

Briefing Note Six¹ (January 2024) Adaptation in Canada's Climate Finance

Highlights

Canada's commitment to adaptation doubled for 2021/22 to 2025/26 pledge The government has committed to allocate 40% of its \$5.3 billion climate pledge to adaptation finance. This share will result in a minimum of \$2,100 million in climate adaptation commitments by 2025/26, more than doubling the dollar value (981 million) in the previous five-year pledge.

Canada's adaptation finance to date is falling short of the target By December 2023, only 35% of the \$5.3 billion pledge has been directed to 26 adaptation projects and 11 additional projects, with both adaptation and mitigation principal purpose objectives. Total allocations to date are \$1,080 million. By December 2023, 59% of the \$5.3 billion pledge has been allocated to projects.

Canadian CSOs are playing a major role in Canada's adaptation finance CSOs are implementing 46% of current adaptation commitments, with multilateral channels responsible for 53%. *Partnering for Climate* is the preeminent climate finance program with Canadian civil society (\$300 million for Sub-Saharan Africa) and Indigenous Peoples' Organizations (\$15 million). As of December 2023, fifteen projects have been announced, with a total commitment of \$295.7 million or 99% of the \$300 million fund. No projects have been announced for the Indigenous Peoples' Organizations Fund.

Adaptation finance costs are rising with a growing finance gap Estimated annual adaptation costs/needs are in the range of US\$160 to US\$340 billion by 2030, and US\$315 to US\$565 billion by 2050. These cost/needs are currently between five and ten times higher than international adaptation finance flows, and this adaptation finance gap continues to grow.

No roadmap to achieve the COP26 commitment to double adaptation finance by 2025 COP26 committed to double adaptation finance by 2025 from the 2019 base year, with a target of US\$40 billion by 2025 (within the US\$100 billion annual target), but developed countries have failed to set out a roadmap to achieve that target.

Little progress at COP28 to operationalize a Global Goal for Adaptation (GGA) Developing countries were seeking specific financing targets for key aspect of adaptation finance, but the EU/US resisted any targets in the GGA framework. While there was agreement at COP28 on six key areas for adaptation action, Madeleine Diouf Sarr, chair of the Least Developed Countries group, described the framework as "full of eloquent language, but regrettably devoid of actionable commitments."

Adaptation finance for all DAC donors declined in 2021 The OECD DAC recorded US\$28.6 billion in adaptation finance in 2020, up from US\$20.3 billion in 2019. Preliminary estimates for 2021 for DAC adaptation finance is a decline to US\$24.0 billion. This performance is far from the target of US\$40 billion. Adaptation finance must increase by 16% a year to reach this goal in 2025.

¹ This **Briefing Note** was research and written by Brian Tomlinson, AidWatch Canada, and substantially updated in January 2024. It has been prepared on behalf of the [Canadian CSO Coalition on Climate Change and Development \(C4D\)](#).

1. Canada's commitment to ramping up adaptation

In June 2022, Canada joined a number of prominent donors (Ireland, the Netherlands, Denmark, Sweden, the United Kingdom and Finland) in the Champions Group on Adaptation. This Group was formed in September 2021 to accelerate the scaling up of adaptation finance, particularly for Least Developed Countries and Small Island Developing States.² They have agreed to improve access to and quality of adaptation finance. In April 2022 the Champions agreed to promote a collective plan to double adaptation finance by 2025, as agreed at COP26 in Glasgow.

In the context of the Champions Group, in November 2022 Canada also agreed to actively participate in the Partnership Compact for Least Developed Countries 2050 Vision in support of the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR). At COP28 Canada announced \$5 million over five years in support of LIFE-AR.

The principles that underlie LIFE-AR are “equal decision making and mutual accountability, whole-of-society action through long-term planning and programmes, emboldening LDCs and their communities to lead on the development of climate solutions, a target of 70% finance flows that support action on the ground in LDCs by 2030, and challenging social barriers that exclude and limit people’s potentials with a focus on gender transformation and social justice.”³

How Canada intends to measure its commitment to the Champions Group and LIFE-AR principles in the priorities and quality of its adaptation finance flows is not clear.

2. Canada more than doubles its adaptation finance in its \$5.3 billion pledge

Canada has pledged to allocate to adaptation at least 40% of its five-year \$5.3 billion pledge between 2021/22 and 2025/26. This pledge will result in a minimum of \$2.1 billion in project commitments for adaptation over the five years, more than doubling the dollar amount (\$981.2 million) in the previous five-year pledge.

By January 2024, 59% of the \$5.3 billion pledge has been allocated to projects. Despite calls to ensure adaptation finance is balanced with mitigation commitments, by January 2024, only 35% of the pledge has been directed to 36 adaptation projects and 11 additional projects, with both adaptation and

² See <https://www.iied.org/new-champions-group-adaptation-finance-launched-amid-call-accelerate-adaptation-finance> and https://um.fi/news/-/asset_publisher/GRSnUwaHDPv5/content/statement-of-commitment-champions-group-on-adaptation-finance-commit-to-driving-political-ambition-on-adaptation-finance-ahead-of-cop27/35732.

³ Among the donors involved in the Partnership Compact are the US, Norway, Italy, the UK, Sweden, Ireland, Germany, Finland, Denmark, and Austria. For more information on the LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) see <https://www.iied.org/supporting-ldc-initiative-for-effective-adaptation-resilience-life-ar>.

mitigation principal purpose activities. Total allocations to date are \$1,080 million.⁴ To meet its 40% target over the next two years, Canada will have to ramp up its project commitments to adaptation, doubling the allocations to date.

2. Failing to achieve the COP26's commitment to double adaptation finance to US\$40 billion by 2025?

At COP26 in Glasgow in 2021, parties agreed to at least double by 2025 their collective allocation to adaptation finance over 2019 levels, and establish a Global Goal for Adaptation (GGA). Within the \$100 billion annual pledge, doubling adaptation finance implies that at least US\$40 billion will be allocated to adaptation by 2025. Achieving a doubling would move providers closer to the Paris Agreement's commitment to balance adaptation and mitigation financing.

The latest report on climate finance (2022) by the OECD DAC demonstrated some early progress towards the US\$40 billion goal: They recorded US\$28.6 billion in adaptation finance from bilateral donors in 2020, up from \$20.3 billion in 2019.⁵ A preliminary estimate for 2021, however, is a decline to US\$24 billion, far from a US\$40 billion goal for 2025.⁶ In relation to alternative sources, the DAC reported that only 14% of mobilized private finance (2016 to 2020) was directed to adaptation.⁷ Similarly, Convergence reports that only 15% of blended finance deals (involving the private sector) focus on adaptation, with most of this finance (58%) coming from the public sector.⁸

These levels of finance for adaptation once again undermine trust on the part of Least Developed Countries, Small Island Development States, and Sub-Saharan African countries that proposed the increased Goal at COP26. Finance falls woefully short of the needs of vulnerable countries. A consistent

⁴ See project details in **Briefing Note One**, Canada's \$5.3 billion Climate Pledge: Announced Project Commitments, April 2021 to January 2024 (January 2024) at <http://aidwatchcanada.ca/canadian-climate-finance/>. Projects with both adaptation and mitigation objective are divided 50/50. Adaptation for the Green Climate Fund, the Global Environment Fund and the European Relief and Development Bank are allocated based on the institutional overall experience in allocating finance to adaptation.

⁵ OECD, 2022, *Aggregate trends of Climate Finance Provided and Mobilised by Developed Countries in 2013-2020*, <https://www.oecd.org/climate-change/finance-usd-100-billion-goal>.

⁶ OECD, 2023. "Climate-Related Official Development Assistance in 2021: A Snapshot," accessed at <https://www.oecd.org/dac/climate-related-official-development-assistance.pdf>. This estimate is based on a total of \$37 billion in reported climate finance, with 42% addressing adaptation, 33% mitigation, and 24% both objectives. This estimate is the total of adaptation only and the full value of activities with both objectives. Looking more broadly at all sources, the Climate Policy Initiative suggests that approximately 7% (US\$49 billion) of total climate finance commitments of US\$653 billion were devoted to adaptation in 2020 (See Climate Policy Initiative, "Global Landscape of Climate Finance: A decade of data," October 2022, accessed at <https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-a-decade-of-data/>.)

⁷ OECD, 2022, op cit, page 33.

⁸ Convergence, *State of Blended Finance, 2023, Climate Edition*, October 2023, accessed at <https://www.convergence.finance/resource/state-of-blended-finance-2023/view>.

16% increase in official resources dedicated to adaptation each year to 2025 is required to meet the target.⁹

The final text of the COP28 Decision on the Global Stocktake¹⁰ has a disappointing lack of ambition on adaptation finance. It only “urges” developed countries “to prepare a report on the doubling of the collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025” [§100].

In the absence of any firm targets, the Stocktake Decision nevertheless “recognizes” that “adaptation finance will have to be significantly scaled up beyond the doubling ..., to support the urgent and evolving need to accelerate adaptation and build resilience in developing countries, considering the need for public and grant-based resources for adaptation and exploring the potential of other sources, and reiterates the importance of support for progress in implementing developing countries’ national adaptation plans by 2030.” [§86]

3. Little progress on a Global Goal on Adaptation at COP28

The 2023 UNFCCC Global Stocktake technical report noted a growing gap in adaptation finance and observed that “most observed adaptation efforts are fragmented, incremental, sector-specific and unequally distributed across regions.”¹¹

The global adaptation funding gap is widening. According to the UN Environment Program’s 2022 Adaptation Gap Report,

“[E]stimated annual adaptation costs/needs are in the range of US\$160 – US\$340 billion by 2030 and US\$315 – US\$565 billion by 2050. This range is in line with new findings estimating finance needs of US\$71 billion per year between now and 2030. ... Based on this assessment, estimated adaptation cost/needs are currently between five and 10 times higher than international adaptation finance flows, and the adaptation finance gap continues to grow.”¹²

To address this growing gap, COP26 in 2021 set out a two-year work program to elaborate a framework towards a Global Goal on Adaptation, which was to be concluded at COP28. However, very little progress was made in elaborating this framework.

⁹ Nella Canales and Georgia Savvadou, “Three Major Gaps in climate adaptation finance for developing countries, Carbon Brief, November 3, 2023, accessed at <https://www.carbonbrief.org/guest-post-three-major-gaps-in-climate-adaptation-finance-for-developing-countries/>.

¹⁰ See https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf.

¹¹ UNFCCC, “Technical Dialogue of the First Global Stocktake: Synthesis Report by the co-facilitators on the technical dialogue,” September 2023, accessed at https://unfccc.int/sites/default/files/resource/sb2023_09_adv.pdf?download.

¹² UNEP, Adaptation Gap Report 2022: Too Little, Too Slow – Climate adaptation failure puts world at risk – Executive Summary, accessed at <https://www.unep.org/adaptation-gap-report-2022>

This two-year work program was intended to establish a framework for operationalizing the GGA. But establishing the framework has been challenged by the lack of precision on the meaning of “strengthening resilience”, “enhancing adaptive capacity”, and “reducing vulnerability to climate change” in the Paris Agreement. Most adaptation is locally driven and multi-faceted. Unlike reducing GHG emissions, these dimensions are more difficult to measure.

Divisions over these two years between developed and developing countries were not bridged. Developing countries have called for substantive discussion of adaptation targets as part of the framework. African countries seek measurable time-bound targets in the various themes of adaptation. But despite their participation in the Champions Group on Adaptation, the EU and the United States have resisted the inclusion of any targets in the framework. Canada’s views are not known, but likely aligns with the United States and the EU.

The main achievement at COP28 was an agreement on themes relating to adaptation to achieve by 2030, which are set out in the Stocktake Decision [§63], but with no fiscal framework to do so:

- Water resources and supply;
- Climate resilient food and agriculture production;
- Ecosystems and nature-based solutions;
- Resilience of infrastructure and human settlements;
- Effects of climate change on poverty eradication and livelihoods; and
- Protecting cultural heritage.

Madeleine Diouf Sarr, chair of the Least Developed Countries, or LDC, group, described the framework as “full of eloquent language but regrettably devoid of actionable commitments.” According to DevEx, the notion that high-income countries should provide low-income countries “with long-term, scaled-up, predictable, new and additional finance” was removed.¹³

3. Adaptation finance in reforming international financial architecture for climate finance

Prime Minister Motley of Barbados has been advocating for a transformative financial architecture through the *Bridgetown Initiative*. Arguing that the current international financial architecture is entirely unfit for purpose in a world characterized by unrelenting climate change, increasing systemic risks, extreme inequality, the *Bridgetown Initiative* sets out a series of ambitious proposals aimed at dramatically scaling up international climate finance and making access easier for those developing countries most vulnerable to climate change. This *Initiative* joins a series of proposals from the G20 and the UN Secretary General to urgently scale up international climate finance, mainly through the multilateral development banks. (MDBs)¹⁴

¹³ Chloé Farand, “COP28 adaptation accord blasted as ‘devoid of actionable commitments’,” DevEx, December 13, 2023, accessed at <https://www.devex.com/news/cop-28-adaptation-accord-blasted-as-devoid-of-actionable-commitments-106575>.

¹⁴ For details see **Briefing Note Fourteen**, The Bridgetown Initiative: An international financial architecture fit for purpose for climate finance, August 2023, at <http://aidwatchcanada.ca/canadian-climate-finance/>.

While the *Bridgetown Initiative* authors propose a minimum of US\$300 billion for adaptation finance (in addition to US\$100 billion for loss and damage and US\$1.4 trillion for a green energy transition), there is no elaboration of this goal beyond the need for grant financing. The main proposals are to ramp up MDB loan finance, blended finance and risk reduction mechanisms for private sector mobilization.

Already 60% of low-income countries are in, or on the edge of, debt distress; these countries are currently spending five times more on debt servicing than on climate adaptation each year.¹⁵ According to the International Institute for Environment and Development, in 2021, 59 countries paid US\$33 billion in debt repayments to creditors and received only US\$20 billion in new climate finance from developed countries.¹⁶ Beyond debt sustainability, loans are an inappropriate modality for crucial adaptation finance that must be accessible for locally-led groups to empower highly vulnerable communities and people to address context specific adaptation needs.

Recognizing the close relationship between the debt crisis and vulnerable developing countries' capacities to adapt to a changing climate, CSOs argue for a fundamental reform of debt architecture including an independent UN Debt Authority or a multilateral legal framework for debt restructuring.¹⁷

Debt-for-nature or debt-for-climate swaps have been one modality for restructuring unsustainable debt. Debt-for-adaptation swaps have also been proposed to finance local adaptation projects. The focus would be on countries that are the most vulnerable and that have the least resources to adapt. One calculation found that such swaps could free up US\$32 billion for adaptation activities.¹⁸

While debt swaps may reduce debt and promote nature conservation and adaptation, civil society have also been critical. Debt-for-nature swaps, such as a 2021 swap for Belize, was criticized for its high transaction costs and its marginal impact on Belize's unsustainable debt. The increasing number of private actors in sovereign debt make negotiations highly complex. Given the context specific nature of effective

¹⁵ Richard Kozui-Wright, "A Climate Finance Goal that Works for Developing Countries," UNCTAD, June 14, 2023, accessed at <https://unctad.org/news/climate-finance-goal-works-developing-countries>.

¹⁶ Quoted in Carbon Brief, "Does a new 'global pact, accelerate climate finance for developing countries?," July 4, 2023, accessed at <https://www.carbonbrief.org/qa-does-a-new-global-pact-accelerate-climate-finance-for-developing-countries/>.

¹⁷ Eurodad, et. al, "Economic justice civil society's joint submission to the UNFCCC consultation for the Seventh Technical Expert Dialogue on the New Collective Quantified Goal on climate finance," August 2023, accessible at https://assets.nationbuilder.com/eurodad/pages/3179/attachments/original/1692105068/TED7_NCQG_-_unfccc-joint-submission.pdf?1692105068.

¹⁸ Hebble, C., and J. Urpelainen, "Debt for Adaptation Swaps: A financial tool to help climate vulnerable countries," Brookings Institute, March 31, 2023, accessible at <https://www.brookings.edu/articles/debt-for-adaptation-swaps-a-financial-tool-to-help-climate-vulnerable-nations/>.

adaptation, identifying appropriate projects, with consultation in affected communities, may be challenging.¹⁹

4. Main trends in adaptation finance in Canada's \$5.3 billion climate pledge

As noted above, Canada has committed \$1,080 million in support of adaptation since 2021/22. Considering all adaptation projects to date, CSOs are implementing 46% of these commitments, with multilateral channels responsible for 53% of flows. A major part of these adaptation commitments is the Partnering for Climate program with Canadian civil society (\$300 million) and Indigenous Peoples' Organizations (\$15 million). By contrast, CSOs implemented only 10% of adaptation project commitments for the \$2.65 billion climate pledge between 2015/16 and 2020/21. (See **Annex A** for a summary of Canada's adaptation finance in the 2016 to 2020, \$2.65 billion climate pledge.)

At the multilateral level, Canada has made an important \$37.5 million commitment to the Least Developed Countries Fund for adaptation, although it did not increase this contribution over its earlier commitment. At COP28, Canada contributed \$5 million over three years towards the Least Developed Countries Initiative for Adaptation and Resilience (LIFE-AR). According to Minister Guilbeault, "Least developed countries are both on the frontline of the climate crisis and the strongest advocates for addressing climate change, pollution and biodiversity loss, and the need for more cooperation." LIFE-AR is working with LDCs to get direct access to climate finance and is building capacity "in support of the ambition that at least 70% of finance flows go towards local action on the ground, rather than being externally driven."²⁰

In November 2021, Canada also allocated Cdn\$10 million to the Adaptation Fund, which is the pre-eminent Fund for adaptation finance for developing countries under the UNFCCC. This is Canada's first contribution to this Fund, but unfortunately ranks far behind the 9 other bilateral donors listed by the Fund (e.g. Germany – US\$514 million, Sweden – US\$172 million, Norway – US\$52 million, Switzerland - \$30 million, and the UK – US\$16 million. The Province of Quebec has provided Cdn\$13 million to this Fund since 2018.

A major multilateral channel for Canada's adaptation finance is the Green Climate Fund (GCF). During the \$5.3 billion pledge period, Canada accounted for \$250 million of its first GCF replenishment in 2021/22, of which \$82.5 million is considered adaptation, based on the actual allocations of project finance by the

¹⁹ Padín-Dujon, A., "Do Debt for Nature Swaps Work? Learning from Belize," LSE Blog, February 28, 2023, accessed at <https://blogs.lse.ac.uk/internationaldevelopment/2023/02/28/do-debt-for-nature-swaps-work-learning-from-belize/>. Latindadd, "Galapagos deal: an ignominious legacy," May 25, 2023, accessed at <https://www.latindadd.org/2023/05/25/galapagos-deal-an-ignominious-legacy/>. Climate Action Network, "Climate Action Network Position on Debt Swaps," May 2023, accessed at https://climatenetwork.org/wp-content/uploads/2023/06/CAN-position-on-Debt-Swaps_May-2023.pdf

²⁰ IIED, "LIFE-AR at COP28: new commitments accelerate efforts for climate adaptation and resilience in the least developed countries," News, December 20, 2023, accessed at <https://www.iiied.org/life-ar-cop28-new-commitments-accelerate-efforts-for-climate-adaptation-resilience-least-developed>.

GCF at that time. Since October 2021, the GCF has improved its performance with respect to adaptation allocations, which have been more than 50% of new approved projects since then. In July 2023, Canada announced an increase in its contribution to the second GCF replenishment to \$450 million, of which 50% or \$225 million is considered adaptation funding.²¹

At COP28, Canada also announced a \$34.2 million contribution to the Special Climate Change Fund managed by the Global Environment Facility. This Fund is described as a unique climate adaptation finance facility, in parallel to the Least Developed Countries Fund, with the aim to support the adaptation needs of SIDS; and to strengthen technology transfer, innovation, and private sector engagement for adaptation.²²

Canada’s adaptation finance has a strong orientation towards Least Developed Countries (54%) and Lower Middle-Income countries (21%), although just a fifth of this finance cannot be allocated to a country group (**Table One**):

Table One: Country Income Group Allocation of \$5.3 billion Pledge for Adaptation (December 2023)

| | <u>Share of Adaptation Finance</u> | <u>Discounting Unknown</u> |
|-------------------------------|------------------------------------|----------------------------|
| Least Developed Countries | 54% | 67% |
| Lower Middle-Income Countries | 21% | 26% |
| Upper Middle-Income Countries | 5% | 6% |
| Unknown / Not Allocated | 20% | |

Note: Green Climate Fund commitments are allocated according to total GCF project commitments and the Partnering for Climate Initiative has been allocated to African countries proportionately to each project.

CSOs consider allocations for loss and damage to be a third and additional pillar in climate finance., and not part of adaptation financing.²³ At COP28, for the first time, Canada announced its support for Loss and Damage initiatives separate from its support for adaptation initiatives.

5. CSOs in adaptation finance: Partnering for Climate Initiative

Partnering for Climate Initiative, announced in February 2022, is Canada main channel for engaging Canadian CSOs in adaptation finance. There are two funding envelopes - \$300 million for Canadian CSO engagement in climate change adaptation projects in Sub-Saharan Africa, including a dedicated minimum of \$20 million to advance women’s rights and climate change adaptation through stand-alone projects or

²¹ See **Briefing Note Three** on the Green Climate Fund at <http://aidwatchcanada.ca/canadian-climate-finance/>

²² See <https://unfccc.int/topics/climate-finance/resources/reports-of-the-special-climate-change-fund>.

²³ See **Briefing Note Ten**, The Third Pillar: Addressing climate related loss and damage, at <http://aidwatchcanada.ca/canadian-climate-finance/>.

components of other projects; and \$15 million support for Indigenous Peoples and organizations in Canada in advancing climate action alongside Indigenous partners in ODA-eligible developing country.²⁴

Of 77 CSO proposals received (August 2022), 21 were invited to submit a full proposal, with a total value of \$420 million (against the \$300 million available to be allocated). As of December 2023, fifteen projects have been announced, with a total commitment of \$295.7 million or 99% of the \$300 million fund.

Among these projects, Feminist Climate Action in West Africa will support community-based responses to climate adaptation by strengthening the participation of women and youth in local governance of biodiversity and climate action, improving agro-ecological practices and ecosystem rehabilitation, and enhancing economic empowerment. Other projects focus on strengthening women's leadership in adaptation, climate and socioeconomic resilience of coastal communities, agroforestry, conservation of mangrove ecosystems, wetland conservation, sustainably farming seaweed, and managing and conserving forests.

6. Adaptation in other sources for Canada's climate finance

Climate finance is a major priority for FinDev Canada, Canada's Development Finance Institution. But only two (2) of 22 projects financed up to August 2023 have been focused on adaptation. Thirteen (13) projects focus exclusively on mitigation action. Seven additional projects are cross-cutting adaptation/mitigation. The total commitment to adaptation in these projects is \$89.9 million or 23% of total FinDev project commitments for climate.

According to Canada's Fifth Biennial Report to the UNFCCC, all of Export Development Canada's climate finance is devoted to mitigation, with no support for adaptation. The share of adaptation in climate finance through mobilized private sector for climate finance is unknown, but is estimated by the author to be no more than 10%.

Considering all sources of Canadian climate finance, a very rough estimate of adaptation finance is 28% (\$1.5 billion) of \$5.5 billion over the period 2016 to 2020.²⁵ There is insufficient data to update this estimate beyond 2020.

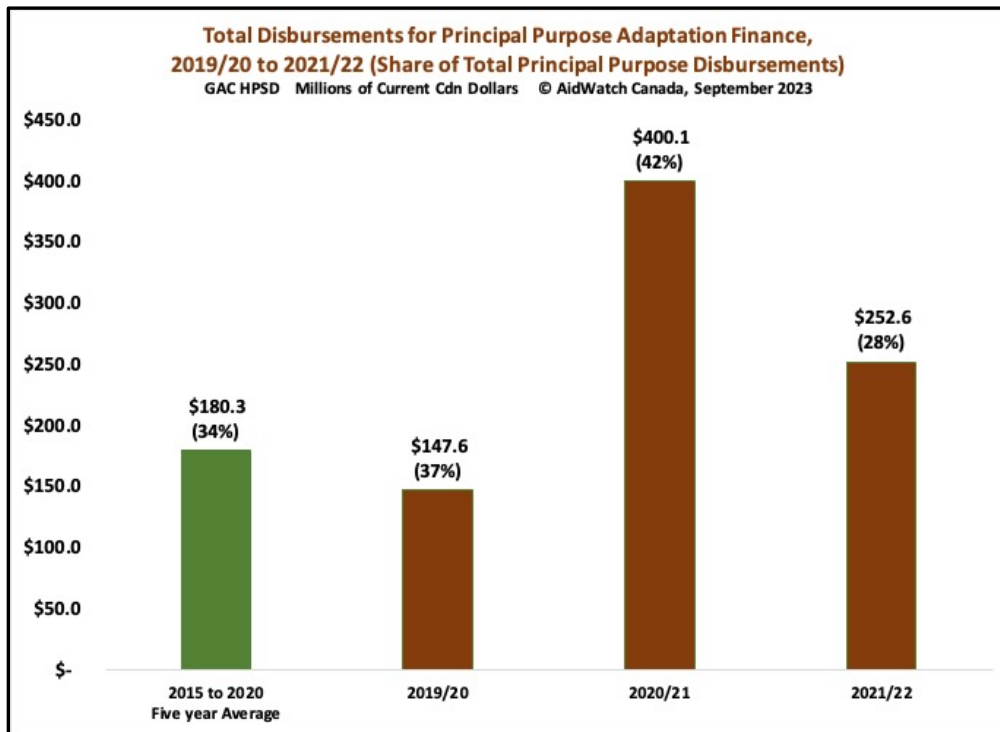
²⁴ Details on the Initiative can be found at <https://www.international.gc.ca/world-monde/funding-financement/partnering-climate-partenariats-climat.aspx?lang=eng>. Details on the Indigenous Peoples Partnering for Climate program can be found at <https://www.international.gc.ca/world-monde/funding-financement/indigenous-partnering-partenarias-autochtones.aspx?lang=eng>. See also **Annex A** of **Briefing Note One** on Analyzing Canada's \$5.3 billion climate pledge, accessed at <http://aidwatchcanada.ca/canadian-climate-finance/>.

²⁵ See **Briefing Note Five**, Estimating Canada's Total Climate Finance Contributions, All Sources, 2016/17 to 2020/21, which can be found at <http://aidwatchcanada.ca/canadian-climate-finance/>

Annex A
Adaptation in Canada's first \$2.65 billion climate pledge

Adaptation project commitments in Canada's first \$2.65 billion five-year climate pledge (2016/17 to 2020/21) were \$981.2 million or 36% of total project commitments. The five-year average for actual disbursements for adaptation was 34%. See **Chart One**. Disbursements for adaptation reached a peak at \$400 million in 2020/21 (42% of total climate disbursements that year), which was the last year for the first five-year pledge.

Chart One: Principal Purpose Adaptation Disbursements, 2019/20 to 2021/22



Multilateral channels predominate for adaptation finance:
(\$2.65 billion commitments; percentage of total)

| | | |
|---|-----------------|-------------------------------|
| IFAD - | \$312.6M | 32% |
| Six MDB Canada Funds | \$150.8M | 15% |
| Green Climate Fund | \$115.5M | 12% |
| LDC Fund | \$ 37.5M | 4% |
| All Other Multilaterals | \$222.1M | 23% |
| Total Multilateral Channels | \$838.5M | 85% |
| Bilateral Channels | \$142.7M | 15% |
| CSO Channels (included in Bilateral) | \$ 93.7M | 10% (66% of Bilateral) |
| Total Adaptation | \$981.2M | |

Loans in adaptation finance were more than half of the total adaptation project commitments (54% or \$532.5 million) in the \$2.65 billion pledge.