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Chapter 1

Setting the scene

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1.1 Context

The COVID-19 pandemic has dominated 2020, bringing severe human health challenges as well as economic turmoil and unprecedented restrictions to daily life. As nations of the world continue to deal with the pandemic, another global emergency – climate change – is intensifying across the globe. 2020 has been one of the warmest years on record (World Meteorological Organization [WMO] 2020). Meanwhile, the International Federation of Red Cross and Red Crescent Societies (IFRC) estimates that by September 2020, 51.6 million people globally had been directly affected by floods, droughts or storms combined with the COVID-19 pandemic (Walton and van Aalst 2020).

This year also marks the fifth anniversary of the Paris Agreement, which was a major milestone in international climate efforts convened under the United Nations Framework Convention on Climate Change (UNFCCC). The Paris Agreement established, for the first time, a global goal on adaptation of “enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change” (article 7.1). Reviewing the overall progress made towards this global goal on adaptation is one of four adaptation-related functions¹ of the UNFCCC Global Stocktake, which will take place every five years starting in 2023, with data collection and input due to begin during 2021. Exact details regarding how to undertake the adaptation part of the Global Stocktake, and how the Global Stocktake will be able to fulfil its four adaptation-related functions, are yet to be confirmed (Christiansen, Olhoff and Dale 2020).

Reflecting the need for a scientifically based and policy-relevant global perspective on adaptation, the United Nations Environment Programme (UNEP) has produced an Adaptation Gap Report (AGR) since 2014. This 2020 report is its fifth edition. From the outset, the report has sought to provide negotiators of the UNFCCC Member States, the broader UNFCCC constituency and the general public with scientifically based assessments of global adaptation gaps and to inform on the status and results of global adaptation efforts (see box 1.1). The objective of the AGR process as a whole is therefore closely aligned with that of the Global Stocktake, while remaining an independent assessment.

1.2 The 2020 Adaptation Gap Report

In the lead-up to the Global Stocktake in 2023, the AGR aims to address three important questions: What are we doing today to adapt? To what extent are we currently reducing climate risks? To what extent will our adaptation trajectory help us reduce future climate risks? An answer to these questions will need to be formed in parallel with methodological advances and the generation of new global data in order to address data restrictions and methodological issues outlined in chapter 2 of this report. Building on currently available information (including scientific literature, internationally funded project documents and countries’ reports to the UNFCCC), this fifth edition of the AGR thus focuses on adaptation outputs, while laying the foundation for future AGRs to go further on observed and future outcomes in terms of risk reduction. Chapter 2 introduces the conceptual framework of the AGR in more detail.

Leading up to 2023, AGRs will have a three-part structure:

- ▶ **Part I** (chapters 3 to 5 in this year’s report) provides a regular assessment of progress in three central elements of the adaptation process: planning, financing² and implementation. The primary objective of this part is to assess progress on adaptation outputs in quantitative and qualitative ways. In the years to come, these chapters will also increasingly provide information on observed adaptation outcomes. This part will appear in each AGR to provide, over time, an indication of trends in the global adaptation process, with this year’s report effectively constituting the baseline.
- ▶ **Part II** (chapter 6 in this year’s report) presents a deep dive into the same three elements of progress for a particular theme or sector and at both output and, where possible, outcome levels. The purpose of a deep dive section in the AGR is twofold: 1. It provides a more detailed picture of progress in the selected focus area and 2. It adds supplementary perspectives, nuance and detail to the overall progress assessment of the report. The theme or sector will be decided by UNEP from year to year in light of global developments, international priorities and the needs of the UNFCCC and related global agreements.
- ▶ **Part III** (chapter 7 in this year’s report) synthesizes findings from parts I and II into a status of global progress of adaptation and offers an outlook on future developments. It also outlines the challenges ahead and intended future work towards better global assessment of adaptation.

¹ Article 7, paragraph 14 of the UNFCCC stipulates that the global stocktake shall, inter alia: a) Recognize adaptation efforts of developing country Parties; b) Enhance the implementation of adaptation action taking into account the adaptation communication referred to in Article 7, paragraph 10; c) Review the adequacy and effectiveness of adaptation and support provided for adaptation; and d) Review the overall progress made in achieving the global goal on adaptation referred to in Article 7, paragraph 1.

² Under the UNFCCC, finance is one element of the so-called ‘means of implementation’ (finance, technology and capacity-building). In the context of this report, however, capacity-building and technology transfer are considered to be elements of ‘implementation’ more broadly. Furthermore, in the context of Article 2.1c of the Paris Agreement, this report also looks at how sustainable financial systems can contribute to adaptation and monitoring of investments in adaptation.

Box 1.1. Overview of past Adaptation Gap Reports¹

UNEP produced the first AGR for the twentieth session of the Conference of the Parties (COP 20) in Lima in 2014, in response to requests by UNFCCC Parties for an assessment on adaptation, complementary to the annual Emissions Gap Report.² In particular, the aim was that the independent assessment of the ‘adaptation gap’ would help inform UNFCCC discussions on adaptation ahead of COP 21 in Paris in 2015. From the outset of the first AGR, it was clear that assessing the adaptation gap was going to be a very different and methodologically more challenging exercise than that of assessing the emissions gap.

The first report proposed a definition of the adaptation gap as “the difference between actually implemented adaptation and a societally set goal, determined largely by preferences related to tolerated climate change impacts, and reflecting resource limitations

and competing priorities”. It provided a preliminary framework for assessing adaptation gaps and proposed three dimensions: the funding gap, the technology gap and the knowledge gap.

The second AGR followed in 2016, providing an in-depth assessment of the adaptation finance gap, looking at both estimates of the costs of adaptation and the availability of bilateral, multilateral and private sector financing.

The third AGR released in 2017 did not assess a specific gap, but focused on providing an assessment of the methodological issues involved in assessing global progress on adaptation.

In 2018, the fourth AGR introduced a focus topic alongside the assessment of adaptation progress in terms of enabling environments, adaptive capacity and finance, namely looking at the adaptation gap in the health sector.

1 All Adaptation Gap Reports can be downloaded here: <https://www.unep.org/explore-topics/climate-change/what-we-do/climate-adaptation/world-adaptation-science-programme-5>

2 The Emissions Gap Report 2020 can be downloaded here: <https://www.unenvironment.org/emissions-gap-report-2020>

The deep dive in the 2020 AGR is **nature-based solutions** for adaptation, given the growing connections and the potential for synergies between the climate and biodiversity agendas, and the urgent need for policy and action to secure and harness nature’s benefits. This is reflected in the designation of 2020 as the Super Year for Nature (with much activity postponed to 2021 due to the pandemic), the fifth UN Environment Assembly’s focus on Strengthening Actions for Nature to Achieve the Sustainable Development Goals, and the UN Decade on Ecosystem Restoration. To date, much discussion of nature-based solutions has focused on climate change mitigation, but they also play a crucial role in adaptation.

This year’s report features a number of innovative elements that are directly relevant to the Global Stocktake:

► **Evaluation criteria for adaptation planning.** Given that there is currently no consensus around how to assess progress on adaptation planning, the AGR – taking into account existing tools, assessments and provisions of the Paris Agreement – applies five criteria (comprehensiveness, inclusiveness, implementability, integration and monitoring and evaluation) to review for the first time whether adaptation planning in 196 countries is adequate (sufficient) and effective (successful) in meeting adaptation objectives.

► **Mechanisms for financial sustainability.** As it is important to go beyond monitoring of climate finance under the UNFCCC, private finance and domestic public finance, this year’s AGR explains how efforts to make the financial sector sustainable could help monitor adaptation and pro-actively support the shifting of capital towards climate-resilient investments.

► **Status of implementation.** A new addition to the AGR is a chapter on implementation that reflects the importance of understanding which actions are being taken, where, by whom and in what form. This is a prerequisite to assessing the results of adaptation. This chapter combines insights from a systematic review of the scientific literature on adaptation from the Global Adaptation Mapping Initiative (GAMI) with findings of an analysis of adaptation projects financed by UNFCCC climate funds.

► **Analysis of nature-based solutions for adaptation.** An in-depth analysis of multiple data sources describing nature-based solutions planning, finance and implementation efforts across the globe makes the AGR 2020 the most representative assessment of its kind.