;

• Adaptation finance should be harmonized and provided through a coherent channel; the major part of international adaptation resources should come through the new global Green Climate Fund;

• Countries must be provided with the necessary resources and capacity in order both to develop and to implement national adaptation strategies.

*Developing countries should exercise leadership*

• Effective government leadership should be established for adaptation planning and use of finance, and led by a clearly identified ministry or agency;

• An effective multi-ministerial and agency coordination process must be created to develop and oversee a national adaptation strategy that is coherent with the country’s development strategy.

*Adaptation plans and funds must be accountable to the most vulnerable*

• Adaptation strategies and the use of funding must be developed and implemented by countries with the full participation of vulnerable communities and civil society, and be transparent and accountable to them;

• Providers of finance, particularly through the Green Climate Fund, should help to ensure that country strategies are participatory and accountable, including providing the resources needed to fulfill that goal;

• Gender equality and women's leadership should be central to the development and implementation of national strategies.
© Oxfam International June 2011

This paper was written by Rebecca Pearl-Martinez. Oxfam acknowledges the assistance of David Waskow, Bert Maerten, Tim Gore, Senait Regassa, Le Kim Dung, Ziaul Hoque Mukta, Andy Baker, Sophoan Phean, Kalayaan Constantino, Prabin Man Singh, Edgardo Santoalla, and Kristina Gaerlan in its production. It is part of a series of papers written to inform public debate on development and humanitarian policy issues.

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. E-mail publish@oxfam.org.uk.

For further information on the issues raised in this paper please e-mail advocacy@oxfaminternational.org.

The information in this publication is correct at the time of going to press.


Oxfam


The following organizations are currently observer members of Oxfam, working towards full affiliation: Oxfam Japan (www.oxfam.jp) Oxfam Italy (www.oxfamitalia.org)

Please write to any of the agencies for further information, or visit www.oxfam.org. Email: advocacy@oxfaminternational.org