August 2022

SPARC
Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises

POLICY BRIEF

CLIMATE ADAPTATION INVESTMENTS IN CONFLICT-AFFECTED STATES

A call to understand risks differently and increase financial support, including climate adaptation finance

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Key findings

- Climate finance does not reach the people who need it most.
- Low-income communities living in fragile and conflict-affected states (FCS) are among those most vulnerable to the impacts of climate change. Such communities currently face extreme compounding and cascading risks from multiple threats: principally from the 'three Cs' – conflict, climate and coronavirus disease 2019 (Covid-19) (Hall, 2021).
- The intersection and potential additive effects of these three shocks are little understood or appreciated due to development agencies currently working in separate disciplinary specialisations.
- At present, most international climate finance is not disbursed to the most vulnerable populations in FCS, but to safer countries and locations. This is due largely to a lack of data and understanding among financial institutions, and to the fact that FCS often lack capacity to formulate proposals and meet the requirements of due diligence and financial probity.
- Increasing access to climate finance for FCS means taking a more risk-informed approach, increasing understanding of the impacts of multiple threats, and breaking down siloes between the humanitarian, climate, disaster risk reduction, development and peace-building sectors.

The United Nations Children's Fund Mobile Health and Nutrition Team in action.
Photo credit: UNICEF/2017/Nahom Tesfaye

About this paper

This policy brief is based on findings from the Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises (SPARC) study 'Exploring the conflict blind spots of climate adaptation investments in fragile and conflict-affected situations' (Quevedo et al., 2022; Cao et al., 2021), the roundtable on 'Working together to address obstacles to climate finance in conflict and fragile settings' held in October 2021 (ICRC, 2021) and the United Nations Development Programme 2021 study 'Climate finance for sustaining peace: Making climate finance work for conflict-affected and fragile contexts' (Reda and Wong, 2021). It aims to influence policy-makers in the climate, humanitarian and peace-building communities of practice, as well as country governments that are facing fragile and conflict-affected situations, to re-think the risks and increase financial allocations to the least developed country (LDC) sub-group of fragile and conflict-affected states (FCS) that are most vulnerable to the impacts of climate change.

Throughout this policy brief it is key to note current understandings of the interplay between climate change and conflict. These include:

1. Climate change can undermine efforts to secure peace and stability, with climate hazards not only directly impacting people and their livelihoods, but also indirectly exacerbating existing conflict and fragility, and in turn creating new conflicts (IPCC, 2022a). However, this is highly context specific and poses uncertainties in attribution.

2. Conflict and fragility can increase people's vulnerability to climate change and constrain their ability to adapt. For example, livelihoods can be lost, reducing the affordability of adaptation, and people often migrate to areas that are more vulnerable to climate risks.

3. The type and status of conflict and fragility affects the degree of people's intersecting vulnerabilities to other threats, with the role of conflict as a driver of vulnerability to climate change possibly becoming more important than the role of climate change as a mediating factor in conflict in many contexts.

4. Covid-19 has amplified people's vulnerabilities in FCS, limiting people's access to adequate public services and affecting livelihoods.

Therefore there is a need for financial providers of climate-related activities in FCS to acknowledge the complexities behind localised interplay from the threats of conflict and climate change, and therefore take risk-informed approaches.

1. Introduction

When impacts from climate disasters intersect with high levels of vulnerability, the outcome is often a humanitarian crisis. The latest report from the Intergovernmental Panel on Climate Change reaffirms the inseparable links between human vulnerability to climate impacts, poverty, inequality and development histories. It determines that climate vulnerability is higher in: 'locations with poverty, governance challenges and limited access to basic services and resources, violent conflict and high levels of climate-sensitive livelihoods (e.g., smallholder farmers, pastoralists, fishing communities)' (IPCC, 2022b).

In addition, the IPCC report pinpoints a few global hotspots of high human vulnerability to climate change located in sub-Saharan Africa (Central, East and West Africa), Central and South America, small island developing states (SIDS) and the Arctic. Many of these hotspots are situated in or across countries that are affected by conflict and/or fragility.

1.1 Are FCS receiving adequate financial support?

Although they are among the most vulnerable to the impacts of climate change, FCS are not receiving adequate climate finance to improve their resilience. Between 2014 and 2021, per capita climate finance from multilateral climate funds to 56 'extremely fragile and fragile states' (OECD, 2020), was $2.1 and $10.8 respectively. In contrast, finance for 90 non-fragile developing countries was $161.7 per capita (Reda and Wong, 2021). More than half the countries in the Sahel and the Horn of Africa received less climate adaptation finance per capita than the average for LDCs, at $2–13 per person in FCS versus $18 per person in LDCs (Quevedo et al., 2022). This is despite FCS sharing similar levels of socio-economic development with LDCs, but ranking top on a scale of vulnerability to climate change and bottom on readiness to improve resilience to climate change (Mosello et al., 2021).

1.2 Do current climate finance goals adequately reflect the needs of FCS?

A climate finance gap in FCS exists despite the Paris Agreement committing developed countries to provide preferential treatment for access to climate finance for countries that are most vulnerable to the impacts of climate change. While the Agreement does not include FCS (or other related classifications of fragile and conflict affected countries) as a distinct group of climate-vulnerable countries – unlike LDCs and SIDS – there is a significant overlap between these country groupings (see Table 1). Moreover, Articles 2.1c, 9.3 and 11.1 of the Paris Agreement (see Box 1) highlight the importance of finance to support low carbon and climate resilience efforts, the mobilisation of public funds in relation to developing country needs and priorities, and assistance for those with least capacity and highest climate vulnerability to access finance to address climate change impacts. FCS fall into all these categories; with historically low emissions, mitigation is not the most pressing objective for FCS. Therefore, the current annual climate finance goal of $100 billion (50% for adaptation) should not only be increased to better reflect the needs of vulnerable countries, but should also recognise the differences between different groups of countries, including FCS.

TABLE 1: LIST OF FRAGILE AND CONFLICT-AFFECTED STATES THAT ARE CATEGORISED AS LEAST DEVELOPED COUNTRIES (CENTRE COLUMN); FCS CATEGORISATION ALSO INCLUDES COUNTRIES THAT HAVE HIGH INTENSITY CONFLICT, MEDIUM INTENSITY CONFLICT, AND HIGH INSTITUTIONAL AND SOCIAL FRAGILITY (FCS WORLD BANK CLASSIFICATION IS ONE OF VARIOUS COUNTRY GROUPINGS FOR FRAGILE AND CONFLICT COUNTRIES).

LDC countries	LDC and FCS countries	FCS countries	Category
Angola	Afghanistan	Libya	High-intensity conflict
Bangladesh		Somalia	
Benin		Syrian Arab Republic	
Bhutan	Burkina Faso	Cameroon	Medium-intensity conflict
Cambodia	Central African Republic	Nigeria	
Comoros	Chad		
Djibouti	Democratic Republic of the Congo		
Ethiopia	Mali		
Guinea	Mozambique		
Kiribati	Myanmar		
Lao People's Democratic Republic	Niger		
Lesotho	South Sudan		
Madagascar	Yemen		
Malawi	Burundi	Congo	High institutional and social fragility (non-SIDS)
Mauritania	Eritrea	Kosovo	
Nepal	Gambia	Lao People's Democratic Republic	
Rwanda	Guinea-Bissau	Lebanon	
Sao Tome and Principe	Haiti	Papua New Guinea	
Senegal	Liberia	Venezuela	
Sierra Leone	Sudan	West Bank and Gaza	
Somalia		Zimbabwe	
Togo	Solomon Islands	Comoros	High institutional and social fragility (SIDS)
Uganda	Timor-Leste	Kiribati	
United Republic of Tanzania	Tuvalu	Marshall Islands	
Zambia		Micronesia	

Source: World Bank (2021), collated by authors

BOX 1: THE PARIS AGREEMENT: KEY ARTICLES RELATED TO CLIMATE FINANCE

The Paris Agreement, established in 2015, is a legally binding international treaty on climate change, with the goal to limit global warming to well below 2 degrees Celsius compared to pre-industrial levels. It provides a framework for financial, technical and capacity-building support to countries that are most vulnerable to climate change, with developed countries taking the lead in providing financial assistance to developing countries. Key Articles relating to climate finance in the Agreement are 2.1c, 9.3, 9.4 and 11.1.

Article 2.1c states that 'finance flows are to be consistent with a pathway toward low greenhouse gas emissions and climate-resilient development' (UNFCCC, 2015: 5).

Article 9.3 states that 'developed country Parties should continue to take the lead in mobilizing climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.' (UNFCCC, 2015: 15).

Article 9.4 is the key Article related to vulnerable groups. It states 'the provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries (LDCs) and small island developing States (SIDS), considering the need for public and grant-based resources for adaptation.' (UNFCCC, 2015: 15).

Article 11.1 states that 'capacity-building under this Agreement should enhance the capacity and ability of developing country Parties, in particular countries with the least capacity, such as the least developed countries and those that are particularly vulnerable to the adverse effects of climate change, such as small island developing States, to take effective climate change action, including, inter alia, to implement adaptation and mitigation actions, and should facilitate technology development, dissemination and deployment, access to climate finance, relevant aspects of education, training and public awareness, and the transparent, timely and accurate communication of information.' (UNFCCC, 2015: 17).

2. Evidence and analysis

2.1 Successes in climate adaptation finance for FCS

Rising international efforts to advance climate security agendas in FCS

At the multilateral level, discussions on climate-related security risks have increased, such as in the United Nations Security Council, where the interplay between climate change and conflict has been recognised as a driver of insecurity in countries like Mali, Somalia and Sudan (Peters et al., 2020). In addition, the United Nations has established the cross-agency Climate Security Mechanism between the United Nations Environment Programme, United Nations Development Programme and the Department of Political and Peacebuilding Affairs to address climate security risks more systematically, and the new Development Coordination Office, which has been promoting the inclusion of climate security assessments in Common Country Analyses and development programming (Mosello et al., 2021). The United Nations Peacebuilding Fund has also recognised climate security as a key issue in its new strategic plan for 2020–2024. At the national level, several countries (including Denmark, Germany, Sweden and the United Kingdom [UK]) and the European Union External Action Service have created climate change units within their ministries of foreign affairs (Mosello et al., 2021). Denmark has also created a development cooperation strategy entitled 'The World We Share', which puts climate change and security at its centre (DANIDA, 2021).

Donor countries build knowledge on climate–conflict intersections and the need to allocate appropriate support

Several countries, including Germany, Norway and the UK, have allocated funding for research in this area (Mosello and Rüttinger, 2020). The UK-funded SPARC programme aims to generate evidence and address knowledge gaps to build climate resilience among millions of pastoralists, agro-pastoralists and farmers in the Middle East and sub-Saharan Africa. One of its principal aims is to improve decision-making among stakeholders. The programme convenes and brokers knowledge, looking specifically at climate and conflict, with a focus on protracted and recurrent crises. Application of the analyses conducted under the programme are ongoing. For instance, climate- and conflict-sensitive risk assessments have been carried out in the Lake Chad Basin and in Mali, Somalia and western Sudan (Darfur) to understand if there is a causal relationship between the two threats. The results will inform United Nations Security Council discussions and help in deliberating its resolutions (Peters et al., 2020).

Growth in climate- and conflict-sensitive programming

These initiatives have coincided with the growth of climate- and conflict-sensitive programming. In 2017, the European Union funded the 'Climate Change and Security: Strengthening Resilience to Climate-Fragility Risks' project among communities in Nepal and Sudan. It was the first of its kind to explicitly address the complex interactions among climate and fragility risks. By the end of 2020, the United Nations Peacebuilding Fund had invested $63.4 million in 29 projects across 20 countries addressing the interplay between climate change and conflict (Mosello et al., 2021).

However, efforts to better understand and integrate the interplay between climate change and conflict in strategies, policies and programming are still in their relative infancy (Cao et al., 2021; Peters et al., 2020), especially in view of the growing demand from FCS for such an integrated approach (Mosello et al., 2021).

To address this, states and institutions from the climate, humanitarian and development fields have formed a coalition and started a policy process to promote a more integrated approach, create practical solutions, provide policy recommendations and unlock climate finance for particularly vulnerable populations living in FCS ahead of the next United Nations Framework Convention on Climate Change (UNFCCC) conference (COP 27). The coalition convened an expert roundtable on 'Working together to address obstacles to climate finance in conflict and fragile settings' in October 2021,[1] and further raised awareness of the issue through events organised by coalition partners at COP 26 in Glasgow in 2021.[2]

There is general acceptance among experts across the humanitarian and peace-building communities that they alone will be unable to address the increasing incidence of disasters and crises related to climate change. This is due largely to limitations in expertise and an inability to address issues outside the remit of their individual work areas. It is important to understand the limitations of the different financial providers and varying objectives, which include the following.

- **Climate adaptation finance** traditionally focuses on providing technical and project-level support to address short-, medium- and long-term climate objectives, which are to prepare, anticipate and respond to both rapid onset climate shocks and slow onset climate risks. Finance traditionally flows through accredited entities including country governments and multilateral development banks. 'Do no harm' safeguards and conflict risk analyses are processes integrated into project cycles; however, they are still in their infancy for FCS.

- **Humanitarian finance** traditionally focuses on providing life-saving assistance in response to climate and other shocks. Finance flows through established mechanisms to local actors to reach beneficiaries quickly. Those managing humanitarian aid focus on immediate and urgent needs. They recognise that those needs may extend over the longer term, but lack the funds to address them, especially as their finance is not fit for purpose. While the humanitarian sector is increasingly looking at incorporating climate risks into their long-term programming,[3] this is still nascent.

- **Peace-building finance** focuses on peace-keeping and security, strengthening governance and justice, and fostering social and economic development (Krampe, 2019). The modes of financial allocation (grants) and disbursements uniquely account for operational uncertainties, such as accounting for project changes due to unforeseen circumstances and allowing rapid approvals. Global budgets for peace-building are generally decided through the United Nations Fifth Committee (United Nations, undated). Actors in this space are experienced in operating in FCS and in managing associated risks. In some cases, climate risks intersect with vulnerabilities, and actors in the peace-building field have limited, but growing experience in addressing climate-related conflicts such as issues around climate security and conflict linked to natural resources such as water.

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1 The roundtable was co-convened by the African Development Bank, Asian Development Bank, International Centre for Climate Change and Development, International Committee of the Red Cross, International Council of Voluntary Agencies, Islamic Development Bank, Overseas Development Institute, Red Cross and Red Crescent Climate Centre, United Nations High Commissioner for Refugees and World Bank (ICRC, 2021).

2 These included: 'Closing the action gap: Addressing climate risks in fragile and conflict-affected settings: The need for multi-agency collaboration and coordination' organised by SPARC at the COP 26 World Leaders' Summit; 'Which financing mechanisms can contribute to inclusive locally-led adaptation in fragile and conflict settings' organised by the International Institute for Environment and Development at Development and Climate Day; 'A humanitarian's view of the climate finance crises: The realities and solutions from a practitioner perspective' organised by Mercy Corps; 'Climate finance for sustaining peace' organised by the United Nations Development Programme and Climate Security Mechanism; and 'Bridging the gap: Directing climate finance to communities affected by conflict and violence' co-organised by the African Development Bank and International Committee of the Red Cross.

3 The Climate and Environment Charter for Humanitarian Organizations, established in 2021, aims to 'urgently steer and galvanize a collective humanitarian response to the climate and environmental crises', with commitments to be taken by signatories. It already has 242 signatories (Kelly et al., 2022).

2.2 Challenges to climate adaptation finance for FCS

Absence of funding prioritisation for FCS

International climate funds have already given special attention and priority to certain groups of developing countries, such as LDCs and SIDS, to reflect UNFCCC priorities, but the context of FCS is not sufficiently recognised. Some funds seek to address this gap and become more inclusive, specifically through their approval processes and, in turn, the allocation of 'readiness' funds to improve the technical, financial, governance and human resource capacities of potential recipient countries. For example, the Green Climate Fund Readiness Programme helps countries strengthen their capacity to tap into the overall funding opportunities of the Fund; however, less than one quarter of these funds have been allocated to FCS (Cao et al., 2021).

Inappropriate accreditation and fiduciary standards among international climate funds

This undermines the already low ability of FCS to access funding. Current fund requirements create excessive transaction costs for public administrations, deterring them from applying for such funding. Specifically, there is a lack of capacity and experience within national and sub-national government entities in developing proposals and conducting due diligence, monitoring and compliance requirements, which can be complicated and time-consuming.

Siloes in development partners and government structures

Peace and economic stability are priorities in FCS, where the current lack of coordination and collaboration across siloed structures often means potential opportunities to access climate finance to support such national priorities are missed (Quevedo et al., 2022). In turn, there are consistent perceptions that support for such country priorities are the exclusive concern of conflict, fragility or humanitarian actors. Also, the functioning of governments is often weakened from the persisting impacts of fragility and conflict. This is seen through internal political tensions within governments from varied power dynamics and corruption, high staff turnover and siloed ways of working multiplying the bureaucratic burden. Climate change mitigation is therefore often considered as a low priority. This affects the ability of these countries to understand and express their needs regarding climate vulnerability. Other obstacles that hinder access to climate funding include language for non-English speaking countries, and requirements for co-financing (Cao et al., 2021; Savvidou et al., 2021).

Siloed international approaches to conflict and climate activities have contributed to the disconnect of national long- and short-term strategic planning. This has limited overall joint planning and programming and therefore such concepts are often approached as ad hoc activities instead of as part of a wider strategy (Mosello et al., 2021). Often, there is no joined-up plan to which the different instruments are contributing. This is linked to the continuous issue of humanitarian versus development approaches, which in this case can categorise building climate resilience as development support. The overall lack of coherent long-term strategies that include short-term conflict and humanitarian activities reduces strategic decision-making abilities across national governments. In particular, this includes decision-making that reflects the intersectionality between different threats (conflict, climate and others) and therefore supports effective and coherent resource allocation. This also limits national demand-led support for applying to international sources of finance.

Lack of inclusion of vulnerable populations

Climate funds and bilateral donors provide support largely through state authorities, which in FCS can result in the exclusion of certain vulnerable populations. Central governments in FCS may not be well placed to channel funds to climate-vulnerable local people for reasons such as governments deliberately marginalising certain population groups, and governments being party to conflict and corruption. In addition, there is often a lack of established and decentralised public financial mechanisms to reach climate-vulnerable communities, especially when they are situated in conflict areas that are outside of government control. The implications of channelling finance through such governments are understandably uncertain and risky. In the case of climate funds and bilateral donor support for climate-related activities, these populations are excluded by default due to support channels flowing through state authorities.

Risk-averse fiduciary requirements for climate finance

Fiduciary requirements often effectively limit the quality of support for FCS. This is due to funders often being unable to make site visits due to safety risks, while conflict risk indicators are rarely included in programming to mitigate associated risks. Furthermore, personal and institutional risk assessments prevent the 'best' relevant experts being involved in support to climate- and conflict-affected areas. Career incentives may be limited, since successes are often rewarded in line with professional standards and evidence of good work, but are harder to prove in FCS, despite being the very areas where quality expertise and strategic thinking are needed most.

High implementation costs and low rates of return on investment

The cost of goods and services, and project costs are higher and fluctuate more in FCS due to a lack of readily accessible expertise and the risks associated with uncertain contexts. Rigidity in fund costing policies may limit their availability in FCS. In addition, climate adaptation interventions primarily target public goods, traditionally supporting benefits that are not expressed in monetary terms. It is therefore difficult to build a business case for investment. This begs the question of whether current measures of success in climate adaptation efforts are appropriate for FCS.

Lack of accredited and knowledgeable implementing and executing entities

United Nations agencies are commonly accredited to disburse international climate funds in FCS; they are therefore often the implementing entities for relevant projects. Other organisations, including national governments and non-governmental organisations seeking accreditation are often unable to meet the organisational requirements of climate funding, and/or cannot afford the long process of accreditation, which can take many years. In addition, there is often a lack of executing entities (those that deliver projects on the ground for the implementing entity) that are willing to operate in FCS, especially in areas prone to conflict, those with active conflict and those deemed to be a security risk. There is also often a lack of executing entities with relevant climate expertise and this has led to limited climate adaptation activities, with very few being implemented in the most vulnerable areas. At the same time, the implementing entity may also be the executing entity, such as United Nations agencies, with the consequence that recipient country entities fail to develop the capacities they need to continue addressing vulnerability to climate change. The most common outcome from a lack of accreditation and knowledge is that no direct action is taken to address climate risks, with humanitarian and peace-building actors forced to address some of the negative impacts of climate change. Given this is not their main remit, such efforts carry their own levels of limitation to effectively address the negative impacts of climate change.

Grants/funding modalities for climate adaptation investments

To date, it has been easier for financial providers to balance the risk profiles of projects or portfolios with grant financing than with loans. This is due to the inadequate returns on investments and the high risk of investment default. Current global climate finance offers loans and other non-grant instruments, but FCS governments are often deterred from applying due to their high existing debt burdens, which limit their ability to co-finance and help de-risk investments for the private sector, especially for climate change, which is perceived as a relatively low-priority threat (OECD, 2020). Overall, FCS need additional finance for climate adaptation, particularly in the form of grants. However, access to grants is particularly challenging at a time of scarce finance for climate action in the face of other global threats, such as Covid-19 and the recent Russian invasion of Ukraine.

Lack of data in FCS

Current requirements for accessing climate funds depend on evidence-based needs, but there is a lack of data in FCS. Lack of data at country level limits understanding of the risks of failing to adapt to climate change and the potential opportunities presented by adaptation strategies. Climate and socio-economic data are required by project proposals to climate funds, and the lack of data generation, access and processing hampers the process of making a case for climate finance support. In addition, a lack of granular data impedes understanding of the interplay between climate change and conflict, especially as a driver of increased vulnerability, and the associated risks to project implementation.

3. The road to COP 27: Key entry points for policy change

Informed by these trends and based on new research on the challenges and lessons learned in implementing climate programmes in FCS, including SPARC's research across the Sahel and Horn of Africa ((Quevedo et al., 2022; Cao et al., 2021; Reda and Wong, 2021), this policy brief identifies several policy and political entry points to catalyse greater climate finance assistance and increase its coherence to support vulnerable local communities. Consideration and delivery of these changes will be fundamental in the lead up to COP 27 and beyond.

There is now increased urgency to address the interaction between climate change and conflict – and its negative consequences. This has prompted the creation of new policies, governance mechanisms, organisations and projects, and to some extent the integration of climate and conflict sensitivity into existing institutions. However, many of these efforts have been developed in parallel instead of as a joined-up and risk-informed approach between the humanitarian, climate, development and peace-building communities of practice, and across national and sub-national governments. In addition, national governments are having to deal directly with the complexities behind every silo imposed at international level. There are combinations of political pressures and differing policy priorities and objectives between governments and financial providers because of the lack of coherent system incentives, where each initiative is judged on its own terms in isolation from others and not judged in reference to outcomes for crisis-affected people (Mosello et al., 2021). This has hindered the creation of a common evidence base to enable understanding of national and local dynamics, as required for synergistic action. In reality, the differing priorities and objectives intersect, and here there are missed opportunities to advance and accelerate climate action and protect those that are most vulnerable to the impacts of climate change.

In the lead up to COP 27, the following two sets of recommendations highlight the key entry points to advance climate adaptation efforts in FCS and enhance related finance. These are targeted at international organisations, including international climate funds, bilateral donors, multilateral development banks (MDBs) and humanitarian and peace-building actors, as well as at national governments.

Recommendations to international climate funds, bilateral donors and MDBs investing in climate activities

- Lobby to change the international climate change architecture and recognise FCS as a unique group of countries with specific challenges and needs.
- Orient and train the staff of international funding bodies in how climate change combines with conflict and other natural disasters (such as drought and Covid-19) in low-income countries that are fragile and conflict-affected. If necessary, recruit new staff who have this understanding.
- Learn how to analyse climate-change-related risks for people in conflict zones. Integrate analyses and perspectives from agencies dealing with humanitarian needs, those who seek to build peace and those who work to reduce risks affecting populations following climate-related disasters, and plan for adaptation to climate change in such contexts. Strive to overcome disciplinary boundaries and breach siloes of expertise, and therefore promote risk-informed approaches.
- Adapt operating procedures and safeguards to the circumstances of FCS, so these countries can access the necessary funds. Work with boards of climate funds to convince them to accept riskier lending in such circumstances, and the potential of lower returns on invested finance.
- Offer grants to FCS, since most have limited public funds, are already saddled with debt and should not take on yet more debt. Create special windows for grants to qualifying countries.
- Monitor lending to FCS and, if this falls below the average lending to LDCs, treat this as a matter of the utmost concern for immediate and concerted reaction by boards and management.

Recommendations to national governments

- Orient and train ministry staff in how climate change combines with conflict and other natural disasters (such as drought and Covid-19). If necessary, recruit new staff who have this understanding.
- Learn how to analyse climate-change-related risks for people in conflict zones. Integrate analyses and perspectives from agencies dealing with humanitarian needs, those that seek to build peace and those that work to reduce risks affecting populations following climate-related disasters, and plan for adaptation to climate change in such contexts. Strive to overcome disciplinary boundaries and breach siloes of expertise.
- Form specialist units to bridge public agencies and ensure coordination, preferably answering to the president, prime minister or a senior cabinet minister.
- In finance and environment ministries, train staff to present acceptable proposals to international climate funds.
- Decentralise the planning and implementation of programmes to help affected populations adapt to a changing climate. Ask district and local governments to formulate local response and convene local forums comprising stakeholders from communities, civil society groups, government agencies and the private sector. Decentralise implementation of climate action programmes to local levels, offering central support where needed.
- Ask central agencies, especially coordination units (see above), to work with district and local administration to prepare proposals. If additional staff are required, these should be funded from climate grants.

Acknowledgements

The authors are grateful to the peer reviewers who provided comments to improve earlier drafts of the policy brief, including Namita Khatri (Diplomatic Advisor Asia and Pacific, Policy and Humanitarian Diplomacy Division, International Committee of the Red Cross), Catherine Wong (Team Leader, Climate and Security Risks, United Nations Development Programme), Emily Wilkinson (Senior Research Fellow, Global Risks and Resilience Programme, Overseas Development Institute [ODI]), Steve Wiggins (Principal Research Fellow, Climate and Sustainability Programme, ODI) and Neil Bird (Senior Research Fellow, Climate and Sustainability Programme, ODI).

The team worked under the guidance of Mauricio Vazquez (Research Lead of SPARC and Head of Policy, Global Risks and Resilience, ODI), with project management and communications help provided by Zoë Windle (SPARC Publications Officer).

Editing and layout: Green Ink (www.greenink.co.uk)

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Fund manager

Funded by

This material has been funded by UK aid from the UK government; however the views expressed do not necessarily reflect the UK government's official policies.