

ADAPTATION GAP REPORT 2021, KEY MESSAGES

TOP-LEVEL NARRATIVE:

2021 was the year in which climate change clearly manifested itself as a serious threat to humanity – not just in the long term, but in the here and now. Climate impacts hit the world with a new ferocity. The Intergovernmental Panel on Climate Change, meanwhile, warned that there is a stronger chance of a global temperature rise exceeding 1.5°C within the next two decades.

So, even as the world looks to step up efforts to cut greenhouse gas emissions – efforts that are still nowhere near strong enough, the sixth edition of the *UNEP Adaptation Gap Report: The Gathering Storm* finds that the growth in climate impacts is far outpacing our efforts to adapt to them.

New evidence suggests that the 1.5°C aspirational target of the Paris Agreement will likely be missed while some climate impacts are already irreversible, highlighting the urgent need to adapt.

- Current Nationally Determined Contributions (NDCs) under the Paris Agreement are pointing toward global warming of 2.7°C by the end of the century. Even if we manage to stay within 1.5°C, some impacts of climate change are already irreversible and will be with us for many decades to come.
- Adaptation can effectively reduce climate risks, which accelerate with temperature rise. However, residual climate risks remain and adaptation costs increase with climate risk.
- While strong mitigation is the way towards the lowest impacts and long-term costs, raising the ambition in adaptation, in particular for finance and implementation, is critical to keep existing gaps from widening.

There is an urgent need to step up climate adaptation finance. However, the finance needed to implement adaptation plans is still far short of where it should be.

- New estimated costs of adaptation are believed to be in the higher end of the cost brackets laid out in the [Adaptation Gap Report 2016](#), when they were USD 140-300 billion per year by 2030 and USD 280-500 billion per year by 2050 for developing countries only.
- The most recent analysis indicates that climate finance flowing to developing countries for mitigation and adaptation planning and implementation reached USD 79.6 billion in 2019.
- Estimated adaptation costs in developing countries are five to ten times greater than current public adaptation finance flows, and the available evidence indicates that the adaptation finance gap is widening.

COVID-19 recovery stimulus packages present a window of opportunity for green and resilient recoveries, but these opportunities are not currently being realized.

- USD 16.7 trillion of fiscal stimulus has been deployed around the globe, but only a small portion of this funding has targeted adaptation.
- Less than one-third of 66 countries studied explicitly funded COVID-19 measures to address climate risks up to June 2021.
- At the same time, the heightened cost of servicing debt, combined with decreased government revenues, may hamper future government spending on adaptation, particularly in developing countries.

Despite the COVID-19 pandemic, climate change adaptation is increasingly being embedded in policy and planning across the world.

- While early evidence suggests that National Adaptation Plan development processes have been disrupted by the COVID-19 pandemic, particularly among least-developed countries, progress is still being made on national adaptation planning agendas.
- Around 79 per cent of countries have adopted at least one national-level adaptation planning instrument (a plan, strategy, policy or law). This is an increase of 7 per cent since 2020.
- Nine per cent of countries that do not have such an instrument in place are in the process of developing one.
- At least 65 per cent of countries have one or more sectoral plans in place, and at least 26 per cent have one or more subnational planning instruments.

Implementation of adaptation actions is continuing to grow slowly worldwide despite uncertainty about future trajectories.

- Information from the Organisation for Economic Co-operation and Development (OECD) shows that the top ten donors funded more than 2,600 projects with a principal focus on adaptation between 2010 and 2019.
- Projects are also getting bigger, with more projects attracting funding in excess of USD 10 million.
- About 20 per cent of the projects primarily address the agricultural sector and 20 per cent focus on ecosystems.
- Almost 30 per cent are multi-sectoral projects, whereas approximately two projects out of ten were directed towards either water or infrastructure.

Overall, progress in national-level adaptation planning, finance and implementation worldwide continues to grow, and may be partially accelerating, but further ambition is needed.

- There is an urgent need to scale up and further increase public adaptation finance, for both direct investment and for overcoming barriers for private sector adaptation.
- Further scaling up implementation of adaptation actions is needed to avoid falling behind on managing climate risks, particularly in developing countries.
- Of major concern is the continued low rate of monitoring and evaluation systems: only 26 per cent of countries have such a system in place. There are signs of improvement, however: another 36 per cent of countries are developing one.
- Adaptation planning and implementation also need to consider higher-end climate scenarios and impacts projected by the Sixth Assessment Report of the Intergovernmental Panel on

Climate Change, launched in August 2021, to prepare for more intense risks than those already observed.