

Embracing Discomfort

A Call to Enable Finance for Climate-Change Adaptation in Conflict Settings

Issued by the International Committee of the Red Cross, International Council of Voluntary Agencies, MercyCorps, ODI, Red Cross Red Crescent Climate Centre, United Nations High Commissioner for Refugees, World Food Programme

October 2022

Summary

People living in places affected by conflict are among the world's most vulnerable and least ready to adapt to an increasingly unpredictable and extreme climate. Yet they remain largely excluded from accessing finance for climate adaptation. Urgent action is therefore needed to remedy this situation.

Recommendations in this document are directed primarily at policymakers in states, multilateral financial institutions and the climate funds. They are grouped under the following headings:

- Approach risk differently to enable climate change adaptation in places affected by conflict.
- Enable climate adaptation writ large *and* small: deliver at multiple scales and with diverse actors.
- Work better together: optimize complementary mandates and expertise across different sectors of the international aid architecture.
- Address structural divisions and silos that hinder informed action.

Implementing these recommendations means making changes that venture into unfamiliar territory, politically and technically. It will therefore require strong political will, a shift from the comfort zone of the status quo. What is required now, to fulfil the commitment to leave no one behind, is to embrace discomfort in framing, processing and allocating climate finance.



Acknowledgements

This document was written on behalf of the co-signing organizations. The authors are grateful to all individuals and organizations that reviewed the paper.

About the authors (in alphabetical order):

Yue Cao: Research Associate, ODI

Namita Khatri: Diplomatic Advisor- Asia Pacific and climate finance policy lead, ICRC

Amir Khouzam: Policy Advisor, ICRC

Adriana Quevedo: Senior Research Officer, ODI

About this publication

This paper builds on existing work to identify obstacles, including discussions convened by the International Committee of the Red Cross (ICRC) and the World Bank on climate action in conflict settings*. The recommendations in it are designed to guide policymakers in unlocking opportunities for contextualized and differentiated approaches to providing finance for climate-change adaptation in conflict settings. They were formulated on the basis of consultations with government officials; humanitarian, peacebuilding and development organizations; international financial institutions; operating entities under the United Nations Framework Convention on Climate Change (UNFCCC) financial mechanism (the climate funds); and independent researchers and experts in the fields of climate finance and adaptation.

* See ICRC, *Working Together to Address Obstacles to Climate Finance in Conflict and Fragile Settings: Outcome Paper and Next Steps*, International Committee of the Red Cross, Geneva, 2021.

Readers are encouraged to reproduce material for their own publications, as long as they are not being sold commercially. The co-signing organizations requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ODI and ICRC websites. The views presented in this paper do not necessarily represent the positions of ICRC, ICVA, Mercy Corps, ODI, RCCC, UNHCR and WFP. All errors and omissions are the sole responsibility of the authors.

This work is licensed under CC BY-NC-ND 4.0.

How to cite: ICRC, ODI, ICVA, Mercy Corps, RCCC, UNHCR, WFP. (2022) *Embracing Discomfort: A Call to Enable Finance for Climate-Change Adaptation in Conflict Settings*. London

Problem analysis

More than half of the 25 countries most vulnerable and least ready to adapt to climate change are affected by conflict.¹ Places affected by armed conflict², violence and instability are among the most vulnerable in the world and the least able to adapt to the adverse effects of climate change. This is because the institutions and capacities that people need to adapt to climate change are often highly compromised in places affected by conflict, and because states and other actors present in these places are more urgently concerned about questions of security, at the expense of addressing other challenges.

In 2022, the Intergovernmental Panel on Climate Change (IPCC) summary for policymakers, in its sixth assessment report on impacts, adaptation and vulnerability, warned that while violent conflict will continue to be driven more by socio-economic conditions and governance than by climate change, people in places affected by

conflict are already at heightened and more immediate risk from the adverse impacts of climate change. The report also cautions, with medium confidence, that more frequent climate shocks and extremes will, by exacerbating people's vulnerabilities, "increasingly affect violent intrastate conflict".³ It notes that these outcomes remain avoidable and that adaptation can contribute to reducing the volatility generated by climate shocks "by reducing impacts of climate change on climate-sensitive drivers of conflict".⁴ These warnings highlight the need for adaptation action to address compounding risks to vulnerable people in places likely to experience climate shocks and enduring conflict.

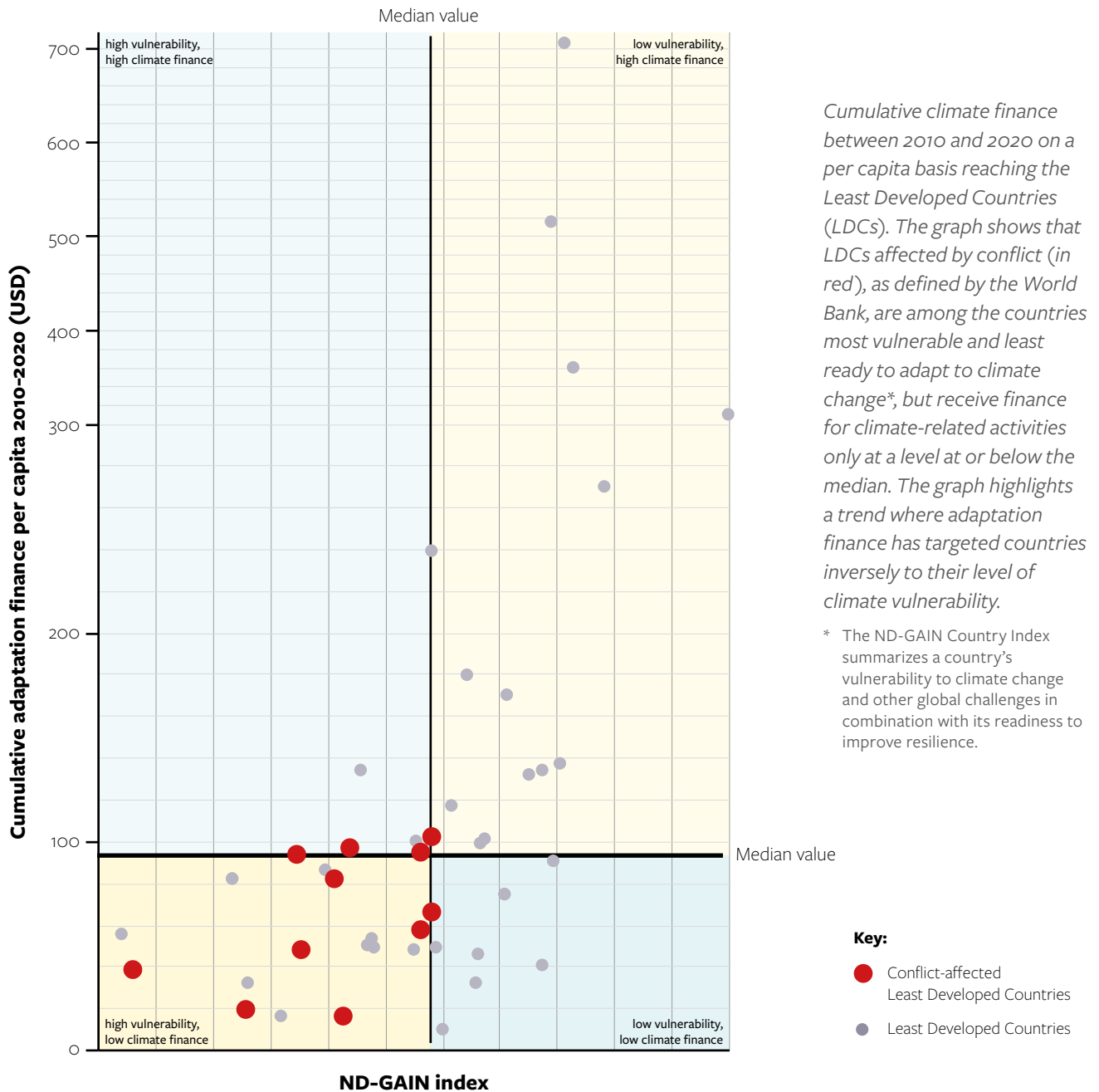
Many states affected by conflict are also among the Least Developed Countries (LDCs),⁵ a group prioritized in the Paris Agreement for support owing to their high vulnerability to climate change.⁶ Yet despite clear indicators of vulnerability, scientifically supported calls for

-
- 1 ND-GAIN, *Country Index*, Notre Dame Global Adaptation Initiative, University of Notre Dame, Indiana: <https://gain.nd.edu/our-work/country-index/>, accessed 9 March 2022.
 - 2 The World Bank defines countries affected by conflict as either: (i) those with (a) an absolute number of conflict deaths above 250 according to the Armed Conflict Location & Event Data Project (ACLED) and 150 according to the Uppsala Conflict Data Program (UCDP), and (b) above 2 per 100,000 population according to ACLED and above 1 per 100,000 according to UCDP; or (ii) countries with a rapid deterioration of the security situation, as measured by (a) an absolute number of conflict deaths above 250 according to ACLED and 150 according to UCDP, and (b) a lower number of conflict deaths relative to the population between 1 and 2 per 100,000 population (ACLED) and between 0.5 and 1 per 100,000 (UCDP) and (c) more than a doubling of the number of casualties in the last year.
 - 3 IPCC, *Climate Change 2022: Impacts, Adaptation and Vulnerability*, Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Intergovernmental Panel on Climate Change, Geneva/Cambridge University Press, Cambridge, 2022, p. 15.
 - 4 *Ibid.*, p. 25.
 - 5 See *The Doha Programme of Action for LDCs for the decade 2014–2024*, Resolution 76/258, UN General Assembly, New York: <https://digitallibrary.un.org/record/3968043?ln=en>, which was adopted by the UN General Assembly in April 2022, and which notes in para. 89 that 24 out of 46 LDCs had active conflicts in 2019.
 - 6 Article 9(4) of the Paris Agreement, on the provision of scaled-up financial resources, identifies LDCs and small-island developing states as being particularly vulnerable to the adverse effects of climate change.

more adaptation support, and international commitments to provide it, finance for climate adaptation⁷ in these settings remains far below the level that is needed (see figure 1).

This reflects what the humanitarian sector – including the ICRC, United Nations High Commissioner for Refugees (UNHCR) and member organizations of the International

Figure 1 Climate finance flows to LDCs vs LDCs affected by conflict (in USD)



7 “Climate-change adaptation” refers to the process of adjustment in natural or human systems in response to actual or expected climate change and its effects, which seeks to moderate or avoid harm or exploit beneficial opportunities (C.B. Field et al., 2014).

Box 1 Restating the problem: obstacles identified in the literature



- **Risk aversion:** the level of risk required to be tolerated in order to operate in places affected by conflict is regularly perceived as too high for major climate actors.
- **Inflexible bureaucracy:** rigid application procedures, fiduciary requirements and a preference for large-scale projects exclude local actors, prevent diversity among actors and preclude small-scale climate adaptation efforts from receiving support.
- **Disjointed responses:** actors with different mandates, skills and expertise do not make the most of respective complementary mandates and expertise, leading to maladaptation and gaps.
- **Institutional silos:** conflict-sensitive climate programming is lacking, with climate and conflict teams in donor institutions and recipient states working in isolation.

Council of Voluntary Agencies (ICVA) – witnesses every day in places affected by armed conflict and other situations of violence: the more unstable a state, the less climate finance it receives. This pattern is repeated at the subnational level: even where a state affected by conflict does receive climate finance, this is largely confined to more stable regions.^{8,9,10}

Increasing attention has been paid to the obstacles preventing climate finance from reaching places affected by conflict (see Box

1).¹¹ Building on the literature and on structured consultations with climate-finance providers, recipients and partners, this paper identifies and recommends changes to close the gap in financing for climate adaptation.¹²

Recommendations are offered to policymakers in states, multilateral financial institutions and the climate funds. They are oriented towards a reassessment of what current commitments imply for places affected by conflict and what must be done to meet these.

-
- 8 Y. Cao, T. Alcayna, A. Quevedo and J. Jarvie, *Synthesis Report: Exploring the Conflict Blind Spots in Climate Adaptation Finance*, Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC), 2021.
- 9 C. Shakya et al., *Access to Climate Finance –Workshop Report*, International Institute for Environment and Development, London, 2021, p.1
- 10 A. Sitati et al., “Climate change adaptation in conflict-affected countries: A systematic assessment of evidence”, *Discover Sustainability*, Vol. 2, Art. 42, September 2021, p. 7.
- 11 See UNDP, *Climate Finance for Sustaining Peace: Making Climate Finance Work for Conflict-affected and Fragile Contexts*, United Nations Development Programme, New York, 2021; Y. Cao et al., 2021; and ICRC, *Working Together to Address Obstacles to Climate Finance in Conflict and Fragile Settings: Outcome Paper and Next Steps*, 2021.
- 12 For a list of institutions and country representatives consulted, see Annex I.

These recommendations reflect the extent to which cross-sectoral collaboration is needed within the largely siloed international aid architecture. Within this architecture, actors in the development and climate sectors have the mandates and expertise needed to implement climate action, but they operate primarily in peaceful and stable settings. Humanitarian and peacebuilding actors with access to and operations in conflict and fragile settings within their own specialized mandates are increasingly incorporating climate considerations into their work. However, they do not necessarily have the capacities to deliver climate action. Implementing structural reforms to cross-sectoral collaboration takes time and a willingness to enact systemic change. Yet the urgency of the situation demands action now. The recommendations offered here therefore focus on what can be done urgently, with minimal structural changes, through the interventions of individual governments, experts, and the secretariats and boards of multilateral development banks and climate funds.

This paper focuses exclusively on public finance provided in the form of grants. This is

because conflict-affected states already carry overwhelming debt burdens, and because international private finance has a lower appetite for risk than its public counterpart. Finance providers should therefore prioritize delivering climate adaptation through grant funding. While the paper provides recommendations on “climate adaptation finance” in particular, it also speaks to “finance for climate adaptation”¹³ in general. In some cases, these recommendations may be useful for private philanthropic organizations looking to make high-impact interventions in climate adaptation.

Finally, implementing these recommendations will require policymakers to step out of their comfort zone. Political will on the part of policymakers is essential to addressing persistent gaps in access to climate finance in conflict. The urgency to act on climate adaptation and to meet our collective ambition to leave no one behind calls for approaches entailing discomfort: current practices will not suffice.

13 “Climate adaptation finance” is flows of finance for adaptation action that developed countries have to mobilize towards developing countries in light of their obligations under the UNFCCC, as per Article 9 of the Paris Agreement. “Finance for climate adaptation” indicates all the finance flows (public and private, domestic and international) that support the objectives of the Paris Agreement to transition to a net-zero emission, climate-resilient world, as per Article 2.1c of the Paris Agreement.

Joint recommendations to policymakers

The following recommendations, grouped under four headings, can help states and climate actors address obstacles to providing adequate climate adaptation finance to places enduring conflict. Addressing each recommendation individually will be a step towards fixing the gap in climate action in conflict settings. Moreover, the recommendations are mutually reinforcing, and policymakers are encouraged to consider them accordingly.

Approach risk differently to enable climate-change adaptation in places affected by conflict.

Multilateral financial institutions, the climate funds and bilateral aid agencies are all bound by rules governing fiduciary and programmatic risks. Decision-making in “business as usual” financing for climate adaptation hinges on low financial and corporate risk.

First, risk assessments determine funding decisions, often outweighing identified needs as a determining factor. For instance, the independent evaluation of the Green Climate Fund’s (GCF) investments in LDC countries found that the GCF does not offer incentives to accredited entities to work in LDCs that pose high risks for project implementation.¹⁴ The risk of not acting is not being sufficiently factored

into funding decisions, despite the severe financial and humanitarian consequences of not doing so.¹⁵ Inaction in the face of dramatic climate-induced shocks is likely to generate heightened humanitarian needs, exacerbate tensions and lead to development reversals. This risk is magnified when considering the needs of communities living outside government-controlled areas that are not reached by any central government-channelled finance.

Second, institutional processes to manage risks have been developed for stable low- and middle-income countries and tend to consider risk as a delimited operational problem that can be managed through standardized checklists in risk registries, rather than one that requires a comprehensive risk-informed assessment across all organizational processes and functions. Such programming and processes scope out places affected by conflict. The evaluation of the Global Environmental Facility’s (GEF) support in fragile and conflict-affected states identified the lack of conflict sensitivity in the GEF’s programming requirements as an area for improvement.¹⁶ Similarly, the evaluation of GCF investments in LDCs notes that “the GCF’s position as a risk-taking institution is limited, as it primarily funds low-risk projects”.¹⁷

14 GCF, *Final Report on the Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund’s Investments in the Least Developed Countries*, Evaluation Report No. 12, Independent Evaluation Unit, Green Climate Fund, Songdo, 2022.

15 IFRC, *The Cost of Doing Nothing: The Humanitarian Price of Climate Change and How it can be Avoided*, International Federation of Red Cross and Red Crescent Societies, Geneva, 2019.

16 GEF, *Evaluation of GEF Support in Fragile and Conflict-Affected Situations*, Global Environment Facility, Washington, D.C., 2020: <https://www.thegef.org/council-meeting-documents/evaluation-gef-support-fragile-and-conflict-affected-situations>

17 GCF, 2022.

The lack of specific policies addressing climate needs in conflict settings has been identified as hampering the ability of the climate funds to consider such differentiated risk appetite or tailored projects for conflict settings. Useful examples that can be replicated in programming for climate adaptation come from certain national development agencies that have adopted differentiated due diligence and risk appetite for projects below a certain scale in their conflict and fragility programming.

Departments within multilateral development banks that design, assess and implement climate adaptation programmes do not have expertise regarding the risks arising from conflict. Nor do the climate funds. They are therefore more likely to consider proposed projects in conflict settings as unduly high risk and to lack the expertise to identify risk mitigation measures to manage perceived risk. Furthermore, such teams are generally not resourced to provide the expert guidance required throughout the project cycle to manage residual risk. Implementing the differentiated approaches introduced by the Asian Development Bank, in its *Fragile and Conflict-affected Situations and Small Island Developing States Approach*,¹⁸ and the World Bank, in its *Strategy for Fragility, Conflict and Violence*,¹⁹ will require consideration of these issues.

Finally, the climate funds' requirement for project proposals to be supported by rigorous,

systematized data is an obstacle for many developing countries, and particularly for conflict settings. Though conflict-affected states are eligible for funding to address capacity constraints of national hydrometeorological services (NHMS), mainly through the GCF Readiness Fund (up to USD 1 million), they are among the countries that have received the least amount of such funding.²⁰ In such settings, meteorological stations are exposed to damage by conflict and tend to be ill-maintained by stretched NHMS. Countries in conflict typically only have access to limited meteorological data (regarding rainfall and temperature) and have limited capacities to analyse and translate such data into effective decision-making.²¹ Therefore, implementing Article 7.5 of the Paris Agreement, which states that adaptation activities should be conducted on the basis of not just science but also traditional knowledge, takes on greater urgency in conflict settings. This, too, requires a different approach to risk, as traditional knowledge does not come in a systematized and standardized format, and provides less certainty to funding institutions.

Recommendations:

- **Governing bodies of the climate funds should adopt climate and conflict policies that address the specific needs of places affected by conflict. Such policies would integrate a risk management approach that fully considers the risks present in**

18 ADB, *Fragile and Conflict-affected Situations and Small Island Developing States Approach*, Asian Development Bank, Mandaluyong, 2022.

19 World Bank Group, *Strategy for Fragility, Conflict and Violence 2020–2025*, World Bank, Washington, D.C., 2020.

20 A. Quevedo, Y. Cao, T. Alcayna and J. Jarvie, *Working Paper: Exploring Conflict Blind Spots in Climate Adaptation Finance in the Sahel and Horn of Africa*, Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC), 2022.

21 F. Machingura, A. Nyamwanza, D. Hulme and E. Stuart, "Climate information services, integrated knowledge systems and the 2030 Agenda for Sustainable Development", *Sustainable Earth*, Vol. 1, Art. 1, October 2018.

places affected by conflict into strategies, action plans and mechanisms for allocating climate finance. Overly risk-averse approaches to climate finance effectively leave vulnerable communities to bear the risk themselves, resulting in heightened humanitarian needs, and a potential exacerbation of tensions and development reversals, and ultimately increasing the costs of inaction.

- **Mitigate the risk of operating in conflict settings by incorporating conflict sensitivity into climate programming.**

Climate teams should draw on expertise from other sectors, including local and international humanitarian and peacebuilding actors, to revise their risk management approaches. Incorporating different perspectives can help organizations reconsider whether issues that currently prohibit action – such as gaps in meteorological data, an unfamiliar operating environment or the presence of weapon bearers – really are insurmountable.

- **Ensure that a portion of the funding is accessible and dedicated to high-risk contexts through simplified or fit-for-purpose processes** and sets of criteria, and that flexibility to adapt to fluid situations is built in. Projects within such funding envelopes should have flexibility also in terms of the minimum amounts per project, thus allowing smaller, localized projects to be implemented in conflict settings.

- **Prioritize support to NHMS in conflict settings**, including through the absorption of higher risk, to build the capacity of NHMS. Donor states with NHMS that have **partnering capacity should be encouraged to help collect and systematize raw data**, as well as incorporating traditional knowledge, to meet the requirements of the climate funds.

Spotlight



Flexibility and specific windows: the Agence Française de Développement's MINKA fund, designed for crisis and conflict situations, allows for programming changes to be made in the event of crisis and applies different due diligence requirements based on the bracket of funding requested. The flexibility of such models could be applied through specific funding windows for climate adaptation in conflict settings.

Enable climate adaptation writ large and small: deliver at multiple scales and with diverse actors.

To meet people's needs and help them adapt to climate change, both large-scale structural investments and local, small-scale initiatives that contribute to the resilience of livelihoods and community infrastructure are needed. Initiatives spanning different timescales are also required. This is as true in places affected by armed conflict as it is elsewhere.

The current architecture for delivering climate finance prioritizes large, multi-million-dollar projects, including those that strengthen power grids, build defensive infrastructure, or rehabilitate major ecosystems and landscapes. This is because there is a focus on projects that are transformational, contribute on a large scale to national development plans and offer the possibility of financial returns on investment. Since the organizations capable of delivering large-scale projects – major development agencies, multilateral development banks and

central governments – are often absent from places affected by conflict, few such projects are implemented there.²² Structural barriers prevent local actors from accessing climate finance, owing to their limited fiduciary and bureaucratic capacity and/or their inability or reluctance to partner with the central government – the usual channel for accessing international climate finance. Humanitarian and peacebuilding actors, both international and local, may be present, but are rarely able or expected to focus on climate-change adaptation. The result is that no climate adaptation projects, large or small, are implemented.

This challenge is most evident in places controlled by non-state armed groups (NSAGs) or otherwise far removed from central authorities. In these circumstances, central governments are politically disincentivized to cooperate with local actors. National Adaptation Plans (NAPs), which require the endorsement of central authorities, often exclude areas controlled by NSAGs or fail to assess their needs accurately. Even when NAPs do address these areas, development agencies and multilateral development banks that operate in partnership with central authorities are unable to provide finance and implement projects in such settings.²³ This leaves local actors and authorities, as well as international humanitarian organizations, as the only ones with access to such places, to undertake climate adaptation programmes. Unfortunately, these are also the organizations that tend not to have specific mandates regarding or expertise in climate adaptation and so are least able to access climate finance.

In conflict settings, coordination beyond the community level, i.e. at the regional or national levels, is difficult. Adaptation programmes at the community level are necessary to complement national-level projects that do not reach conflict-affected communities. This requires resourcing finance providers with specific and additional staff and expertise to manage small-scale budgets and projects, but this is not how the climate funds and the multilateral development banks are set up.

Recommendations:

- **Enable large- and small-scale action.**

Ensure that project approval processes do not exclude small-scale, local-level adaptation efforts and that the fiduciary and organizational requirements accompanying smaller envelopes of funding for climate adaptation are appropriate. Enable decision-making at the most appropriate local level in order to do so. Bilateral climate finance can help facilitate this by allowing missions and embassies greater discretion in identifying partners and projects.

- **Provide support to local and national non-governmental organizations (NGOs) to help them navigate existing opportunities to access finance.**

Accreditation processes and project proposal requirements for the major multilateral climate funds, and reporting requirements for other sources of public funding, inhibit smaller-scale, locally led climate action. Providing specific financial and technical support to local groups to help them apply for finance would be a start in addressing this. The Principles for Locally Led Adaptation (see Spotlight, below) offer further opportunities for strengthening the capacity of local actors to access finance.

22 A. Sitati *et al.*, 2021.

23 Y. Cao *et al.*, 2021.

- **Create specialized windows for local actors to independently access multilateral climate finance.** Even if general barriers to local action are lifted, specific barriers in places affected by conflict will remain. The international community has not developed a channel for directing climate finance to these places, despite the necessity of doing so in order to meet existing commitments to support the most vulnerable. Recognizing this need by providing specialized windows or tailored mechanisms under the climate funds would be a welcome step.
- **The climate funds should consider a leaner accreditation process for NGOs and institutions that have access to conflict-affected settings and a mandate for climate action.** These organizations typically have the knowledge and presence in fragile, conflict-affected and violent contexts but do not have the necessary fiduciary and programmatic procedures, nor the resources to successfully navigate time-consuming accreditation requirements.

Spotlight



- *Supporting local action: the Global Commission on Adaptation's Principles for Locally Led Adaptation²⁴ and Zurich Flood Resilience Alliance's (ZFRA) areas of action²⁵ to put the principles into operation provide practical guidance on the imperative for and the means to support locally led action. In order to apply these principles in conflict settings, additional measures tailored to the specific needs of these settings would be needed, including addressing the risk appetite of funding agencies.*
- *Working at multiple scales: the Climate Justice Resilience Fund (CJRF) provides small-scale grants to organizations and individuals working on building the resilience of their communities to the consequences of climate change. It prioritizes initiatives by women, young people and indigenous people, all of whom could also serve as implementing partners for local adaptation projects funded by other donors. The CJRF funds adaptation and recovery projects in five inter-related areas: water access, food security, sustainable livelihoods, migration and relocation, and climate-induced loss and damage. During its first three years, the fund released 34 grants amounting to \$15 million.²⁶ By intentionally choosing to provide finance for small-scale projects and considering climate change in terms of its intersection with multiple other challenges, the CJRF offers a promising template for specialized funding mechanisms.*

24 Soanes, M. et al., *Principles for Locally Led Adaptation*, Issue Paper, International Institute for Environment and Development (IIED), London, 2021: <https://pubs.iied.org/10211iied>

25 Venkateswaran, K. and Blumenstock, A., *The Climate Crisis Demands Local Level Financing and Action*, working paper, Zurich Flood Resilience Alliance, Zurich, 2021: https://europe.mercycorps.org/sites/default/files/2021-01/ZFRA-Local-Level-Financing-Action_v2.pdf

26 C. McGinn and C. Allan, *A Mid-Term Review of the Climate Justice Resilience Fund*, Institute for Social and Environmental Transition International (ISET), Boulder, 2020.

Work better together: optimize complementary mandates and expertise across different sectors of the international aid architecture.

Improving coordination and collaboration across the development, humanitarian, peacebuilding and climate sectors continues to be a challenge. Guided by different mandates and expertise, each sector has approached issues relating to climate risks through different lenses. In the multi-risk environment of conflict, immediate needs, such as safety, food and shelter, must be addressed in tandem with longer-term issues, such as displacement, livelihood and infrastructure needs. There is a real risk that a disconnected approach by actors working in isolation will result in maladaptation, as duplicate or counter-productive piecemeal programming can miss critical needs.

Increasingly, humanitarians are being called upon to respond to climate shocks in conflict settings. This demand recognizes humanitarians' experience and technical knowledge of operating and directing funding towards places that are unstable, affected by conflict, or outside of state control. Humanitarians are limited by their mandate and expertise, however, and, alone, they are neither able nor should they be expected to meet the increasing scale and urgency of climate adaptation needs in a world where many areas are experiencing “a permanent crisis without an endpoint”.²⁷ Conversely, development and climate actors who do have the expertise to create tailored adaptation solutions do not have access to places enduring hostilities. As conflicts last longer, without resolution and with frequent reversals in intensity, simple linear approaches (“passing the baton”) across sectors are unlikely to work.

There is, therefore, an urgent need for collaborative models of climate adaptation to be reinforced and adopted at different scales (national and subnational). Re-imagining coordination and collaboration between actors in the climate, humanitarian and peacebuilding spheres offers avenues towards overcoming systemic barriers to accessing finance for climate-related activities in conflict-affected settings. These avenues include sharing knowledge, bridging operations across sectors and making the most of each sector's specific expertise, mandate, access and experience.

Recommendations:

- **Establish operational partnerships among climate, humanitarian and peacebuilding actors on the ground in places affected by conflict**, where complementary mandates and expertise can yield cumulative increases in the adaptive capacity of people, systems and communities. These partnerships can be supported by pooled funding mechanisms and so-called crisis-modifier financing arrangements that provide the flexibility needed to respond to rapid changes in the operating environment caused by conflict dynamics.
- **Enable layered, coordinated action by actors with different mandates, skillsets and access to places affected by conflict.** Bearing in mind the importance of differentiated mandates and of preserving space for neutral, impartial and independent humanitarian action, climate finance may be best channelled through non-traditional mechanisms, via consortia or partnerships between multilateral development banks and international and local NGOs that optimize the specific expertise and experience of each partner.

27 P. Knox Clarke, *Climate Change and Humanitarian Action 2021*, ADAPT Initiative/Groupe URD, Paris, 2021.

- **Develop and promote active knowledge-sharing platforms involving climate, development, humanitarian and peacebuilding actors and governments** (both central governments and national and subnational authorities). This will enhance shared knowledge around climate and conflict risks and help better identify needs. Knowledge-sharing can contribute to more harmonized operations, reduce the coordination burden on authorities and avoid duplication in adaptation efforts. This should also improve transparency and clarity in reporting of climate finance under different categories.

Spotlight



- *Enabling collaboration, mitigating risk: the UN Peacebuilding Fund's projects in fragile and conflict-affected border areas between Mali and Niger are designed to be risk-tolerant, catalytic and proactive, in order to achieve their goals of addressing livelihood opportunities, including land ownership, and to meet requirements for unlocking funding under the World Bank prevention and recovery framework.*
- *Collaboration across sectors: in Marawi, the Philippines, the ICRC – as a result of needs identified during its emergency response – worked with local authorities to assess the infrastructure and capacity of the local water-supply system. Once hostilities ended and the situation stabilized, this assessment informed the Asian Development Bank's decision to invest in the broader long-term effort to rehabilitate the entire water system in Marawi, beyond the ICRC's plans to operate and maintain the part of the original system that had remained intact during the hostilities.*

Address structural divisions and silos that hinder informed action.

Silos exist everywhere. Within national and international providers of climate finance, silos inhibit informed decision-making and cross-fertilization of ideas. When it comes to climate action and responses to conflict, existing expertise in both areas do not converge, and these silos are largely unaddressed.

At the global level, international organizations and states do not incorporate climate risks and conflict together into holistic policies, strategies, action plans and evaluations, and this deficiency is replicated in the institutions and mechanisms built by the international community. Across organizations working on similar issues, different rules and regulations result in a lack of coherence – even among the climate funds, which have been tasked with improving coherence and complementarity in their work.

Within organizations, be they multilateral or national, there is often little or no overlap between departments concerned with climate adaptation and conflict risks. In both recipient and donor states, ministerial silos, national and subnational governments, and local authorities are often disconnected. The institutional capacities of recipient states to meet the funding requirements of different financial providers are similarly disjointed, while donor states miss opportunities to incorporate climate adaptation into conflict-oriented programmes, and vice versa. National focal points for different climate finance providers are under the auspices of separate ministries, making coordination complex.

Finally, at the level of individual teams and offices, there is a gap in available expertise needed to understand the implications of compounding

and cascading conflict and climate risks. In places affected by conflict, these challenges are all exacerbated where institutions are weakened and governments are focused on maintaining or restoring security.

Recommendations:

- **Require conflict-sensitive expertise to be incorporated into climate policymaking and skills development at all levels.** This will require consideration of the compounded effects of climate risks and conflict in government policies, strategies and action plans, and in the strategies of donors, multilateral development banks and climate funds.
- **Ensure conflict and fragility teams in donor organizations have sufficient climate expertise to enable informed consideration of climate adaptation programming in conflict settings.** Operational approaches, monitoring and evaluation will need to be tailored to suit conflict settings.
- **Break silos in recipient governments.** This can be done by facilitating coordination between national ministries and subnational and local institutions handling different international relationships and funding streams, preferably by establishing direct reporting lines or accountability to heads of government. Coordinating bodies will be able to liaise more efficiently with all donors and ensure coherence and complementarity in projects funded by different organizations.
- **Share needs assessments across sectors.** Humanitarians with access to conflict settings should be more systematic about sharing, with other relevant actors, information on needs

that fall outside their mandates and should seek partnerships to increase collaboration and enable informed climate adaptation programming.

Spotlight

Specialized mechanisms and working across silos: in their conflict and fragility strategies, which acknowledge climate change as a driver of fragility and threat multiplier, the Asian Development Bank and the World Bank have both introduced “differentiation” as an alternative to a one-size-fits-all approach to programming risk and monitoring, and a key way of achieving context-specific objectives. Extending this approach to the climate adaptation projects of institutions beyond those working in fragile and conflict-affected situations will support climate adaptation needs.

National coordination: in Niger, the High Authority for the Consolidation of Peace is mandated to maintain a dialogue with different constituencies, build mutual trust and strengthen social cohesion. It is well-placed to establish links between climate adaptation needs in difficult-to-reach places in Niger and the different state entities coordinating international aid. Recipient states and donor agencies could work together to identify such entities in conflict settings and equip them with the capacities to better understand and navigate climate finance.

Conclusion

Political will to adopt and promote “business unusual” approaches to channel climate adaptation finance to conflict settings is critical and urgently required. This paper focuses on several key areas that require a new approach and provides recommendations on how to begin doing so. Each individual recommendation offers the potential for positive results for communities living through conflict and will provide further guidance through lessons learned in the attempt. Together, these interlinked and mutually reinforcing recommendations can make a real difference to the lives of vulnerable people.

These recommendations are not comprehensive; they will need to be examined by individual

organizations to see how and to what extent they can be applied. In examining practical applicability of these recommendations, there will undoubtedly be nuances to navigate, and connected issues to address. As much as this paper has focused on public finance in the form of grants, there is a concomitant need to also continue the efforts to explore ways to advance climate adaptation finance in conflict settings through other modes, including through the private sector. The hope is that these recommendations serve to start that conversation, uncomfortable as that may be.

The greatest risk lies not in the attempt itself but in the failure to make it. We can do better, together.

References

All web addresses accessed September 2022, unless stated otherwise.

- ADB**, *Fragile and Conflict-affected Situations and Small Island Developing States Approach*, Asian Development Bank, Mandaluyong, 2021: <https://www.adb.org/documents/fragile-conflict-affected-sids-approach> AFD, “Projet R2D2: Des réponses aux risques pour un développement durable”, Agence Française de Développement, Paris, n.d.: <https://www.afd.fr/fr/carte-des-projets/projet-r2d2-reponses-risques-pour-developpement-durable>
- AFD**, “Un nouveau projet de Choose Africa pour soutenir les PME au Cameroun”, Agence Française de Développement, Paris, 2019: <https://www.proparco.fr/fr/actualites/un-nouveau-projet-de-choose-africa-pour-soutenir-les-pme-au-cameroun>
- Cao, Y., Alcayna, T., Quevedo, A. and Jarvie, J.**, *Synthesis Report: Exploring the Conflict Blind Spots in Climate Adaptation Finance*, Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC), 2021: <https://www.sparc-knowledge.org/sites/default/files/documents/resources/exploring-the-conflict-blind-spots-in-climate-adaptation-finance.pdf>
- CCCPA**, *Accelerating Climate Finance for Sustaining Peace in Africa: Towards Integrated, Sustainable and Innovative Financing*, Cairo International Center for Conflict Resolution, Peacekeeping and Peacebuilding, Cairo, 2022: https://www.cccpa-eg.org/pdf_read_download.php?type=read&newFileName=Accelerating+Climate+Finance+for+Sustaining+Peace+in+Africa&file=3271_22054632.pdf
- de Geoffroy, V., Knox Clarke, P., Bhatt, M. and Grunewald, F. with Doherty, J.**, *Adapting Humanitarian Action to the Effects of Climate Change*, ALNAP Lessons Paper, Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP)/Overseas Development Institute (ODI), London, 2021: <https://www.alnap.org/help-library/alnap-lessons-paper-adapting-humanitarian-action-to-the-effects-of-climate-change>
- EIP**, “Joint statement: IPCC report findings signal need to address compound climate change and conflict risks in policy and programming”, European Institute of Peace, Brussels, 2022: <https://www.eip.org/joint-statement-ipcc-report-findings-signal-need-to-address-compound-climate-change-and-conflict-risks-in-policy-and-programming/>
- FAO**, *Country Profile – Mozambique*, FAO AQUASTAT Reports, Food and Agriculture Organization of the United Nations, Rome, 2016: <https://www.fao.org/3/i9805en/i9805EN.pdf>
- Field, C.B. et al.**, *Climate Change 2014: Impacts, Adaptation and Vulnerability. Part A: Global and Sectoral Aspects, Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, IPCC, Geneva/Cambridge University Press, Cambridge, 2014, pp. 35–94: https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-TS_FINAL.pdf
- GCF**, *Final Report on the Independent Evaluation of the Relevance and Effectiveness of the Green Climate Fund’s Investments in the Least Developed Countries*, Evaluation Report No. 12, Independent Evaluation Unit, Green Climate Fund, Songdo, 2022: <https://jeu.greenclimate.fund/document/final-report-independent-evaluation-relevance-and-effectiveness-green-climate-funds>

- GEF**, *Evaluation of GEF Support in Fragile and Conflict-Affected Situations*, Global Environment Facility, Washington, D.C., 2020: <https://www.thegef.org/council-meeting-documents/evaluation-gef-support-fragile-and-conflict-affected-situations>
- Gupta, H., Nishi, M. and Gasparatos, A.**, “Community-based responses for tackling environmental and socio-economic change and impacts in mountain social-ecological systems”, *Ambio*, Vol. 51, No. 5, November 2021, pp. 1123–1142: <https://doi.org/10.1007/s13280-021-01651-6>
- Herbet, I. and Drevon, J.**, “Engaging armed groups at the International Committee of the Red Cross: Challenges, opportunities and COVID-19”, *International Review of the Red Cross*, No. 915, January 2022: <http://international-review.icrc.org/articles/engaging-armed-groups-at-icrc-challenges-opportunities-covid-19-915>
- ICRC**, *When Rain Turns to Dust: Understanding and Responding to the Combined Impact of Armed Conflicts and the Climate and Environment Crisis on People’s Lives*, International Committee of the Red Cross, Geneva, 2020: <https://www.icrc.org/en/publication/4487-when-rain-turns-dust>
- ICRC**, *Working Together to Address Obstacles to Climate Finance in Conflict and Fragile Settings: Discussion Paper for a Virtual Expert Roundtable*, International Committee of the Red Cross, Geneva, 2021: https://www.icrc.org/sites/default/files/topic/file_plus_list/discussion_paper_on_climate_finance_o.pdf
- ICRC**, *Working Together to Address Obstacles to Climate Finance in Conflict and Fragile Settings: Outcome Paper and Next Steps*, International Committee of the Red Cross, Geneva, 2021: https://www.icrc.org/sites/default/files/topic/file_plus_list/outcome_document_climate_finance_roundtable_o.pdf
- IFRC**, *The Cost of Doing Nothing: The Humanitarian Price of Climate Change and How it can be Avoided*, International Federation of Red Cross and Red Crescent Societies, Geneva, 2019: <https://www.ifrc.org/sites/default/files/2021-07/2019-IFRC-CODN-EN.pdf>
- IPCC**, *Climate Change 2022: Impacts, Adaptation and Vulnerability*, Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, IPCC, Geneva/ Cambridge University Press, Cambridge, 2022: <https://www.ipcc.ch/report/ar6/wg2/>
- Knox Clarke, P.**, *Climate Change and Humanitarian Action 2021*, ADAPT Initiative/Groupe URD, Paris, 2021: <https://www.urd.org/en/publication/report-climate-change-and-humanitarian-action-2021/>
- Machingura, F., Nyamwanza, A., Hulme, D. and Stuart, E.**, “Climate information services, integrated knowledge systems and the 2030 Agenda for Sustainable Development”, *Sustainable Earth*, Vol. 1, Art. 1, October 2018: <https://doi.org/10.1186/s42055-018-0003-4>
- McGinn, C. and Allan, C.**, *A Mid-Term Review of the Climate Justice Resilience Fund*, Institute for Social and Environmental Transition International (ISET), Boulder, 2020: <https://www.i-s-e-t.org/publications-and-resources-1/a-mid-term-review-of-the-climate-justice-resilience-fund>
- ND-GAIN**, *Country Index*, Notre Dame Global Adaptation Initiative, University of Notre Dame, Indiana: <https://gain.nd.edu/our-work/country-index/>, accessed 9 March 2022.
- Quevado, A., Cao, Y., Alcayna, T. and Jarvie, J.**, *Working Paper: Exploring Conflict Blind Spots in Climate Adaptation Finance in the Sahel and Horn of Africa*, Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC), 2022: [Climate V4 220422.pdf](https://www.sparc-knowledge.org/Climate_V4_220422.pdf) (sparc-knowledge.org)

- Shakya, C., Smith, B., Soanes, M., Bharadwaj, R. and Holland, E.,** *Access to Climate Finance – Workshop Report*, International Institute for Environment and Development, London, 2021: <https://pubs.iied.org/10213iied>
- Sitati, A. et al.,** “Climate change adaptation in conflict-affected countries: A systematic assessment of evidence”, *Discover Sustainability*, Vol. 2, Art. 42, September 2021: <https://doi.org/10.1007/s43621-021-00052-9>
- Soanes, M. et al.,** *Principles for Locally Led Adaptation*, Issue Paper, International Institute for Environment and Development (IIED), London, 2021: <https://pubs.iied.org/10211iied>
- UNDP,** *Climate Finance for Sustaining Peace: Making Climate Finance Work for Conflict-affected and Fragile Contexts*, United Nations Development Programme (UNDP) and the Climate Security Mechanism, New York, 2021: <https://www.undp.org/publications/climate-finance-sustaining-peace-making-climate-finance-work-conflict-affected-and-fragile-contexts>
- UNEP,** *The Gathering Storm: Adapting to Climate Change in a Post-pandemic World*, Adaptation Gap Report 2021, United Nations Environment Programme, Nairobi, 2021: <http://www.unep.org/resources/adaptation-gap-report-2021>
- UNEP, UN Women, DPPA and UNDP,** *Gender, Climate and Security: Sustaining Inclusive Peace on the Frontlines of Climate Change*, United Nations, New York, 2020: <https://www.unwomen.org/en/digital-library/publications/2020/06/gender-climate-and-security>
- UNFCC,** Paris Agreement to the United Nations Framework Convention on Climate Change, 12 December 2015: https://treaties.un.org/Pages/showDetails.aspx?objid=0800000280458f37&clang=_en, accessed 9 March 2022.
- UNGA,** “Resolution adopted by the General Assembly on 1 April 2022 (76/258): Doha Programme of Action for the Least Developed Countries”, United Nations General Assembly, New York, 2022: <https://digitallibrary.un.org/record/3968043?ln=en>
- Venkateswaran, K. and Blumenstock, A.,** *The Climate Crisis Demands Local Level Financing and Action*, working paper, Zurich Flood Resilience Alliance, Zurich, 2021: https://europe.mercycorps.org/sites/default/files/2021-01/ZFRA-Local-Level-Financing-Action_v2.pdf
- World Bank Group,** *Strategy for Fragility, Conflict and Violence 2020–2025*, World Bank, Washington, D.C., 2020: <https://www.worldbank.org/en/topic/fragilityconflictviolence/publication/world-bank-group-strategy-for-fragility-conflict-and-violence-2020-2025>
- World Bank Group,** *World Bank Group Climate Change Action Plan 2021–2025: Supporting Green, Resilient, and Inclusive Development*, Strategy Document, World Bank, Washington, D.C., 2021: <https://openknowledge.worldbank.org/handle/10986/35799>
- World Bank Group,** *Classification of Fragile and Conflict-Affected Situations*, World Bank, Washington, D.C., 2022: <https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>

Annex I

Consultations

People consulted, without prejudice to any views expressed

1. Adaptation Fund – Mahamat Assouyouti, Senior Climate Change Specialist
2. Agence Française de Développement (AFD) – Catherine Simonet, Climate Change Adaptation Specialist; Guillaume Bouveyron, Disaster Risk Reduction Global Lead, Climate and Biodiversity Department
3. Asian Development Bank – Noelle O’Brien, Chief, Climate Change and Disaster Risk Management Thematic Group and Director; Elaine Thomas, Principal Operations Coordination Specialist (Conflict-Affected Situations); Fiona Bannert, Senior Partnerships Specialist; Esmyra Javier, Climate Change Specialist (Climate Finance); Josh Ling, Climate Change Specialist (Climate Finance); Nanki Kaur, Senior Climate Change Specialist (Climate Change Adaptation); Takeshi Miyata, Climate Change Specialist (Future Carbon Fund)
4. Cairo International Center for Conflict Resolution, Peacekeeping and Peacebuilding (CCCCPA) – Ambassador Ahmed Abdel-Latif, Director General
5. International Centre for Climate Change and Development (ICCCAD) – Professor Saleemul Huq, Director; Professor Mizan Khan, Deputy Director
6. International Council of Voluntary Agencies (ICVA) – Nishanie Jayamaha, Learning and Programme Coordinator; Jeremy Rempel, Head of Humanitarian Financing
7. International Institute for Environment and Development (IIED) – Simon Addison, Principal Researcher, Climate Change
8. Ireland – Sinead Walsh, Climate Envoy and Deputy Director General for Irish Aid and Africa; Maeve McLynn, Deputy Director, Climate Unit, Department of Foreign Affairs; Martin Wall, (then) Deputy Director, Climate Unit, Department of Foreign Affairs
9. Islamic Development Bank (IsDB) – Daouda Ben Oumar Ndiaye, Lead Climate Change Specialist; Elmoiz Mahmoud, Senior Fragility and Resilience Specialist
10. Germany, Federal Foreign Office – Elena Wölk, Desk Officer Humanitarian Assistance; Hendrikje Reich, Desk Officer, International Climate Change Financing; Katrin Frühinsfeld, Desk Officer, Humanitarian Assistance; Moritz Seiler, Desk Officer, Humanitarian Assistance; Markus Mayr, First Secretary, Permanent Mission of Germany to the UN in Geneva
11. Global Environment Facility (GEF) – Paula Ridolfi, Manager of Strategy and Operations, Policy, Partnerships and Operations Unit
12. Mercy Corps – Lizzy Whitehead, Global Advocacy Lead (Climate Adaptation), the Zurich Flood Resilience Alliance; Adrianna Hardaway, Programme and Advocacy Adviser, Zurich Flood Resilience Alliance
13. Niger – Karim Soumana, Technical adviser, Ministry of Foreign Affairs and Cooperation

14. Norway – Hans Olav Ibrek, Special Envoy, Climate and Security, Section for Energy, Climate and Food Security, Ministry of Foreign Affairs
15. Red Cross Red Crescent Climate Centre – Carina Bachofen, Associate Director and Policy Team Lead; Catalina Jaime, Manager, Climate and Conflict; Manon Ebel, Climate Policy Project Manager
16. START Network – Sarah Klassen, Policy and Advocacy Adviser, Crisis Anticipation and Risk Financing; Mark Weegmann, Crisis Anticipation and Risk Financing Officer
17. United Arab Emirates – Dane McQueen, Senior Adviser, Development and Humanitarian Affairs, Ministry of Foreign Affairs
18. United Kingdom Foreign, Commonwealth & Development Office – Howard Standen, Humanitarian/Climate Adviser; Aimee Strang, Policy Adviser; Sarah Dalrymple, Humanitarian Adviser; Hugh King, Climate and Resilience Adviser; Fergus McBean, Humanitarian Adviser; Francesca Cofini, Livelihoods Adviser; Juliet Field, Climate and Environment Adviser; Nicolaus Mason-Clemen, Climate and Environment Adviser; Roy Evans, Policy Officer
19. United Nations Development Programme (UNDP) – Catherine Wong, Team Leader, Climate and Security Risks
20. United Nations High Commissioner for Refugees (UNHCR) – Andrew Harper, Special Adviser to the High Commissioner on Climate Action; Michelle Yonetani, Senior Policy Officer, Office of the Special Adviser on Climate Action
21. United Nations Peacebuilding Fund (UNPBF) – Diane Sheinberg, Peacebuilding Officer
22. USAID – Ann Vaughan, Senior Adviser for Climate Change, Bureau for Resilience and Food Security
23. World Bank Group – Arame Tall, Senior Adaptation and Resilience Specialist, Climate Change Group
24. World Resources Institute (WRI) – Nisha Krishnan, Director for Climate Resilience, Africa; Tamara Coger, Senior Associate, Climate Resilience Practice; Molly Caldwell, Associate, Climate Finance