




Stockholm, 

**Financing Climate Change Adaptation Workshop**  
**Saturday, 12 April 2008**  
**Washington DC**

The Commission held a closed seminar on “Mechanisms for financing climate change adaptation” on Saturday, 12 April, presided over by Minister Gunilla Carlsson under Chatham House rules (no attribution of remarks).

Those attending included Commission secretariat head Johan Schaar, Commissioner Bernard Petit, Fernando Prada of the Inter-American Development Bank, Luis Gomez Echeverri of UNDP, Bonizella Biagini of the Global Environmental Facility (GEF), Ian Noble of the World Bank, Tariq Banuri of the Stockholm Environment Institute, Heather McRae of the World Resources Institute, Cathleen Kelly of the German Marshall Fund (where the meeting was held) and Lloyd Timberlake of the Commission secretariat.

The participants noted that current financial mechanisms are numerous, provide funding that is too limited in relation to what is needed and are difficult to access for countries in need.

Speakers argued that some large donor countries and the World Bank are establishing trust funds that, while they will doubtless be effectively managed, raise concerns of two main types.

First countries affected by climate change are represented in the governance of financing mechanisms defined under the UNFCCC and managed by GEF but not necessarily in the governance of the trust funds. Thus there could be a “democratic deficit” and a real or perceived lack of transparency. There is a risk that this will add to the problem of distrust between industrialized and developing countries that tends to severely complicate climate negotiations.

Second, new trust funds, in addition to other new financing mechanisms developed by the European Commission and bilateral donors, risk adding to the plethora of mechanisms that will make it more difficult to establish the kind of robust structure for adaptation financing that will be needed for many years to come. If the starting point is a lack of coordination and cohesion, then future funding of adaptation could become a very complicated venture.