

Title:

Climate policy: Pathways to more effective adaptation and loss and damage action

Presenter:

Dr Martin Noltze, German Institute for Development Evaluation (DEval)

Contact: martin.noltze@deval.org; +49 228 3369 07 934

Abstract:

Climate change is causing increasingly high losses and damages, particularly in developing countries. This is a consequence of residual climate risks. 'Residual climate risks' are those climate risks that remain after risks have been reduced through climate change mitigation and adaptation. In order to cope with losses and damages, residual climate risks need to be managed effectively.

So far, only limited empirical evidence is available on the development effectiveness of instruments for managing residual climate risks. Against this background, the German Institute of Development Evaluation (DEval) conducted an evaluation on the relevance and effectiveness of prominent instruments for the management of residual climate risks implemented by German development cooperation. For this purpose an integrated approach of qualitative and quantitative methods of empirical data collection and analysis was applied.

The instruments considered include risk preparedness, risk financing and transformative risk management. Overall, the findings show that the relevance and effectiveness of the instruments depend strongly on their design and implementation. First, German development cooperation is one of the most important donors for international adaptation finance and a pioneer in residual climate risk management interventions. Comprehensive climate risk management, however, requires strategic further development of the portfolio plus closer cooperation with partner countries and other actors. Second, greater openness in the choice and combination of instruments, and a stronger focus of these instruments on residual climate risks, can increase their effectiveness and risk coverage. Third, climate risk insurance is a focal area of German development cooperation. However, climate risk insurance interventions are in many cases not a priority of the partners and target groups. If the priorities of the partner countries and the needs of the target groups were given greater consideration when designing the insurance solutions, their relevance could be increased. Combining them with other instruments would also increase their effectiveness.

Relevance statement:

This contribution aims to advance the debate about adaptation finance and loss and damage action by providing empirical evidence to academics and evidence-based recommendations to political decision-makers as well as implementing agencies. Pathways to more effective adaptation and loss and damage action include the increased alignment of instruments to residual climate risk management as well as to partner countries' priorities and target group needs, to expand transformative risk management interventions and to strengthen the impact orientation of the risk management portfolio. Based on the response by the different stakeholders DEval is currently supporting the implementation process of the recommendations before it will follow-up with the implementation monitoring.