



Disaster and climate displacement financing

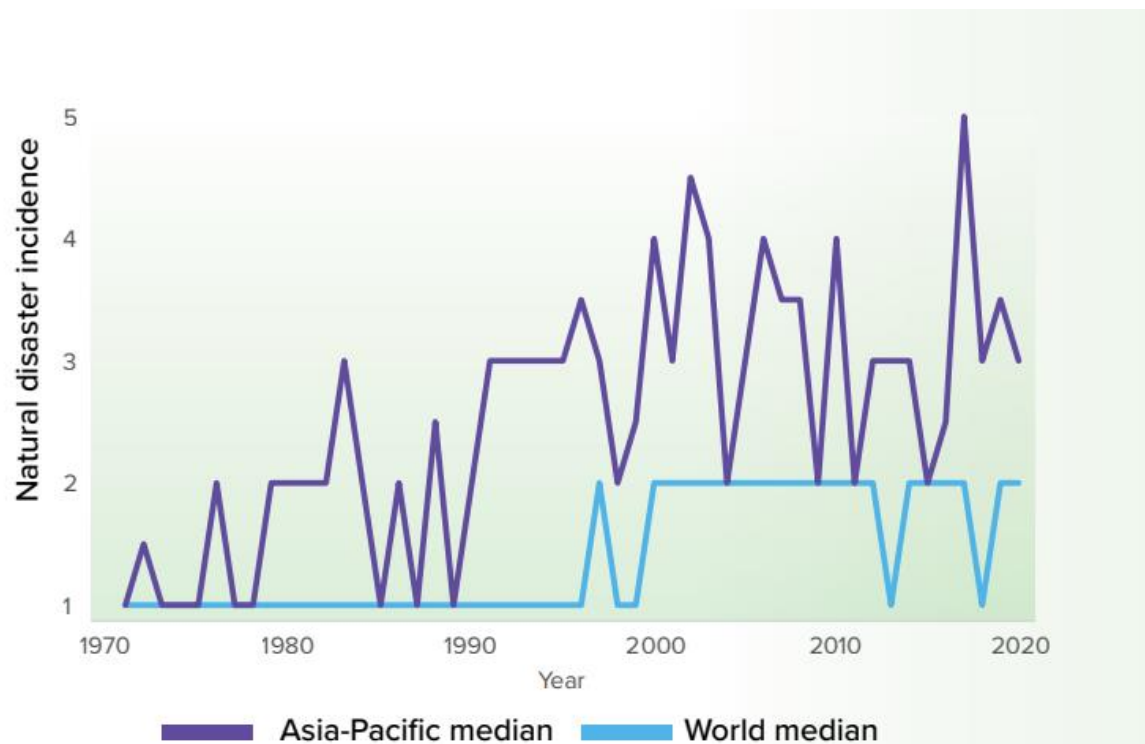
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- Climate Change and Displacement
- State of Play: climate finance flows and needs
- Sources and kinds of climate finance to reduce displacement risk
- Initiatives to bridge the climate finance gap
- What more can be done

Climate Change and Displacement

Trends in the Annual Incidence of Natural Disasters in Asia and the Pacific (1970-2020)



Source: Brueckner et. al (2023).

Asia and the Pacific suffers from **more natural disasters than other developing regions**. Over the period 1990-2020 the average Asia-Pacific country experienced about six natural disasters in a year.

US\$ 1.3 billion*

total economic damage in a year due to natural disasters (1990-2020)

* five times as much as the total damage in developing Latin America and the Caribbean, and about 80 times as much as the total damage due to natural disasters in developing sub-Saharan Africa.

Climate Change and Displacement



- In 2022, internal displacements in Asia-Pacific due to disasters rose to **32.6 million (70% globally)**, 41 percent higher than the annual average of the previous 10 years, and mostly **due to weather-related hazards such as storms and floods**.
- **Climate migration** is taking place at scale in the Asia-Pacific region, accounting for **over half of the total number of new disaster-induced displacements**, significantly **greater than conflict-related displacements** in other regions.
- The **climate crisis and natural hazards** will continue to displace the most vulnerable and poor people, disrupting their livelihoods, **endangering** health, **human development** and well-being, and reducing job opportunities, access to health care and education, social capital and mobility.

Climate Change and Displacement



- Problem: **216 million people could be internally displaced by 2050** without action to address environmental change
- Solution: **Investment in risk-informed development.** Inclusive, green development, such as cutting carbon emissions and helping people adapt to climate events, could cut the number of internal climate migrants by up to 80 %
- Of the **50 national adaptation plans** submitted to the UNFCCC, **27 were from the Asia Pacific.** But how many have NAP roadmaps or investment strategies?
- **Climate finance** refers to local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change

State of Play: climate finance flows and needs

**US\$1.7 trillion from 2020-2030 generates
US\$ 7.1 trillion benefits**
Modelled global investment EWS

US\$387 billion annually up to 2030
Adaptation finance needs globally

US\$ 215 billion annually this decade
Modelled costs of adaptation

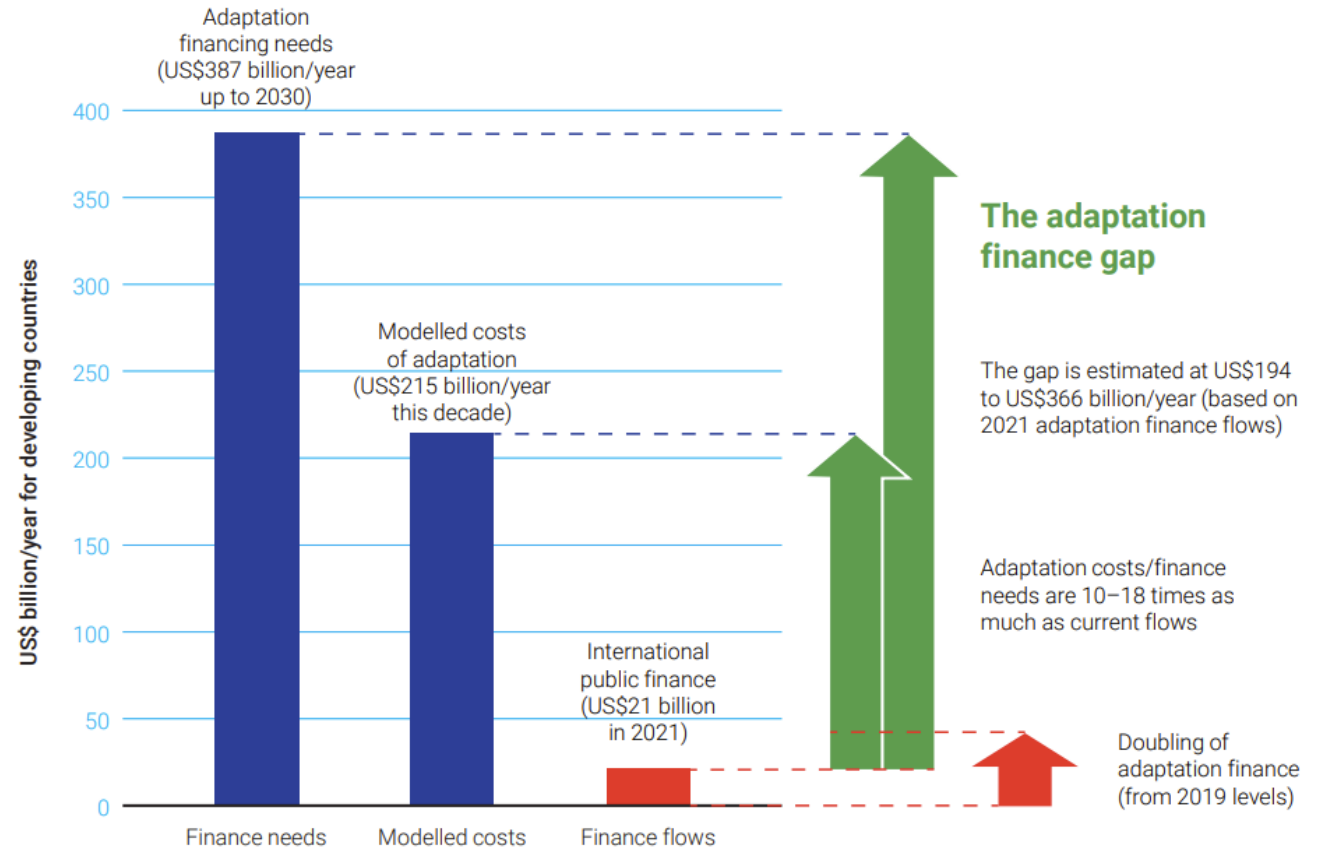
US\$ 21 billion in 2021*
International public finance

*International public climate finance flows to developing countries decreased by 15 per cent to US\$21.3 billion in 2021 after having increased to US\$25.2 billion between 2018 and 2020

US\$194 to US\$ 366 billion annually
Adaptation finance gap

The gap can make debt-ridden developing countries even more vulnerable to climate-related extreme events and slow onset climate impacts

Global Adaptation Flows 2023



Note: Values for needs and flows are for this decade, while international public finance flows are for 2021. Domestic and private finance flows are excluded.

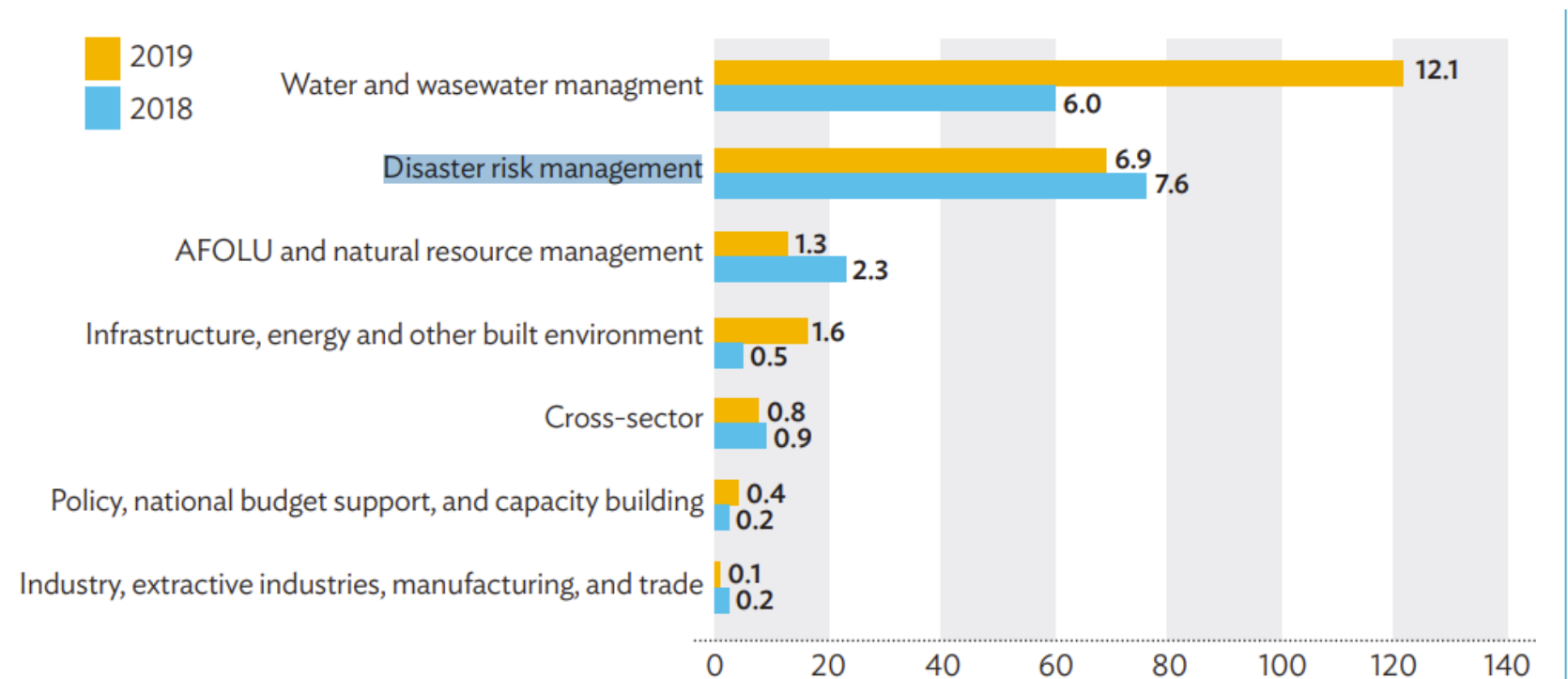
State of Play: climate finance flows and needs

US\$40.8 billion (8%)
share of adaptation finance flows in Asia Pacific between 2018-2019

\$519.9 billion
Total climate finance flows to Asia Pacific between 2018-2019

\$351.9 billion (68%)
Share of public sector (top, except for South Asia) between 2018-2019

Total Adaptation Finance in Asia and the Pacific, 2018–2019 (\$ billion)



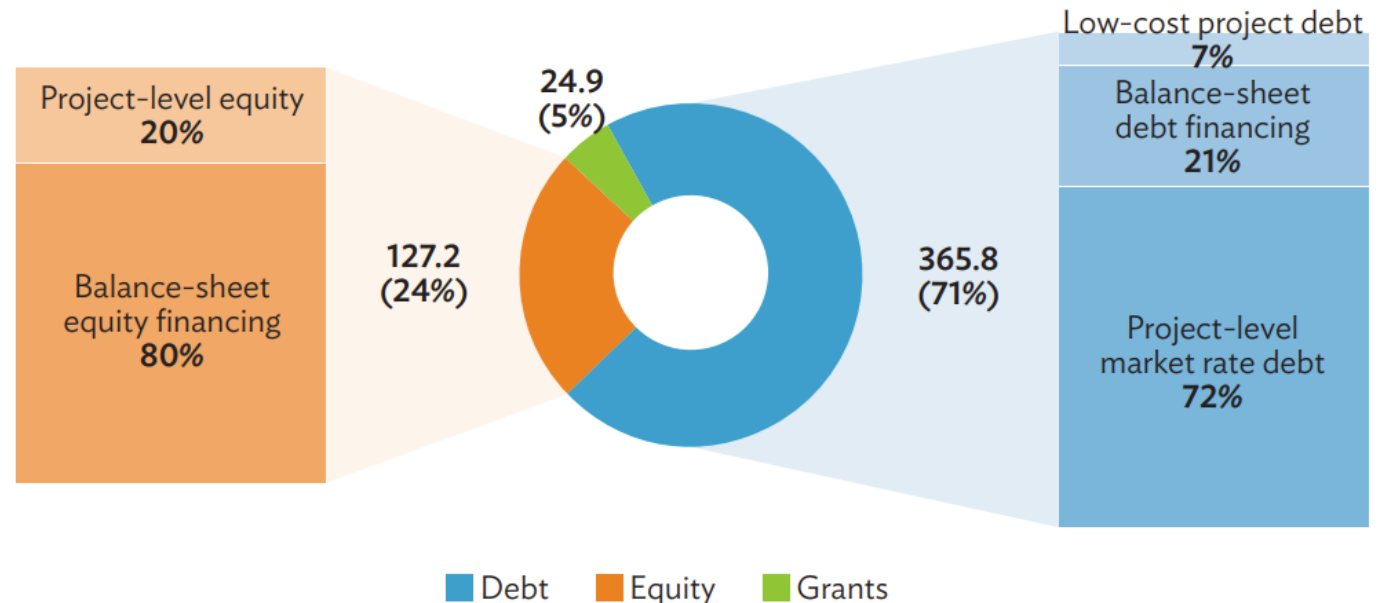
Climate finance instruments

- International public adaptation finance
- Domestic expenditure on adaptation
- Private sector investment on adaptation
- Role of development cooperation

Innovative sources of finance: such as marine shipping levies, aviation levies, taxation, debt relief, debt swaps and special drawing rights

Aside from **grants**, **insurance** and concessional **loans** for capacity building, institutional strengthening, data collection and analysis, disaster preparedness

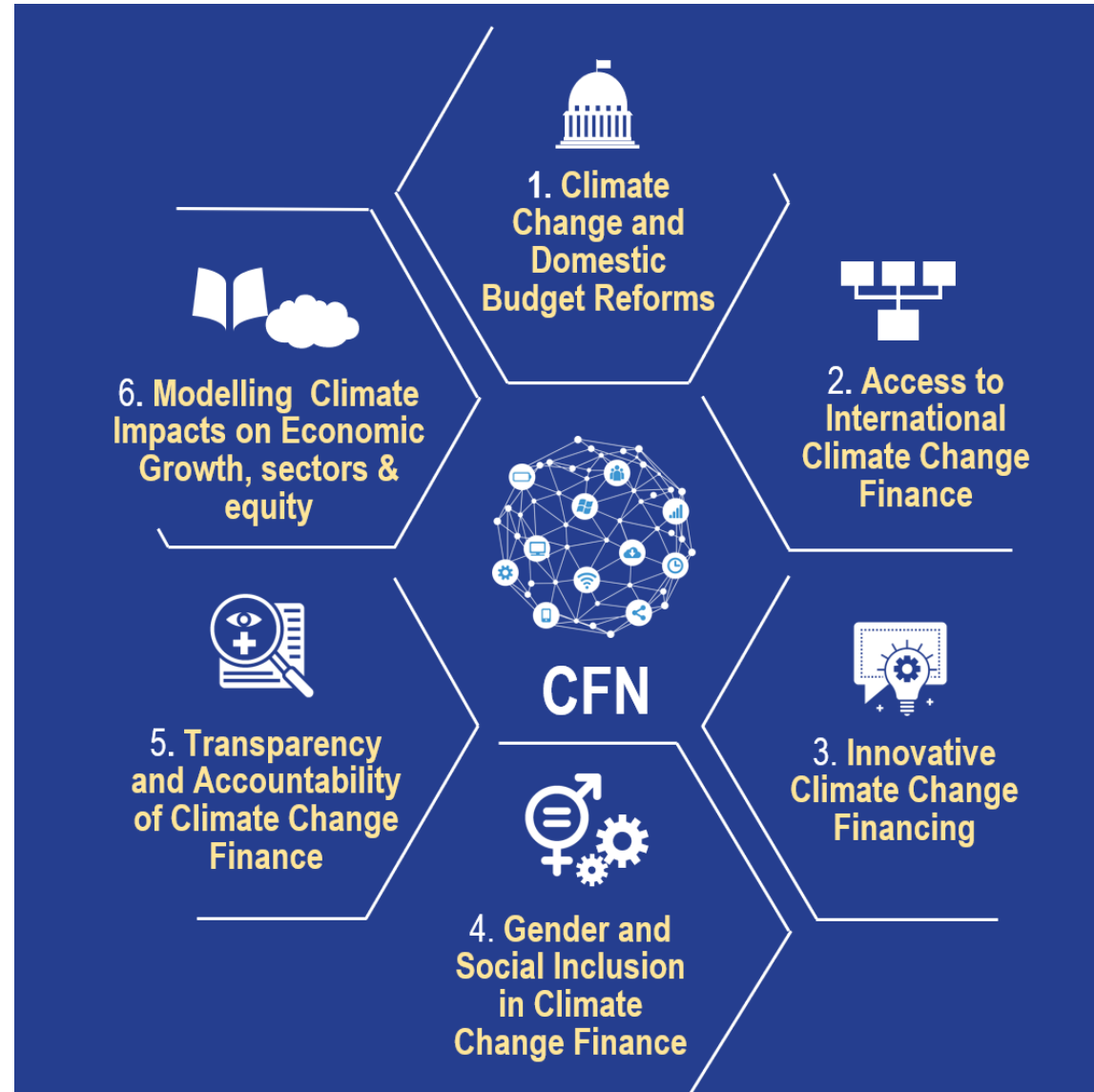
Breakdown of Financial Instruments for Climate Finance in Asia and the Pacific, 2018–2019 (\$ billion)



Initiatives to bridge the climate finance gap

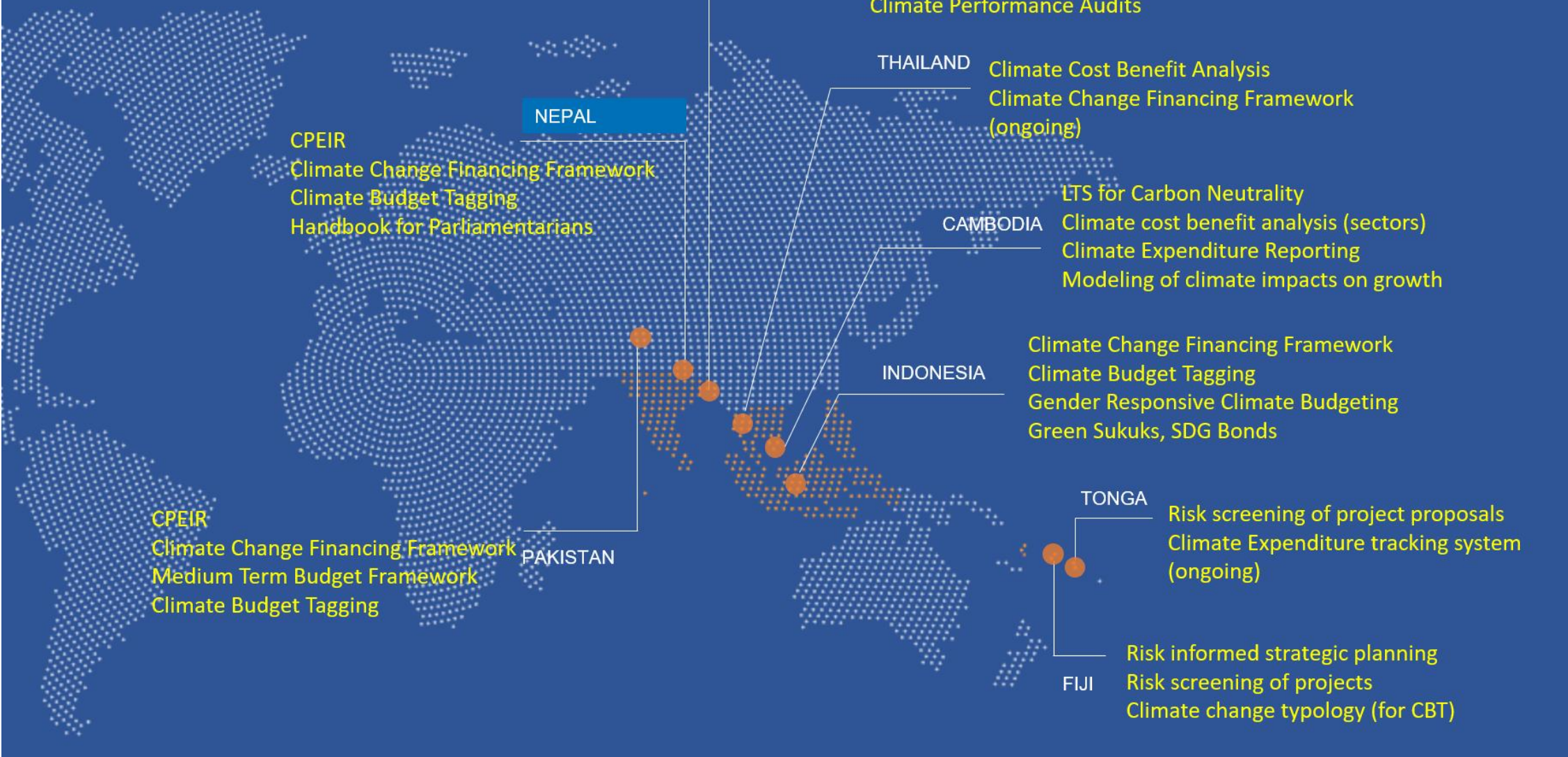


Governments can use comprehensive **financing** approaches that **optimize and leverage public funds**, **catalyze private finance**, and **direct investment to sectors** with the greatest anticipated impact to foster an economic environment that can engender a climate resilient and low-carbon development growth path





Climate Finance Reforms in Asia Pacific



Initiatives to bridge the climate finance gap

UNDP SUPPORT AND PARTNERSHIP ON THE GREEN SUKUK INITIATIVE



GUIDELINES

GENDER-RESPONSIVE AND SOCIALLY INCLUSIVE CLIMATE COST-BENEFIT ANALYSIS

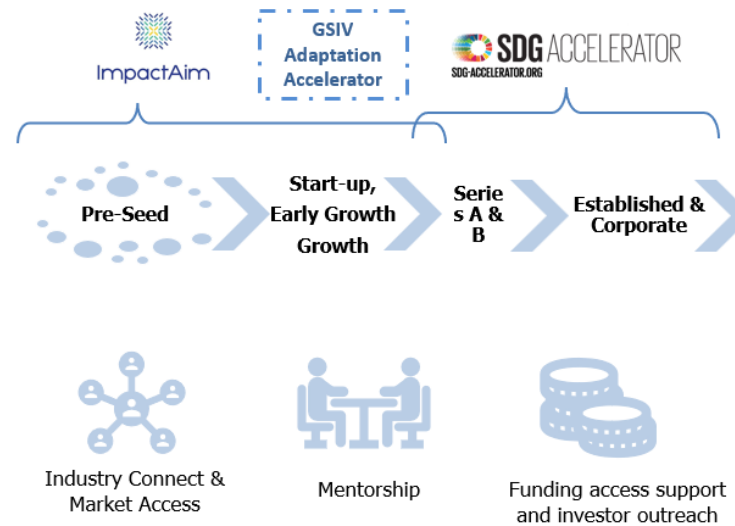


Initiatives to bridge the climate finance gap

SDG Investor Maps



Climate Venture Accelerators

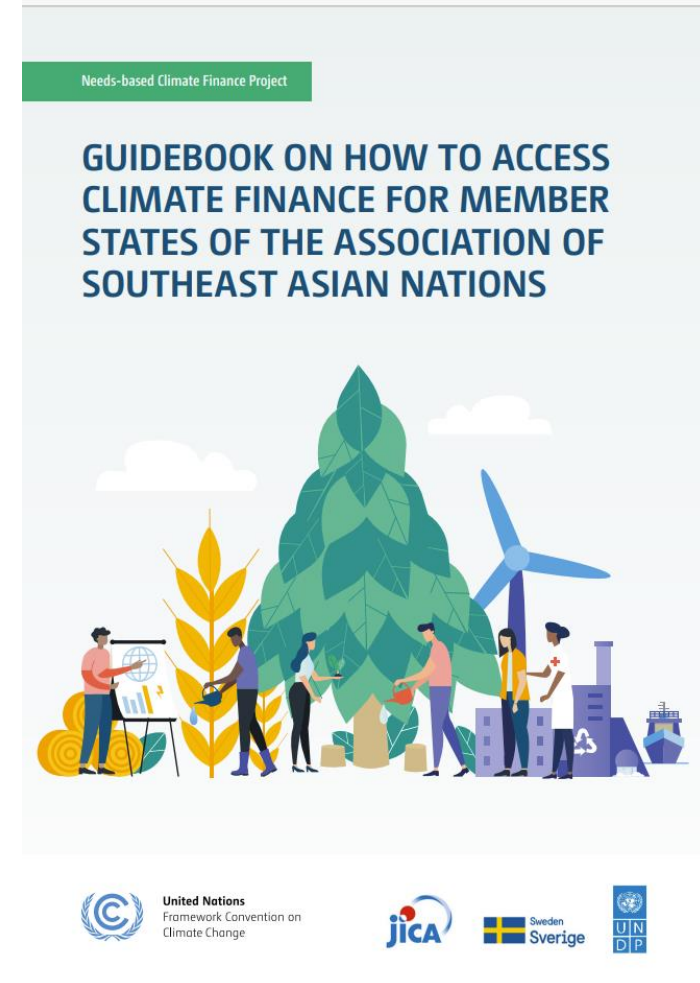


Insurance & Risk Finance Facility



Initiatives to bridge the climate finance gap

- Adaptation Finance Landscape for Asia
- Climate risk-informed Adaptation Finance Strategies
- Low Value Grants
- Training on Philanthropy as an alternative source of climate finance
- Peer-to-peer learning on access to climate finance



What more can be done



Create **new and innovative approaches** in funding and financing climate change adaptation strategies that **support displacement risk reduction**

- Linking the benefits of risk displacement risk reduction investment with overall climate resilient development. This includes **vertical and horizontal integration** that support targeted investment planning and budgeting for displacement risk reduction including synergies with SDGs
- **Managing public finances responsibly.** Prudent financial strategies that support impactful investment will ensure a brighter, equitable future without burdening upcoming generations with unsustainable debt.
- **Partnerships with the private sector** are key especially on climate risk transfer mechanisms
- Role of **digitalization and technology** on access to climate data EWS, innovative solutions etc
- **Shift from small scale projects** that address near-term or short-term risks towards **integrating displacement reducing measures in broader development and climate planning** for long-term resilience
- **Address barriers to accessing finance** including fragmentation, scale, and sequenced programming. This includes policy, regulatory, and institutional reforms
- Harness **multi-stakeholder partnerships**, including indigenous knowledge and partnerships with CSOs, the scientific community and the private sector.
- Maximize the opportunities for **regional cooperation**

References



- [Making Our Future: New Directions for Human Development in Asia and the Pacific | United Nations Development Programme \(undp.org\)](#)
- [Climate Change: We Need a New Approach to Financing Adaptation | Asian Development Blog \(adb.org\)](#)
- [Adaptation Gap Report 2023 | UNEP - UN Environment Programme](#)

