Finance strategy of climate change adaptation options
Haiti
# Table of Contents

**Executive summary**................................................................................................................. 5

**Climate adaptation finance**........................................................................................................ 6

1. Haiti’s priority adaptation investment needs ...........................................................................10
2. Main barriers to adaptation in Haiti .....................................................................................11
3. Key concerns regarding adaptation finance ........................................................................13
4. How climate finance is being delivered ................................................................................14

**Sources of NAP Finance**........................................................................................................... 18

5. Budgeting for adaptation across sectors in the NAP process ..............................................21
6. Generating domestic revenues for adaptation: fiscal instruments ........................................22

**Financing agencies**.................................................................................................................. 24

7. International climate finance ................................................................................................25
8. Multilateral climate financing ................................................................................................26
9. Bilateral public climate financing ..........................................................................................29
10. Public National Funds ..........................................................................................................31
11. Private finance .......................................................................................................................33

**SWOT analysis and actions to overcome obstacles**.................................................................. 33

**Action axes of the financial strategy on climate change**.......................................................... 36

**Key considerations for climate finance readiness**................................................................ 37

**Monitoring, Reporting and Verification framework to track climate finance**......................... 39

12. Tracking domestic funds used to finance adaptation ..........................................................41

**Steps to securing Climate Finance**.......................................................................................... 41
List of Figures

Figure 1. Summary of climate finance in the Caribbean, 2010–2015 ................................................................. 9
Figure 2. Total aid flows and climate finance commitments to the Caribbean SIDS, 2010–2015 ........................ 10
Figure 3. Modes of delivery of climate finance to Caribbean SIDS, 2010–15 ...................................................... 16
Figure 4. Size of funding commitments ............................................................................................................. 17
Figure 5. Options for financing implementation of NAPs (Source: SNAPSHOT: Domestic public finance for implementation of NAPs, October 2016) .............................................................................. 19
Figure 6. Overview of potential sources of finance for the NAP process (Source: Financing National Adaptation Plan (NAP) Processes: Contributing to the achievement of nationally determined contribution (NDC) adaptation goals) ........................................................................................................ 20
Figure 7. Climate finance from sources to Caribbean SIDS recipients, 2010–15 (US$ million) ....................... 25
Figure 8. Action Axes of the Financial Strategy on Climate Change (Source: Chile: Financial Strategy on Climate Change) ......................................................................................................................... 37
Figure 9. Readiness for climate finance: complexity of the climate finance landscape (Source: Financing Climate Change Adaptation in Transboundary Basins, January 2019) ......................................................... 38
Figure 10. The components of the Climate Finance MRV framework include Measurement, Reporting and Verification ......................................................................................................................... 40
Figure 11. Potential sources of finance for the NAP process ............................................................................. 42
Figure 12. Main building blocks of a NAP financing strategy and its link to the NAP process ........................... 43
Figure 13. Steps to financing NAP process ........................................................................................................... 44

List of Tables

Table 1. Priority actions adaptation costs ............................................................................................................. 10
Table 2. Fiscal instruments and their potential to finance adaptation .................................................................. 22
Table 3. Haiti list of bilateral donors ..................................................................................................................... 29
Table 4. Swot analysis ......................................................................................................................................... 33
Executive summary

Access to finance remains a challenge to the implementation of climate change adaptation actions throughout developing countries. As a small island developing state (SIDS), Haiti is particularly vulnerable to the impacts of climate change and faces specific capacity constraints and circumstances. It is expected to need to mobilize significant international technical and financial resources to address climate change and its impacts. These resources will come in a variety of forms and sources: financial and non-financial; public and private; and national and international.

Haiti’s National Adaptation Plan (NAP) highlights that the implementation of the adaptation measures presented will “depend on funding, policy, and other opportunities opening up” during the NAP implementation period. Furthermore, the NAP indicates that “the execution of most actions included in the NAP relies on the assumption that further to national budgetary efforts that are commensurate with national circumstances, the level of international support that Haiti has received for development and climate change projects and programmes will be maintained and that additional climate finance for adaptation in the prioritized sector will be attracted, for example, through the Green Climate Fund (GCF), Adaptation Fund, and multilateral and bilateral arrangements”.

In a context in which resources for the implementation of actions against climate change are limited, it is necessary to prioritize those that will have the greatest social and environmental impacts. Assessing climate vulnerabilities and identifying adaptation options at sector, subnational, national, and other appropriate levels can be difficult. It is necessary to identify what are viable cost-effective adaptation options to reduce the impacts of climate change or to exploit opportunities reviewing and appraising adaptation options. Cost estimates provide an essential element for successful project and program management. High-quality estimates should satisfy four characteristics—they should be credible, well-documented, accurate and comprehensive. It is also essential to have a clear identification of tasks.

The present document contains the elements of a strategy to access finance and ensure that the resources available to Haiti for the achievement of its NAP objectives are appropriate and commensurate to its needs. The document also presents a cost estimation of the NAP, the estimation process consisted of two rounds of consultations with national experts. During the first round of consultations two priority sectors were identified (Agriculture and water resource), and the second round of consultations was carried out with the objective to identify the focus areas of the two main sectors.

Financing is needed throughout the entire NAP process to enable its potential to be reached—from its initiation to the implementation, monitoring and evaluation of prioritized adaptation actions. The amount of financing needed by Haiti is expected to be significant. This guidance report will assist Haiti with the development of strategies for securing this funding. Specifically, it has the following objectives:
• Provide a clear understanding of the NAP process from a financing perspective.
• Present the range of potential sources of finance and identify which sources may be more appropriate for different phases of the NAP process.
• Suggest practical steps that Haiti might take throughout the NAP process to increase their likelihood of securing finance from different sources.

**Climate adaptation finance**

Climate change represents a great challenge given its planet scale, the complexity of its elements and its increasing impact through time. Mitigation of its effects in the future will strongly depend on the decisions and actions adopted at present by the country.

The financial sector plays a key role in this area, by assigning the necessary resources to allow society to move in a planned, and orderly manner towards a sustainable economy. The role of Finance Ministries, Central Banks and Comptrollers in this matter is fundamental to promote -within their corresponding periods- knowledge and management of the risks related to climate change which could affect the stability of the financial system, as well as generating the legal and regulatory conditions for the development and strengthening of a financial market that channels resources towards economic development based on low carbon emissions.

The role of the Finance Ministries also includes creating macro-economic and governmental policies for the management of public finances supplemented by regulatory implementation and other measures, allowing for alignment of growth and the sustainable management of resources, in order to enable the required transformation of different economic sectors, such as energy, transportation, agriculture and forestry, among other.

Climate finance is critical; however, it is also very limited. Effectively mobilizing climate finance cannot be achieved by simply increasing available finance for climate change-related projects, programs, and priorities. It is equally important to hold these mobilized finances to account and ensure that its implementation does not deviate from its design and intent, is efficient and equitable.

Haiti, despite being a small country, is experiencing a wide range of climate risks and vulnerabilities. Some regions, for example, are facing an increase in the number of dry days and drought, whereas others are experiencing more intense rain and flood events. The aim of the project is to reduce vulnerability in critical sectors including agriculture, water resources and coastlines. The programme will last until 2030.

Indigenous communities that are among the country’s most economically- and climate-vulnerable groups depend on agriculture to survive. Unsustainable land, agricultural and livestock rearing practices combined with rising
climate change impacts like drought, extreme rainfall, land degradation, soil fertility loss and changing crop patterns increase indigenous communities’ vulnerabilities.

Climate finance readiness is having the policy and institutional framework, technical expertise, and project management capabilities to:

- Give confidence to developed country partners that the resources granted for adaptation or mitigation are spent in an accountable, transparent and efficient way;
- Align the initiatives pursued to broader national development priorities; and
- Deliver tangible and measurable outputs which contribute to the desired outcomes in a sustainable manner.

Generally, the local private sector has invested in mitigation/adaptation activities to support and safeguard their own businesses in order to increase efficiency and reduce cost, or to create new products. Where investments with broader national impact are made, there is usually a profit motive. To attract international climate finance, especially public sector finance you have to consider the key elements:

- Having existing policy and governance frameworks and demonstrated policy commitment to address climate change.
- Identifying climate change as a national priority and incorporating it as an important pillar or cross-cutting thematic area in country strategies or country programmes concerned with International Development Partners (IDPs).
- Information/data on climate impact is available.
- Having a cadre of technical experts (or access to such experts) via universities and research institutions.
- Demonstrating institutional capability. The country should be able to identify institutions with related experiences or mandates for managing climate finance. Such institutions should have documented systems (including fiduciary management systems) and procedures.
- Having in place programmes of work and plans of action relating to climate change (e.g., Sector Plans, NAPs, NAPAs, NAMAs).

Often one of the key hurdles for mobilizing interest in the financial community is the lack of well-defined and clearly articulated investment projects that present an economic case for financier, climate funds or others. Planning instruments such as Nationally Appropriate Mitigation Actions (NAMAs) and National Adaptation Plans (NAPs) are useful in describing investments in a strategic context and part of a broader plan rather than stand-alone initiatives. Some of the greatest hurdles to attracting climate finance from foreign sources are:

- Inadequate information - lack of simplified, harmonized /standardized rules of access across financing facilities. This can be prohibitive and increases the cost of access.
- Qualifying requirements - fiduciary standards, technical competence etc.
- Compartmentalization of the development agenda and competition among issues for funding.
- Commitment/delivery gap among the developed countries – declining official development assistance (ODA) and funding shortfall.
- Countries having the “required capabilities”, including knowledge of the landscape and its rules of access.
- Limited access to resources - Development status of some countries e.g., many Caribbean Small Island Developing States are categorized as middle-income countries and therefore have limited access to some resources.
- Inadequate or less than positive experience in managing and implementing internationally financed projects.
- Structural challenges in some countries, e.g., Indebtedness, fiscal constraints, absorptive capacity including public expenditure ceilings.

Developing countries are allocating considerable resources from their own public and private sources towards improving resilience to climate change and shifting to low emission technologies. International climate funds are vital for scaling up this process. The preferred modality for many countries is to make use of such funds through direct access. To comply with the requirements for accessing the funds, countries need to demonstrate sufficient fiduciary and governance standards to ensure transparent and effective administration and disbursement. Countries also need to develop a health pipeline of bankable projects in which climate funds can catalyze national and subnational action in combination with local public and private sector resources, other development funding and possible revenues from the carbon market.

For the period 2010–2015 inclusive, a total of US$ 1477 million in finance principally targeting climate change was committed to the Caribbean countries, including contributions for regional activities. This makes up about 6% of total reported aid flows for the Caribbean SIDS. The Dominican Republic, Guyana, Haiti, Cuba and Jamaica have been the largest recipients by total volume. Just under two thirds of these flows (62%) are grants. The remaining 38% are loans, primarily from France to the Dominican Republic (for rail and urbanization projects) along with Dominica and Suriname, and from the World Bank’s Climate Investment Funds to Dominica, Haiti, Jamaica and Saint Lucia.

Across the region, around 48% of the climate finance is for mitigation activities, 32% for adaptation, and 20% has targeted both objectives simultaneously. This proportion varies between countries, and in fact most countries have been allocated more for adaptation than mitigation. Only Cuba, the Dominican Republic, Grenada and Guyana have a greater share of funding for mitigation.

Of the total amount of US$ 1477 million, 85% has come from bilateral sources. After the French and Norwegian contributions, the next largest sources are the World Bank’s Climate Investment Funds (CIFs), the European Union, Canada, the Global Environment Facility, and Japan. The CIFs’ allocations have been mainly through the Pilot Program for Climate Resilience (PPCR, US$ 112 million) for projects in Dominica, Haiti, Jamaica, St. Lucia, and St. Vincent.
and Grenadines, and regional activities, and also includes funding to Haiti by the Clean Technology Fund (US$ 16 million, including US$ 14.5 million in official development assistance loans).

![Map showing climate finance in the Caribbean, 2010–2015](image)

*Figure 1. Summary of climate finance in the Caribbean, 2010–2015*

About 85% of the total amount of climate finance (US$ 1.26 billion) came from bilateral sources, while multilateral sources contributed 15% (US$ 218 million). The multi-lateral amount is entirely from climate funds.
1. Haiti’s priority adaptation investment needs

The preliminary analysis from this work indicates that in terms of adaptation opportunities in the period to 2030 there is likely to be considerable emphasis on the agriculture and reforestation sector, and water resource management sector. In the agriculture sector, the greatest adaptation potential lies in agroforestry, establishment of a climate-smart agricultural system, and reforestation and soil conservation. All have high development benefits. In the water resource management actions include irrigation systems, and integrated water resource management.

The cost of implementation of the priority actions for the 2021-2030 period include a total cost of $ 991,065,060. The table below shows the estimation of costs by priority action and country sector.

Table 1. Priority actions adaptation costs

<table>
<thead>
<tr>
<th>Department</th>
<th>Short description of Priority adaptation actions</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nord</td>
<td>Reforestation with emphasis on agroforestry</td>
<td>$38,446,760.00</td>
</tr>
<tr>
<td></td>
<td>Establishment of irrigation systems in strategic areas</td>
<td>$1,250,000.00</td>
</tr>
<tr>
<td>Nord-Est</td>
<td>Establishment of a climate-smart agricultural system</td>
<td>$11,230,000.00</td>
</tr>
<tr>
<td></td>
<td>Mobilization and actions in the agricultural sector</td>
<td>$1,350,000.00</td>
</tr>
<tr>
<td>Nord-Ouest</td>
<td>Environmental Protection</td>
<td>$5,815,000.00</td>
</tr>
<tr>
<td></td>
<td>Irrigation actions (upgrading of water courses)</td>
<td>$2,975,000.00</td>
</tr>
<tr>
<td>Region</td>
<td>Activity</td>
<td>Cost</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Grand’Anse</td>
<td>Reforestation</td>
<td>$5,250,000.00</td>
</tr>
<tr>
<td></td>
<td>Reforestation and soil conservation</td>
<td>$150,302,500.00</td>
</tr>
<tr>
<td>Sud</td>
<td>Irrigation system and reforestation of watersheds</td>
<td>$65,620,000.00</td>
</tr>
<tr>
<td></td>
<td>Health prevention</td>
<td>$13,100,000.00</td>
</tr>
<tr>
<td>Nippes</td>
<td>Reforestation</td>
<td>$5,250,000.00</td>
</tr>
<tr>
<td></td>
<td>Adapted and appropriate reforestation</td>
<td>$850,000.00</td>
</tr>
<tr>
<td>Sud-Est</td>
<td>Strengthening the technical capacities of farmers</td>
<td>$1,937,000.00</td>
</tr>
<tr>
<td></td>
<td>Back to earth</td>
<td>$2,150,000.00</td>
</tr>
<tr>
<td>Ouest</td>
<td>Reforestation</td>
<td>$5,250,000.00</td>
</tr>
<tr>
<td></td>
<td>Development and management of watersheds</td>
<td>$2,088,800.00</td>
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<tr>
<td></td>
<td>Integrated water resources management</td>
<td>$177,775,000.00</td>
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<tr>
<td>Artibonite</td>
<td>Water and sanitation</td>
<td>$1,665,000.00</td>
</tr>
<tr>
<td></td>
<td>Integrated watershed management</td>
<td>$206,510,000.00</td>
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<tr>
<td>Centre</td>
<td>Reforestation</td>
<td>$169,750,000.00</td>
</tr>
<tr>
<td></td>
<td>Watershed protection</td>
<td>$122,500,000.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$991,065,060.00</strong></td>
</tr>
</tbody>
</table>

2. Main barriers to adaptation in Haiti

Haiti’s Action Plan will set out an ambitious programme of activities and investments that, if delivered, can move Haiti on to a low-carbon, climate resilient trajectory. However, despite progress there remain a number of barriers which will need to be overcome if Haiti’s ambitions are to be realized. Some of these key barriers are listed below.

**Regulation and policy**

- Insufficient understanding and experience across government of the low-carbon investment arena.
- Inadequate communication between government and private sector on regulatory and policy matters.
- Little engagement of the (international) private sector by the Government of Haiti on its low-carbon development strategy, with the goal of attracting investment.
- Low levels of transparency in decision-making and the awarding of contracts by ministries, departments and agencies of the Government of Kenya.

**Access to commercial finance**

- Very high interest rates.
- Lack of experience of banks and other financial institutions with the financing of low-carbon projects, that is, in renewable energy and energy efficiency sectors.
• Limited development and early-stage capital for project developers, especially at the small and medium enterprise (SME) level.
• Lack of experience in, and availability of, project finance.
• High collateral requirements on the part of banks which disproportionately affects projects in the new sustainable energy space.

Technical and financial capacity

• Low level of capacity amongst firms, especially SMEs, in developing a bankable business plan and/or feasibility study, encompassing low skill levels in finance, accounting, auditing, management, addressing regulation and negotiating with government, amongst others.
• Challenges relating to availability and access to information on low carbon investment by all stakeholders including banks.

Government and development partners

• The slow disbursement of public funds to most projects and programmes implemented by the private sector, including by bilateral and multilateral development agencies, ministries, and trust funds.
• Multiple and poorly aligned sources of development partner finance for low carbon investment activities and duplication of effort.
• Competing and complex development partner requirements for accessing funding.

It should be emphasized that the most important means of overcoming these barriers is through establishing a sound policy and regulatory framework. In the long term, getting the policies right is likely to be of crucial importance in delivering the investment flows, especially from the private sector, that Haiti requires to grow in a low-carbon, climate-resilient fashion. There is considerable literature examining both the overall properties that such policies need to have, as well as studies on the relative effectiveness of different types of policies in different circumstances. These have informed the recommendations made elsewhere in relation to the wider investment climate for climate investment.

At the same time, there are a variety of reasons why exclusive reliance on establishing a conducive business environment is unlikely to be sufficient to overcome all the barriers and drive the necessary investment for Haiti to implement its Action Plan. Other important issues include market failures in capital markets, the social/redistributive impacts of introducing incentive policies too quickly, as well as the fact that the characteristics of an important component of climate change activities and programmes such as some adaptation activity and capacity building will always require concessional/grant finance. Consequently, there is a need to complement these policy initiatives with a focus on publicly resourced finance mechanisms and the appropriate institutional arrangements surrounding their delivery.
3. Key concerns regarding adaptation finance

Today, developing countries already face a financial gap for adaptation. This shortfall is large and is likely to grow substantially in the coming decades, unless significant progress is made to secure new and additional funding for adaptation and to implement ambitious mitigation measures. This conclusion arises from the evaluation of the costs of adaptation versus the financing of international public adaptation available.

Financing flows for adaptation have increased in recent years, but current financial levels do not reach current adaptation costs and are unlikely to do so in the future. Current adaptation costs are likely to be at least 2-3 times higher than international public funding for adaptation. Evaluation of national and sector studies shows that adaptation costs for the period around 2030 are likely to range between US $ 140 billion and US $ 300 billion a year, while international public financing for adaptation in 2014 amounts to US $ 22,500 million. While the two figures refer to different points in time and differ in terms of definition and coverage, they illustrate that, to meet financial needs and avoid an adaptation gap, total adaptation financing in 2030 would have to be approximately 6 to 13 times greater than current international public funding. Furthermore, the potential adaptation financing gap in 2050 would be much larger, on the order of 12-22 times the current international public adaptation financing flows.

Estimates from the integrated assessment model of adaptation costs at the global level suggest that costs could be even higher than estimates produced in the context of national and sector studies. Furthermore, the estimation models illustrate the dependence of emissions on adaptation costs and highlight that the levels of adaptation costs for different warming scenarios could diverge as early as the 2030s. It follows that the enhanced mitigation ambition and action before 2020 is essential to limit adaptation costs.

It is necessary to increase public and private sources of financing to bridge the financial deficit for adaptation, now and in the future. Current estimates of financing flows for adaptation are partial, as data limitations and methodological challenges prevent the inclusion of public financing flows from the private and national sector for adaptation. However, the exclusion of these flows is unlikely to change conclusions about short- and medium-term adaptation financing gaps, as current adaptation financing is well below needs. The Paris Agreement reaffirmed the 2020 commitment of developed countries to mobilize $ 100 billion annually for adaptation and mitigation through 2025 and requires countries to increase that commitment after 2025.

Assuming an equitable allocation of financing between adaptation and mitigation (as called for in the Paris Agreement), this commitment could go a long way toward reducing the adaptation financing gap.

Box 1: Financing Adaptation Gap
The adaptation gap can be generically defined as the difference between the level of adaptation implemented and a goal or objective established by society, which reflects needs determined at the national level related to the impacts of climate change, as well as limitations of competitive resources and priorities.

The financing gap for adaptation can then be defined and measured as the difference between the costs and financing necessary to meet a given adaptation objective and the amount of financing available to do so. Assessing the financial gap for adaptation is facilitated by the availability of a common monetary metric. However, it should be noted that financing is a means rather than an end: the availability of funds does not guarantee that they are used efficiently and effectively to increase climate resilience and reduce vulnerability.

Source: UN Environment (2015)

Many have proposed that the private sector take on a far more significant role in resourcing adaptation. However, it is apparent that under current conditions, there is little incentive for private entities to invest their funds, largely because adaptation measures on their own do not necessarily yield a return on investment; there is an insufficiently developed project pipeline ready for investment and the governance structures are lacking to receive and manage complex financial interactions. In addition, there is little detailed familiarity between private and public-sector actors, and the support structure to navigate between the government and investment worlds is only beginning to emerge.

With such challenges in mind, there is the need for a legal mandate or other top-down institutional support for adaptation in order to spur funding. In some countries, state legislation now mandates inclusion of climate change considerations in the safety element of general plans.

There are seven focal points around which the adaptation finance challenges clustered:

- Establishing climate change risks and adaptation as a matter of concern (a prerequisite to bringing attention to and prioritizing an issue for funding);
- Establishing the funding need, which involves assessing and justifying adaptation expenditures;
- Proving the financial standing (capacity) of the funding seeker;
- Identifying and accessing funding providers;
- Accessing different types of funding or financing;
- Navigating specific funding mechanisms; and
- Having or creating the ability to use and administer funds.

4. How climate finance is being delivered
Climate finance can reach a country in many ways, with implications for how the money can be used, who controls how it is used, how much reaches the intended beneficiaries, and how the recipient country’s budget is affected. Below we break down the data for climate finance to the Caribbean SIDS by the instruments used, the mode of delivery of financial support, the size of funded activities/projects, and the involvement of intermediary organizations.

**Instruments**

ODA reported in the CRS includes grants and the concessional components of some loans. For the Caribbean countries, 62% of the climate finance in 2010–15 was delivered in the form of grants. The other 38% consists of ODA loans.

French climate finance was almost exclusively in the form of concessional loans (US$ 488 million). A considerable portion of funding from the World Bank CIFs (approximately 42%, US$ 54 million) was provided as concessional lending, to Dominica, Haiti, Jamaica, and Saint Lucia. The other country providing loans to the region was the United Arab Emirates, to Cuba.

**Modalities**

Climate finance can be provided in many ways, including through project-type interventions, basket or pooled funding vehicles, debt relief, technical assistance, budget support, and contributions to programmes and funds for specific purposes, among others.

For the Caribbean SIDS, 77% of the total climate finance has been delivered through project-type interventions – that is, activities with a fixed, typically short-term duration. Most of the remainder (20% of the total) was delivered as contributions to special-purpose programmes and funds managed by international organizations. The bulk of this is Norway’s funding of the Guyana REDD+ Investment Fund (US$ 248 million); support to the Caribbean Development Bank for the Community Disaster Risk Reduction Program is a considerable part of the remainder.

All funding from the multilateral climate funds was committed through discrete projects. This means the diversity in approaches shown in the figure comes only from bilateral sources.
Size of funding commitments

In addition to looking at the total amount of funding, it is also useful to look at the size of the individual financial commitments. This gives some indication of the type of end uses the funding can be put to, and also provides some sense of the transaction costs that are being incurred by donors and recipients.

There were 144 separate small allocations of less than US$ 0.1 million, making up in total around US$ 5 million. There were also many commitments (101) of US$ 0.1–1 million. At the other end of the scale, 41 allocations were larger than US$ 5 million, and they account for the bulk of total climate finance commitments to the region.
Intermediary organizations

Some, though not all, climate finance is transferred directly to recipient governments. Many times, the funds are programmed through various organizations that work with recipient countries in the design and/or execution of projects. For Caribbean SIDS, the MDBs have been the most common first recipients of climate finance. Typically, this means that donors provide funds to the MDBs, which then either work directly with organizations or government in the recipient country to design and execute the activities or allocate the funding to another entity to implement. Some of the more prominent MDBs executing projects in the Caribbean include the Inter-American Development Bank (in Guyana), the World Bank (in Grenada, Guyana, Suriname, Dominican Republic), the IBRD (in Haiti and Saint Vincent and the Grenadines) and the IDA (in Guyana).
Sources of NAP Finance

There are many resources available for the financing of climate change adaptation, from multilateral and bilateral public finance to national public finance and private finance. This range of sources can be useful in a variety of aspects of development and implementation of the NAP process and include:

- **Domestic public resources**: Adaptation can be—and often has been—funded through a country’s own resources, both public and private, in many cases without necessarily being recognized and accounted for as investment in climate change adaptation.

- **International public finance**: There are several international sources of financial and technical support for climate change adaptation. These include large multilateral financing institutions such as the Green Climate Fund (GCF) or the Global Environment Facility (GEF), as well as bilateral programmes that countries manage on their own.

- **Domestic and International Private Finance**: Private financiers and enterprises can make an important contribution to climate change adaptation if adequately engaged by the Government, and if properly incentivized to invest in adaptation, both from a business and a corporate social responsibility perspective. The Government of Haiti has prepared a Private Sector Engagement Strategy under its national adaptation planning process. The mapping of private sector actors within Haiti will prove a valuable input into the broader development of a NAP Financing Strategy for Haiti.

Financing NAPs

To date, domestic finance has received less attention—in part because many countries most vulnerable to climate change do not have strong revenue streams to draw from to finance needed adaptation actions. In spite of this, we know developing countries are already investing in actions that will help them adapt to climate change, although they are not necessarily labelled as such. This would include investments in sectors like agriculture and infrastructure that enable farmers and buildings to better withstand climate risk. Without implying that developing countries should rely on domestic finance for all their adaptation needs, domestic budgeting and finance can help to ensure predictability of resources available to implement adaptation priorities across different sectors and levels of government in the medium to long term addressed through the NAP process. Integration of adaptation into domestic budgeting and finance can also support access to international climate finance by showing government commitment, country ownership and counterpart funding.

A wide range of sources are available to finance the NAP process and thereby achieve the adaptation goals in a country’s NDC. These options can be broadly categorized in two ways:
• Whether the source is domestic or international
• Whether the investor is public or private

Countries need to think about how to combine these different sources to cover the range of costs of the
development and implementation phases of the NAP process. In most cases, this will involve a combination of
leveraging existing funds, attracting additional investments, and generating new financing streams. It is worth
bearing in mind that finance for adaptation goes beyond what may be specifically labelled as climate finance.
Sectoral actions (e.g., establishing wastewater treatment facilities or improving rural health posts) or cross-sectoral
development investments (e.g., establishing social protection systems or strengthening community organization)
can facilitate adaptation or even directly lead to reduced climate risks. Similarly, private sector actors may take
measures to address business continuity risks that are not necessarily considered adaptation. These various sources
of finance are described in further detail in the remainder of this guidance note.

![Figure 5. Options for financing implementation of NAPs (Source: SNAPshot: Domestic public finance for implementation of NAPs, October 2016)](image)

This overview brief introduces three key aspects of using domestic public finance to implement NAPs: entry points
in the national budgeting process, generating domestic finance using fiscal instruments and tracking adaptation
finance. While these issues can be connected to the other broad categories of financing for implementation of NAPs
illustrated in Figure 1, this brief focuses on how these aspects relate specifically to domestic public finance.
<table>
<thead>
<tr>
<th>Sources of finance</th>
<th>Description</th>
<th>Opportunities for financing the NAP process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic public finance</td>
<td>Domestic government revenues</td>
<td>Public sector financial resources, raised and managed by the government. Allocated in annual budgets based on short- or medium-term plans for government departments/ agencies or transfers to non-state actors. Fiscal instruments (taxes, subsidies, bonds, debt conversion) may be used to generate additional revenue or redistribute existing revenues. Domestic climate funds may be used as financing vehicle to channel funds.</td>
</tr>
<tr>
<td>International public finance</td>
<td>Bilateral providers</td>
<td>Public funds provided from one country to another to support particular sectors, programs or projects, including cross-sectoral actions. Includes official development assistance, other official flows and export credits. Instruments for providing finance include grants, loans (concessional and non-concessional), guarantees, insurance and equity.</td>
</tr>
<tr>
<td>Multilateral providers</td>
<td>Predominantly public funds pooled from multiple governments delivered through institutions with collective governance structures as well as institutions’ own resources. Mechanisms include multilateral funds (such as climate funds and sectoral funds) and multilateral development banks (MDBs). Financing instruments may include grants, loans (concessional and non-concessional), insurance, guarantees and equity.</td>
<td>Climate-focused funds have windows specifically designed to support the development phase of NAP processes. Climate and sectoral funds can further finance implementation of adaptation actions. MDBs can finance implementation of adaptation actions with higher levels of concessionality than commercial banks.</td>
</tr>
<tr>
<td>Domestic and international private finance</td>
<td>Private sector actors</td>
<td>Non-state organizations and individuals engaged in commercial activities (Pauw, 2015), including both domestic and international actors. Includes enterprises (such as companies and private foundations) and financiers (such as commercial banks, insurance companies and investment funds). Instruments for private sector finance include loans, microfinance, credit lines, private bonds, subordinated debt, venture capital, guarantees, insurance, grants and remittances.</td>
</tr>
</tbody>
</table>

Figure 6. Overview of potential sources of finance for the NAP process (Source: Financing National Adaptation Plan (NAP) Processes: Contributing to the achievement of nationally determined contribution (NDC) adaptation goals)

Financing from domestic budgets can be used to support NAP processes in many ways, including the following:
• Covering ongoing operational costs throughout the development and implementation phases of the NAP process. These include costs of human resources, equipment, and communication.
• Covering other costs associated with integrating adaptation priorities into planning processes that drive budget allocations. These include costs of personnel time and expert inputs.
• Investing in crosscutting measures that enable sound implementation of adaptation actions, such as climate services and adaptation monitoring and evaluation systems.
• Allocating funding for the implementation of specific adaptation actions by government ministries, sub-national authorities, or other actors.

5. Budgeting for adaptation across sectors in the NAP process

Like any national plan or strategy, implementation of priorities and actions identified through NAPs requires a financing plan and corresponding allocation in the national budget. This includes planning investments for adaptation interventions, as well as planning for recurring expenditures on operations and maintenance to sustain initial investments.

For this reason, it is important to integrate adaptation into both planning and budgeting procedures. There are usually both medium-term and annual components of the planning and budgeting cycle: Medium- to long-term plans like development strategies that incorporate adaptation priorities may be used to inform allocations included within a medium-term expenditure framework (MTEF). An MTEF may in turn inform annual sector budgets, which would ideally reflect the need to allocate funding that may be needed to implement adaptation priorities, on top of the funds that would be needed for the sector to go about business as usual.

Ensuring that adaptation is included in national budget cycles requires collaboration between actors in different ministries and agencies: those in ministries of climate-sensitive sectors need to understand the linkages between their sector’s adaptation priorities and the national budget, and the ministries of planning and finance need to understand the cost and importance of implementing adaptation actions.

The NAP will not be financed all at once. It is, therefore, necessary for the country to maintain an iterative process of developing funding priorities. This should also be considered in the context of additional ongoing projects, such as the programme development cycles related to a variety of funding sources, including the GCF, the GEF Small Grants Programme and other relevant processes.

Priorities have been defined within the NAP, and activities are defined by whether they are to begin in the short term (2018–2030), medium term (2021–2030), or long term (2024–2030, based on the degree of urgency. According to the NAP, the NCCC is expected to “lead the process of monitoring and periodic review of NAP implementation
progress, collecting best practices and steering the process to incorporate activities to solve unforeseen problems and gaps that jeopardize the NAP from achieving its goals; or activities to tap into emerging funding opportunities.”

6. Generating domestic revenues for adaptation: fiscal instruments

Governments can use a range of known fiscal instruments to raise revenue and promote changes in behavior by reforming incentive systems. Earmarking revenues from fiscal instruments such as taxes, subsidy reforms, or green bonds for adaptation purposes presents opportunities to increase domestic funds available for adaptation. The table below describes some examples of different fiscal instruments and their potential to finance adaptation.

Table 2. Fiscal instruments and their potential to finance adaptation

<table>
<thead>
<tr>
<th>Fiscal instrument</th>
<th>Impact</th>
<th>Example of potential for financing adaptation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes, charges, or fees</td>
<td>Higher cost of a good or service changes incentives and raises government revenues</td>
<td>Costa Rica uses portion of revenues from its fuel tax to implement adaptation policies, particularly its ecosystem-based adaptation approach to forests and water protection.</td>
</tr>
<tr>
<td>Subsidies (reform)</td>
<td>Subsidies move part of the cost of a good or service from the consumer to the taxpayer; reform would move the cost back to the customer</td>
<td>Indonesia has relocated USD 16 billion in fossil fuel subsidies to sectors such as infrastructure, water, sanitation, and health. These funds have the potential to be used to cover the additional costs of adaptation in these climate-sensitive sectors.</td>
</tr>
<tr>
<td>Government green/climate bonds</td>
<td>Raise revenue by issuing bonds for projects meeting certain environmental standards</td>
<td>The municipal government of Washington, D.C. has issued USD 400 million in municipal green bonds to finance projects including widening of storm water tunnels, which will support adaptation to increased frequency and intensity of storms.</td>
</tr>
</tbody>
</table>

Using fiscal instruments

Fiscal instruments such as taxes and subsidies are another way governments can raise additional revenue or redistribute existing domestic finance to support implementation of adaptation actions. New revenue raised using these instruments can be allocated to general government budgets or earmarked to support a specific objective related to the development and/or implementation phases of the NAP process. Fiscal instruments also can be
tailored to encourage actions that reduce climate risk and discourage activities that are maladaptive. Moreover, they can be used to generate predictable and dependable revenue streams. However, while fiscal instruments have already been used to finance climate mitigation efforts, there is still a widespread lack of experience in the use of these instruments to address adaptation needs.

Governments currently use a wide range of fiscal instruments for many purposes. Of these, the following could potentially be used to generate new revenue for the NAP process:

- **Taxes, levies, and fees.** Governments can introduce taxes, levies and fees on goods or services to raise government revenues or change incentive structures. Examples include gasoline taxes, carbon taxes, and levies in national emissions trading systems at the point of allowance allocation or during allowance trading. Revenue raised through these instruments can be earmarked to support the implementation of adaptation actions.

- **Bonds.** Governments can raise money by issuing bonds for a period at a fixed or variable rate of interest for investors to purchase. For example, governments can issue bonds tailored to their diaspora community. These diaspora bonds can finance projects at a lower rate of interest than might be available from other investors. India has successfully issued these bonds, and Nigeria has initiated their use as well (UN Department for Economic and Social Affairs [UN DESA], 2012).

- **Debt conversion.** Governments may negotiate with one or more creditors to have a portion of their debt cancelled to release funds for use in a designated initiative. Existing examples mainly include debt-for-nature swaps and debt-for-development swaps. Governments have shown interest in debt-for-climate swaps. Analysis suggests that such an instrument may be suited to specific situations, such as countries with high debt levels, improving governance capacities and high vulnerability to climate change.

Fiscal instruments can also be used to redistribute existing or new government revenue to achieve desired adaptation outcomes. The following are some prominent examples:

- **Subsidies.** Governments may use a portion of their available budgets to subsidize the cost of a good or service to promote the uptake of technologies or practices that build adaptive capacity. For example, individuals or companies could receive subsidies that encourage them to buy more efficient irrigation technologies or drought-resistant seeds. As well, tax breaks may be provided to companies to encourage them to invest in the development or introduction of adaptation technologies.

- **Subsidy reform.** Governments can reduce existing subsidies, such as fossil fuel subsidies. This would enable the reallocation of available funding to activities that decrease climate risk and/or discourage behaviors that increase climate risk.

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1 NAP Global Network, 2016
2 Innovative Financing Initiative, 2014
Financing agencies

The largest sources of total funding are (in order of significance) France, Norway, the World Bank Climate Investment Funds (CIFs), EU institutions, Canada, the Global Environment Facility (GEF) and Japan. Most of the amounts from France and the World Bank CIFs were in the form of ODA loans, while other sources provided grants.

Among the multilateral climate funds, the World Bank Climate Investment Funds (CIFs) were the most significant contributors in 2010–15. The Pilot Program for Climate Resilience (PPCR) allocated US$ 112 million to activities in Dominica, Grenada, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, and Caribbean regional projects. The Clean Technology Fund financed US$ 16 million in Haiti, including US$ 14.5 million in loans and US$ 1.5 million grants. The GEF, through its various funding windows, approved finance to at least 11 different countries, including through the Special Climate Change Fund to Belize and Antigua and Barbuda, and through Least Developed Countries Fund to Haiti.

During 2010–2015, a total of US$ 162.4 million in finance was allocated to Haiti for activities that principally targeted climate change objectives. Of this, US$ 147.9 million was in the form of grants, with the remaining US$ 14.5 million delivered as ODA loans from the Climate Investment Funds for renewable energy. Of the total, 33% (US$ 54.39 million) supported mitigation activities, 59% (US$ 95.09 million) was for adaptation, and 8% (US$ 12.96 million) targeted both objectives simultaneously.

Haiti has been allocated climate finance from a diversity of different sources. The largest contributions have come from Germany, Japan, the Climate Investment Funds, and the Global Environment Facility (GEF). There has also been a considerable spread across different sectors receiving the funding, among which the largest recipients have been renewable energy, transport, and disaster prevention and preparedness. The general environment protection category includes activities targeting energy and agriculture, as well as the Ridge to Reef program of the GEF and the EU’s Global Climate Change Alliance program.
7. International climate finance

Haiti received USD 168.8 million in multilateral and bilateral public climate finance from many funding sources and recipients. The vast majority of this was for food security. The largest single contributor was the World Food Programme.

Despite progress, data gaps and difficulties persist in measuring and reporting private financial flows. Climate resilience activities are often integrated into development interventions or business activities and are therefore rarely stand-alone. For this reason, private sector adaptation-related investments are difficult to identify and classify, resulting in the data gaps mentioned above. However, the private sector plays a key role in adaptation. Beyond
managing your own exposure to climate risks, different types of private finance - debt, equity, insurance - hold the potential to help bridge the financial gap for adaptation.

8. Multilateral climate financing

Several multilateral institutions support climate change adaptation. While these funds would each ideally occupy their own niches, in reality, there is significant overlap among them, as new funds have come into existence without old funds being phased out.

Since the entry into force of the Paris Agreement in 2016, the international climate finance architecture has evolved. The funds serving the Paris Agreement have begun a process of strategic engagement with the objective of improving fund complementarity and collaboration. Considering the recent developments—the ongoing GCF replenishment process, discussions around the extension of the CIFs, as well as any potential relationship between the AF and the new market-based mechanisms under Article 6 of the Paris Agreement—it is expected that the mandates and modalities of the various funds will continue to be adjusted.

- **Green Climate Fund:**

The GCF was founded to support developing countries in responding to the challenge of climate change. The Fund seeks to “promote a paradigm shift in low-emission and climate-resilient development”

GCF operations are guided by several overlapping and complementary priorities. These include its identified impact areas, its investment framework (and associated investment criteria), its scale of projects, and its broader interests and goals.

The GCF funds projects at a variety of scales: micro (less than USD 10 million), small (USD 10 million to 50 million), medium (USD 50 million to 250 million), and large (greater than USD 250 million). While this range is expansive, it demonstrates that the fund is most interested in making investments of significant scale and impact. As such, smaller “soft” projects, such as technical and planning studies, are often more appropriately directed to either the GCF Readiness Programme or other sources of funding, such as the GEF and/or bilateral donors, or may be appropriate as components of larger GCF or other projects.

Haiti’s NDA to the GCF is the Ministry of Environment. The GCF focal point is also the Ministry of Environment. Haiti has accessed the GCF for readiness support to strengthen the capacity of its NDA and develop a Country Programme.

- **Adaptation Fund:**

The Adaptation Fund (AF) became operational in 2009. Originally developed to serve the Kyoto Protocol, the fund now serves the Paris Agreement as well. It can be accessed by countries that are particularly vulnerable to the
adverse effects of climate change, including low-lying coastal and small island countries, countries with fragile
mountainous ecosystems, arid and semi-arid areas, and areas susceptible to floods, drought, and desertification.

The AF pioneered the Direct Access modality that is now being adopted and expanded by the GCF. Funding is
disbursed through National Implementing Entities (NIEs), Regional Implementing Entities (RIEs) and Multilateral
Implementing Entities (MIEs), though the latter are subject to a 50% funding cap, meaning that at least half of the
total funding approved by the AF on a cumulative basis should come from NIEs or RIEs (Adaptation Fund Board,
2019b). There is a USD 10 million funding cap per country, though regional projects can be undertaken, which do
not affect the country cap. Funding is provided on a full adaptation cost basis. According to the Adaptation Fund
Board (2018), the “full cost of adaptation means the costs associated with implementing concrete adaptation
activities that address the adverse effects of climate change.”

- The World Bank:

The World Bank’s Climate Change Action Plan 2016–2020 is at the core of its strategy for addressing climate change.
One of the five strategic shifts in this plan is to put a greater focus on adaptation and resilience.

The Bank has already highlighted several successes in improving resilience. It puts a particular focus on greater
investment in transportation resilience: it claimed USD 373 million in adaptation co-benefits for its global
investments in transportation over the fiscal year (FY) 2011–15 period. The Bank is targeting USD 2 billion in lending
for adaptation in the transport sector over the period FY16–FY20. It also intends to focus more on capacity building
for adaptation.

The Bank is also focused on resilient and sustainable cities. To this effect, it has supported several urbanization
reviews in developing countries. The Bank has helped the Philippines, for example, in the development of a Metro
Manila Flood Master Plan and will support the plan’s implementation. The World Bank Group will develop and pilot
a city-based resilience approach in 15 cities by 2020.

Haiti had multiple risk-financing instruments in place, supported by the World Bank and partners such as the
European Union. The Caribbean nation has benefited from funding innovations in disaster-risk financing. Within 14
days of the earthquake, the government of Haiti received a payout of approximately $40 million from the Caribbean
Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), its single largest payout to date. The
2021 claim is Haiti’s fifth policy payout, bringing the total amount received to $78.2 million. It was made possible by
the progressive increase in Haiti’s parametric insurance coverage for earthquakes.

- Global Environment Fund:

The GEF was established in advance of the 1992 Rio Earth Summit. It aims to address a wide range of environmental
challenges, including climate change mitigation and adaptation. The GEF acts as the financial mechanism, or part of
the financial mechanism, of several international environmental agreements, including the Convention on Biological
Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the Stockholm Convention
on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification (UNCCD) and the Minamata Convention on Mercury. The GEF has provided over USD 19 billion for more than 4,700 projects in 170 countries since its founding (GEF, 2019).

The GEF uses the System for Transparent Allocation of Resources (STAR) to allocate resources to countries during replenishment periods (GEF, 2010). The GEF Trust Fund’s climate focus is primarily mitigation. Its work on mitigation focuses on three main objectives: transfer innovation and technology; demonstrate mitigation options with systemic impacts; and foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies.

Haiti has previously engaged the GEF for supporting climate change adaptation. The GEF Small Grants Programme supports the development of mitigation and adaptation projects by civil society; many of these projects are pilots.

- **Adaptation for Smallholder Agriculture Programme:**

  The Adaptation for Smallholder Agriculture Programme (ASAP) is a project of the International Fund for Agricultural Development (IFAD), an international financial institution and specialized United Nations agency. The programme has received USD 300 million in contributions to date, and it is estimated to have benefited approximately 8 million people across 43 countries. The ASAP project funds activities in the following areas: policy engagement; climate risk assessment; women’s empowerment; private sector engagement; climate services; natural resource management and governance; and knowledge management. The second phase of the programme was announced in 2017, with funding from the Norwegian Agency for Development Cooperation (NORAD) and the Swedish International Development Agency (SIDA). This phase will run until 2025, with a goal of benefitting 10 million smallholder farmers.

- **Additional Multilateral and Regional Sources of Finance:**

  There are several multilateral and regional initiatives working in Haiti. Haiti’s GDP in 2020 was 13.42 billion dollars. With that figure in perspective, a total of $1.3 billion is currently being invested by international donors in climate change or climate-related projects in Haiti in projects that were initiated as early as 2012 and are still ongoing. If short-term disaster risk reduction projects are removed from the total, $1.1 billion is the total current climate-related investment in Haiti. Of the $1.1 billion, $773 million is dedicated to climate change or sustainable energy and the remainder is development aid that is related to, but not intentionally focused on, climate change action. From 2010-2015, a cumulative total of $162 million was allocated for activities primarily targeting climate change objectives. These are some of the initiatives that are being carried out.

  - Haiti is a member of a constituency comprised of the following countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts And Nevis, St. Lucia, St. Vincent and Grenadines, Suriname, Trinidad and Tobago. From The Global Environment Facility (GEF), Haiti has received $24,996,065 from national funds and $139,616,103 from national/global funds.
The Global Environment Facility (GEF) also approved US$4.5 million in new funding for a climate resilience project that will provide 90,000 Haitians with access to safe drinking water.

- In 2019, USAID Haiti launched the Haiti INVEST project, which uses a market-led approach to improve the investment landscape through building linkages between businesses and financial institutions. From 2011-2019, USAID actively leveraged $29 million in private sector funds for a total of $52 million committed by the private sector to increase smallholder farmers’ incomes; raise yields; raise capital for micro, small, and medium enterprises (MSMEs); secure loans for affordable housing; reduce literacy gaps; and improve access to healthcare services.

- Implemented by Haiti’s Ministry of Environment, the 60-month United Nations Development Programme (UNDP)-supported project develops capacities, tools and infrastructure that will provide 86 communities with reliable access to drinking water throughout the year. The project benefits from an additional US$30 million grant from the Inter-American Development Bank (IDB) and US$1.1 millions of in-kind contributions from the Government of Haiti.

9. Bilateral public climate financing

Haiti has existing relationships with several bilateral donors. The following table shows a list of donors that have given environmental disaster support to Haiti, for disaster prevention and preparedness as well as general environmental protection.

Table 3. Haiti list of bilateral donors

<table>
<thead>
<tr>
<th>Institution of bilateral financing</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>466,879,506</td>
</tr>
<tr>
<td>Canada</td>
<td>130,733,775</td>
</tr>
<tr>
<td>Japan</td>
<td>70,744,798</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Spain</td>
<td>47,664,745</td>
</tr>
<tr>
<td>France</td>
<td>33,844,153</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>33,070,138</td>
</tr>
</tbody>
</table>
• European Union
The EU is among the largest providers of adaptation finance. The European Commission has committed to contributing at least EUR 14 billion to support climate action in developing countries over the 2014–2020 period. One of the principal channels for this support is the Global Climate Change Alliance+ (GCCA+), which supports policy dialogue and cooperation on climate change between the EU and developing countries. It has invested close to EUR 450 million since 2008 in 60 country and regional actions, focusing on LDCs and SIDS, with 81% of GCCA/GCCA+ funding going to adaptation (GCCA+, 2018). The GCCA focuses on mainstreaming climate change into national development strategies, increasing resilience and supporting the formulation of mitigation and adaptation strategies (European Commission, 2019).

• Germany
Germany provides climate finance for adaptation through a variety of channels. The country tends to channel significant amounts of climate finance through bilateral development cooperation. This channel represented 84% of Germany’s climate finance in 2017 (Ministry for Economic Cooperation and Development [BMZ], 2019). Germany is also the largest contributor to the AF.

While most of Germany’s climate finance is channeled through Germany’s Ministry for Economic Cooperation and Development (BMZ), a portion is channeled through the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). Adaptation is listed as the second of IKI’s four priority areas, and the initiative is particularly focused on ecosystem-based adaptation (EbA). IKI periodically has both thematic and country-specific calls for proposals (IKI, 2019).

• Japan
Japan supports action in developing countries through the Japanese embassies and offices of the Japan International Cooperation Agency (JICA) stationed throughout the world. Japan reported USD 22.3 billion of total international climate finance as of December 2016, of which only USD 1.9 billion was for adaptation. The money focused on: improving capabilities to cope with extreme events caused by climate change; flood control measures; irrigation; and water supply planning. Japan has also provided USD 537 million in support for cross-cutting efforts that address both mitigation and adaptation (Government of Japan, 2017).

• France
Climate change is a significant issue for France’s current leadership, and the country has committed significant amounts to the GCF and other multilateral funding sources. In terms of bilateral efforts, in 2016 the country contributed the equivalent of USD 3.5 billion in support for mitigation, adaptation and cross-cutting projects, across a variety of instruments. The adaptation support was largely channeled through the Agence Française de
Développement (AFD), France’s development agency, and was made up of a combination of grants and concessional loans (Ministère de la Transition Ecologique et Solidaire, 2017).

- **United Kingdom**

The United Kingdom has committed to spending at least GBP 5.8 billion on international climate finance between 2016 and 2021. The UK’s International Climate Finance portfolio of investments aims to: eradicate poverty; manage risk; adapt to climate change and build resilience; promote low-carbon development; support the sustainable management of natural resources; and reduce deforestation. According to the United Kingdom, these efforts have supported 57 million people in dealing with the effects of climate change since 2012 and aim to support a cumulative 79 million people by 2020 (UK Government, 2019).

- **United States**

In addition to the top five providers of climate finance identified above, the United States has been a supporter of climate efforts in the region and the NAP process in particular. The 2019 US budget includes USD 776 million in bilateral allocations for environmental programmes, though it is unclear how much of this will go to climate-related assistance, as the United States has not yet submitted its third biennial report to the UNFCCC (Thwaites, 2019). This is in addition to USD 140 million for the GEF and 1.3 billion for multilateral development banks (Thwaites, 2019). The United States’ international climate support is principally channeled through the State Department and the US Agency for International Development (USAID).

- **Canada**

Canada is another key provider of climate finance. In November 2015, it made a pledge of CAN 2.65 billion through 2020 to support developing countries in climate mitigation and adaptation (Government of Canada, 2017). In addition to support for multilateral institutions, Canada’s climate finance has included a series of bilateral efforts for the implementation of NAPs and NDCs, and to “contribute to developing countries’” transition to clean and resilient economies”.

10. **Public National Funds**

Haiti’s national budget included investments of $1.3 billion, of which $1.1 billion was directed toward adaptation-related projects. This comes out to approximately 8.19% of GDP. Of the $1.1 billion, $773 million is dedicated to climate change or sustainable energy and the remainder is development aid that is related to, but not intentionally focused on, climate change action.
Maintaining or increasing current levels of domestic investment in adaptation would allow the country to make substantial advances in building resilience. There is also likely a growth dividend from resilience building, which, though difficult to quantify, would make maintaining levels of domestic financing more feasible.

Ongoing tracking of adaptation budgetary spending, as well as training for budget officers, would support efforts to mainstream climate change adaptation into ministerial budgets and improve budget officers’ ability to incorporate adaptation spending into their ministries’ budget justifications.

More than 20 percent of Haiti’s national budget is funded by loans from the World Bank and the International Monetary Fund – a setup that gives international lenders an unusual level of control over Haiti’s government expenditures. The same is true of Haiti’s climate efforts. The majority of the money behind its 15-year plan to finance climate mitigation and adaptation activities – from disaster preparation and renewable energy development to increasing food security – also comes from international donors. The crowdsourced nature of Haiti’s climate budget can make it hard to determine just how much money Haiti has to spend – and what, exactly, the government can spend it on.

In an unpublished 2018 study, the World Bank and Inter-American Development Bank were the two biggest donors to Haiti’s $1.1 billion climate fund. Switzerland is also a major financier, having given the Caribbean nation $64.4 million since 2009, as is Japan, which has given $14.8 million to help fund Haiti’s climate efforts. Most of this $1.1 billion comes in the form of grants, not loans – it’s free money. And, in a country with a gross domestic product of $8 billion, $1.1 billion for climate mitigation is a substantial sum of money.

However, the bulk of the money appears to be misallocated. Numerous international donors, each of which has set its own climate objectives, fund climate action in the country. The result, is that Haiti’s climate budget is a mashup of donor priorities that puts too much money behind certain initiatives while underfunding other environmental needs. Fully 70 percent of Haiti’s $1.1 billion climate budget – $773 million – is earmarked for making energy production more sustainable in Haiti. This involves improving hydroelectric power and increasing solar usage, among other energy upgrades. Reforestation projects are also notably absent in Haiti’s climate budget. Haiti is the Caribbean’s most deforested nation. Seventy percent of forests on the island have disappeared since the late 1980s. It desperately needs reforestation projects to reduce flooding, coastal erosion and water pollution and prevent mudslides.

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11. Private finance

To reach the scale of finance needed to achieve its NDC, the private sector will need to play a larger role in the key sectors beyond renewable energy.

Private financiers and enterprises can make an important contribution to climate change adaptation if adequately engaged by the government—and if adequately incentivized to invest in adaptation from both a business and a corporate social responsibility perspective.

There is limited information available on existing investment in climate adaptation by Haiti’s private sector: most of the information gained thus far is anecdotal. For example, engaging the private sector has been one of the key objectives of the World Bank’s PPCR programme. More will need to be done in terms of private sector engagement in order to leverage the potential of these entities to support a more resilient Haiti.

SWOT analysis and actions to overcome obstacles

For this analysis, findings from plans and strategies of Haiti were reviewed to summarize the strengths, weaknesses, and opportunities of, as well as threats to climate finance access and mobilization in the country. The below tables show the results of this analysis of obstacles and present recommended actions to effectively overcome the main obstacles in order to strengthen Haiti’s access to international funds.

Table 4. Swot analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Strength type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of policies, programmes, projects, and strategies at the regional and national levels related to climate change both in mitigation and adaptation.</td>
<td>Political, normative</td>
</tr>
<tr>
<td>Existence of specialized regional technical and financial institutions dedicated to climate change issues.</td>
<td>Institutional</td>
</tr>
<tr>
<td>Existence of national funds designed for climate finance resource mobilization and disbursement.</td>
<td>Political, institutional</td>
</tr>
<tr>
<td>Existence of national and regional institutions in the process to being accredited to the AF, GCF, and GEF (Ghana, Guinea, Guinea Bissau, Nigeria).</td>
<td>Institutional</td>
</tr>
</tbody>
</table>

**Actions to enhance strengths**

- Update policies, programmes, projects, and strategies at the national level related to climate finance regularly, where necessary;
- Strengthen the capacities of development finance institutions in climate finance mobilization;
- Build the knowledge and preparation of well-trained human resources to foster the mobilization and leverage of climate finance.

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Type of weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient well established development finance institutions (DFIs).</td>
<td>Institutional</td>
</tr>
<tr>
<td>Insufficiency of knowledge or experience in climate project development.</td>
<td>Human resources</td>
</tr>
<tr>
<td>Few financial institutions with expertise in climate finance.</td>
<td>Institutional, technical</td>
</tr>
<tr>
<td>Few financial institutions accredited to the AF, GCF, and GEF.</td>
<td>Institutional</td>
</tr>
<tr>
<td>Lack of knowledge on the various climate funds and capacity to access those funds.</td>
<td>Institutional, technical</td>
</tr>
<tr>
<td>Insufficient technical capacity for accessing financial sources from multilateral organizations.</td>
<td>Technical</td>
</tr>
<tr>
<td>No national experience in establishment of green bonds.</td>
<td>Legal, regulatory and Institutional</td>
</tr>
<tr>
<td>Weak articulation of diverse key actors in climate finance activities, particularly the private sector.</td>
<td>Political, institutional</td>
</tr>
<tr>
<td>Lack of investment readiness among entrepreneurs and investees.</td>
<td>Technical</td>
</tr>
<tr>
<td>Unpredictable policy environments.</td>
<td>Political, legal</td>
</tr>
<tr>
<td>Difficulty of raising capital locally and mobilizing climate finance on a local level.</td>
<td>Technical, institutional</td>
</tr>
<tr>
<td>Lack of understanding and trust in climate finance potential and goals, particularly among the private sector.</td>
<td>Political, institutional</td>
</tr>
<tr>
<td>Scarcity of data on domestic public climate finance and fragmentation of these data where they are available.</td>
<td>Institutional</td>
</tr>
<tr>
<td>Lack of national mechanisms for track international public climate finance flows from bilateral and multilateral contributions.</td>
<td>Institutional</td>
</tr>
<tr>
<td>Lack of data and mechanism to track private finance flows to climate-related investments.</td>
<td>Technical, institutional</td>
</tr>
<tr>
<td>Lack of mechanism to track financial flows received by NGOs.</td>
<td>Legal, institutional</td>
</tr>
<tr>
<td>Lack of an MRV system to measure, report and verify climate finance, mitigation, and adaptation action.</td>
<td>Institutional</td>
</tr>
</tbody>
</table>

### Actions to mitigate weaknesses

- Conduct trainings and the development of knowledge to promote the mobilization and leverage of climate finance, including:
i. Technical training for governmental and non-governmental actors in the identification, preparation and management of climate projects,

ii. Training for staff of banking and financial institutions in climate finance,

iii. Training for decision makers in climate finance policies and economic opportunities of climate finance;

- Increase significantly the number of the financial institutions accredited to the AF, GCF, and GEF;
- Build capacity among project developers on the access requirements of climate funds (AF, GCF, GEF)
- Promote greater understanding among and participation of private sector and other key actors in the provision of climate finance and development of climate finance projects in line with national and regional priorities;
- Ensure involvement of micro-finance institutions on local level in project development and finance mobilization to build capacity and increase access to climate finance on the local level;
- Enhance capacity and mechanisms at national and regional level for the coordination among public institutions regarding climate action and climate finance mobilization;
- Promote investment readiness among entrepreneurs and investees;
- Promote mechanisms to track financial flows received by NGOs;
- Review existing legislations, fiscal, investment, and regulatory policies to ensure they are facilitative to climate action and contribute to the mobilization of climate finance;
- Apply effective legislation and regulation to enable investments in climate projects;
- Set up tracking mechanisms for:
  i. Domestic climate finance flows,
  ii. International public climate finance flows from bilateral and multilateral contributions,
  iii. Private climate finance flows,
  iv. Projects related to carbon market mechanisms;
- Develop and implement national and regional MRV systems to effectively measure, report and verify climate finance, mitigation adaptation actions.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Type of opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence of international financial mechanisms (GEF, GCF, AF, CIF, etc.).</td>
<td>Financial</td>
</tr>
<tr>
<td>Existence of international initiatives providing technical support, such as CBIT, Initiative for Climate Action Transparency (ICAT), West Africa MRV Programme, etc.</td>
<td>Capacity Building</td>
</tr>
<tr>
<td>Existence of international climate change and forest governance initiatives (REDD+, FLEGT).</td>
<td>Political, Technical</td>
</tr>
<tr>
<td>Existence of GCF readiness programme, designed to strengthen institutional capacity.</td>
<td>Climate building</td>
</tr>
<tr>
<td>Existence of initiatives facilitating the establishment of tracking mechanisms, such as the Climate Public Expenditure and Institutional Review (CPEIR).</td>
<td>Institutional</td>
</tr>
</tbody>
</table>

**Actions to take advantage of opportunities**

- Build capacity on climate funds’ eligibility criteria, access requirements, and application procedures among public and private financial institutions;
- Promote climate change and forest governance initiatives;
- Promote the participation of Haiti in the initiative of the Climate Public Expenditure and Institutional Review (CPEIR);
- Promote the participation of Haiti in climate initiatives.
<table>
<thead>
<tr>
<th>Threats</th>
<th>Type of threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of access of finance for businesses, especially SMEs and high operating costs due to lack of awareness of financing options, high risks leading to high collateral requirements, inability to meet investor requirements, lack of professional operational and governance mechanisms.</td>
<td>Technical</td>
</tr>
<tr>
<td>Administrative burdens related to paying taxes decreasing ease of doing business.</td>
<td>Regulation, policy</td>
</tr>
</tbody>
</table>

**Actions to defend against threats**

- Promote transparency on the management of companies, including through the continuous improvement of governance and the systematic practice of the external audit of companies’ accounts;
- Reinforce the practice of monitoring-evaluation and audit of companies;
- Apply effective legislation and regulation to facilitate doing business and lower investor risk.

**Action axes of the financial strategy on climate change**

This section describes three action axes under which the Strategy can be implemented over the following years. These axes intend to contribute to and promote a responsible use of resources, encouraging economic growth through the opportunities offered by the transition towards a greener and more sustainable economy.

The first axis is focused on information and data generation and analysis, to mobilize capital flows under a framework of policies and measures coherent with the climate objectives of the country, growth priorities, governmental responsibility, and sustainable development with a long-term view.

The second axis intends to promote the design and implementation of green financial and economic instruments and, in general, of market development in order to contribute to the current and new climate resilient, low carbon emitting sectors of the economy.

The third axis attempts to strengthen understanding, capacities, and action by the financial sector regarding risks and opportunities derived from climate change, considering international evidence and best practices.
Considering the number of resources required for the transitions towards a low emission economy, consensus exists that the public sector cannot act in an isolated manner. For this reason, it must encourage collaboration with the financial sector, including market regulators and players, with the purpose of assigning capital flows to investments in the real economy under sustainability criteria, in response to the objectives defined under the Paris Agreement.

One of the greatest barriers to mobilizing the necessary capital flows is the lack of crosswise knowledge, understanding and training of the economic and the financial sector related to the risks and opportunities of the climate and sustainable development phenomenon.

At an international level, several standards have been developed to identify and integrate the risks related to climate change and the opportunities arising from the transition to a sustainable economy and to make them a part of companies’ business decisions, particularly for financial entities. Some examples of these are the Network for Greening the Financial System (NGFS), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Coalition of Finance Ministers for Climate Action which, although at an early stage, have become global benchmarks and have delivered useful tools adopted by a great number of countries.

This Axis is intended to promote and generate technical knowledge in a coordinated, transversal way, in the public and private financial sector, about the risks of climate change in terms of physical impacts and the transition to carbon neutrality, as well as opportunities. All the above in line with international standards and best practices on this matter.

**Key considerations for climate finance readiness**

This section outlines the core components of the climate finance readiness framework, it reflects on current initiatives, and highlights potential limitations with regards to planning, aptitude, and access.
Planning for climate finance includes consideration of strategic purpose, governance, and institutions; of the procedural issues to revise policies, regulations and incentives that affect climate change relevant investment; and of the acquisition of sufficient and relevant information. The core component of planning in our climate finance readiness framework reflects the need to align climate finance with national strategies and objectives. In itself, this requires co-ordination and inclusiveness across a wide range of actors and institutions.

Aptitude relates to maximizing existing national capacities to identify appropriate climate change investment choices and the suite of capacities to deal with climate finance. It, therefore, encompasses the capability to develop a pipeline of bankable climate change projects and programmes as well as the people, systems, expertise, and know-how that exists in country to access and program climate finance. It relates to the public sector, the private sector, civil society, and NGOs.

Access. Within the climate finance readiness framework, access refers to sourcing, receiving, and spending funds widely. This considers the monitoring and evaluation of climate finance expenditure in countries to gather best practice, but also for ensuring accountability for using scarce public resources. It also considers the appropriate modalities and associated fiduciary and environmental standards, given the pursuit of direct access modalities.

Figure 9. Readiness for climate finance: complexity of the climate finance landscape (Source: Financing Climate Change Adaptation in Transboundary Basins, January 2019)
Monitoring, Reporting and Verification framework to track climate finance

A key gap for all low- and middle-income countries is around monitoring, reporting and verification (MRV). Countries preparing to receive climate finance need to develop comprehensive systems around MRV. It is necessary for LICs (Least income countries) and MICs (Medium income countries) to update their forest legal frameworks and other regulations, to develop a national system for monitoring social and environmental safeguards, and to implement a national emissions inventory.

The Paris Agreement calls for a progressive increase in the mobilization of funding for climate change mitigation and adaptation and promotes a transparency framework for managing resources and monitoring the impact of funded actions. To do so, a detailed understanding of existing climate finance flows is required, in particular their source and the type of measures they support.

Although information about financial flows from public sources has improved, there is a high degree of uncertainty about the actual amounts provided and mobilized. Also, it is important to highlight that information regarding private funding sources is even more limited than public sources.

Increasing transparency and understanding of finance flows is a crucial step towards alignment and compliance with the Paris Agreement, both to implement actions to reduce greenhouse gas (GHG) emissions and to direct such flows towards adaptation actions to reduce the vulnerability and increase resilience of populations, economies, and ecosystems.

Climate finance for mitigation and adaptation measures are particularly relevant for Haiti, given the country's high vulnerability to the effects of climate change.
The main objective of the Climate Finance MRV framework is to build information management processes to track climate finance flows for climate change mitigation and adaptation in order to enhance understanding of the latter. This in turn helps to increase their effectiveness in several regards: Investment gaps can be identified, greater resources to address climate change can be mobilized and planning and decision-making can be informed in a useful manner.

In summary, the climate finance MRV framework is relevant to:

- Systematize information in a transparent and comparable manner, thus improving the confidence of donor and recipient countries to mobilize funds for climate change;
- Support the fulfilment of international reporting commitments to the UNFCCC;
- Understand how sectors and territories invest, understand the impact of climate finance; and
- Identify investment gaps;
- Strengthen an informed decision-making process for the implementation and enforcement of the Nationally Determined Contribution (NDC).
12. Tracking domestic funds used to finance adaptation

Results of tracking adaptation finance can support reporting, monitoring, and review in the NAP process, demonstrating how resources have been allocated to implement adaptation priorities and assess progress, effectiveness, and gaps. Tracking domestic public funds used for adaptation is also an important way of demonstrating country ownership and commitment to acting on adaptation priorities. A key challenge related to tracking includes identifying what constitutes adaptation finance: given the close integration of adaptation considerations into development, sector, and subnational planning, it can be difficult to separate out and determine how much should count as adaptation finance versus business-as-usual finance. Programs, projects, and other initiatives often have adaptation benefits but are not necessarily labeled as adaptation. Kenya is an example of a country that has attempted to address this challenge through development and implementation of a system for tracking national adaptation and mitigation finance through the domestication of the Rio Markers covering climate change, which are already used by the Organization for Economic Co-operation and Development (OECD) to track international flows of climate-related official development assistance that includes climate change as a primary objective, and/or that includes climate change as a significant objective when supporting climate-sensitive sectors.

Steps to securing Climate Finance

Significant financing is needed throughout the entire NAP process, but especially within its implementation phase. Countries will need to combine a range of potential sources of finance—private and public, international, and domestic—to meet this need. Given the number of potential sources of finance for the NAP process, a key challenge for many countries is determining how to align these sources with the financing needs of its development and implementation phases. A dedicated NAP financing strategy can help countries to strategically align their financing needs for the NAP process with potential sources of finance.

A key challenge for NAP teams is to strategically determine how to align financing needed for the NAP process in its development and implementation phases with available sources of financing. Their approaches must match their countries’ capacities and finance readiness. A dedicated financing strategy for the NAP process can help NAP teams meet this challenge. Such a strategy can set out a coordinated national approach to identifying and securing the finance required at different stages of the NAP process in a way that reflects a country’s individual adaptation objectives (GIZ, 2017a). According to countries’ needs and circumstances, these strategies may also serve as core features of future NDC adaptation components. Thus, they may also be branded as NDC financing strategies and combined with similar efforts to finance mitigation priorities, if appropriate.
A tailored financing strategy should be developed early in the NAP process. The strategy should be fully integrated with NAP activities and reviewed and updated in an iterative manner. It may be designed to support the integration of financing needs related to the NAP process into planning and budgeting processes at the national, sectoral and sub-national levels. While the scope of a financing strategy for the NAP process will vary from country to country, it may consist of the following main building blocks:
Defining funding priorities – The Government of Haiti will need to maintain an iterative process of developing and updating funding priorities on the basis of their priority in the NAP (short-term, medium-term and long-term).

Soliciting and/or developing project/programme concepts – Once priorities have been identified, these need to be translated into project concepts that clearly lay out the project and its objectives. How this occurs will depend on the nature of the project/priority: line ministries or other key actors (such as fund intermediaries) may be requested to take the lead, or project/programme ideas may be solicited by the private sector or others.

Aligning concepts with funding sources – Alignment of project concepts with appropriate sources of funding will involve a review of nationally available resources, identification of available sources of international finance, and consideration of the appropriateness of private sector finance.

Elaborating full proposals – Once funding sources have been identified, proposals will need to be developed (as appropriate), typically including the development of feasibility studies and risk assessments. Requirements will be stringent if seeking international public finance.

Approving projects – Project ideas are then submitted to appropriate authorities. For international climate finance requests, this means submission to the multilateral or bilateral source. For projects with a national budget component, this may (also) mean inclusion in the budget process.

Implementing projects – Projects that are approved are then implemented by the relevant entities and/or accredited intermediaries and executing entities.
• **Monitoring and evaluating project implementation** – Once projects are in the implementation phase, their progress and impact will be monitored and reported on. Haiti’s NAP Monitoring and Evaluation plan will provide a framework for reviewing the implementation of the NAP process.

These steps are presented as a cycle to represent the iterative nature of the process. However, while lessons learned from each step of the cycle should inform the next iteration, financing of the next set of NAP priorities should not wait for the completion of the approved projects.

In addition to the cyclical series of activities identified above, there are several other activities that Haiti can take to enhance the effectiveness of its effort to finance the NAP process. These will occur on an ongoing basis, and include the following:

• **Engagement with the private sector** – The private sector can play a key role in the implementation of the NAP. All Ministries with the mandate and authority for implementing the NAP and SASAPs are expected to engage the private sector at all stages of the national adaptation planning process. Specific approaches for private sector engagement are further elaborated in the Private Sector Engagement Strategy as part of Haiti’s NAP process.
• **Strengthening relationships with accredited entities, implementers and other relevant entities** – Accessing international climate finance requires engagement with key entities who are well-placed to implement the types of activities identified in the NAP. This will mean developing and/or strengthening relationships with a wide variety of actors. Projects are submitted to the GCF through AEs and to the AF through national, regional or MIEs. Several entities are accredited to both. It is the responsibility of Haiti, as the entity with responsibility for managing development and climate finance, to cultivate, maintain, and strengthen relationships with these entities, and to ensure that Haiti has access to a pool of AEs and implementing entities with a mix of proven track records, capabilities, experiences, and resources aligned with the country’s adaptation priorities. It is further the responsibility as its DNA, to maintain relationships with the AF, and that of line ministries to maintain and strengthen relationships with other international organizations with whom they have existing relationships.

• **Enhancing Accredited Entities’ capacity for project origination, development and management, in particular for National Direct Access/Implementing Entities** – Related to the previous point, Haiti will continue to work with their domestic Accredited Entities to the GCF to help improve their capacity to access funds for Haiti. The most important function of GCF AEs is to develop project and programme proposals along with managing and monitoring implementation of those projects and programmes. As the NDA, is responsible for the nomination of national AEs and can potentially access additional resources to improve the capacities of these AEs. Working with the DSD and in conjunction with the NCCC, will nominate entities for accreditation, as appropriate, and will work with them to improve their capacity to originate projects that align with national priorities.

• **Improving capacity to track and monitor public expenditure on climate resilience** – Haiti currently lacks a broader approach for tracking public investment in climate change adaptation. Tracking such expenditures can be useful in raising awareness and understanding of climate change, mobilising resources (by demonstrating national commitments to adaptation) and improving monitoring and reporting of climate change policy and progress. Haiti is participating in the global effort to reduce emissions to reach the targets of limiting global warming to below two degrees. It has submitted an Intended Nationally Determined Contributions (INDC) plan, which sets out a 31 per cent reduction in its emissions. Haiti estimates the overall budget for implementing these plans at US$25.387 billion, of which $16,614 billion is for adaptation and $8.773 billion is for mitigation. \(^4\)

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\(^4\) Haiti is participating in the global effort to reduce emissions to reach the targets of limiting global warming to below two degrees. It has submitted an Intended Nationally Determined Contributions (INDC) plan, which sets out a 31 per cent reduction in its emissions.
Tracking domestic adaptation spending can also be a component of a broader climate finance tracking system for transparency purposes, including under the Paris Agreement and to inform upcoming Adaptation Communications.

- **Training relevant actors to effectively solicit and use climate finance** – As per NAP measure #40, the National Climate Change Committee (NCCC), through the Department of Sustainable Development (DSD) and in collaboration with the Department of Economic Development, Transport and Civil Aviation (DEDTCA), will deliver hands-on climate finance trainings to relevant actors periodically, throughout the implementation of the NAP process.

- **Further development of Sectional adaptation strategies and action plans (SASAPs)** – Haiti will work to secure resources to complete SASAPs for all relevant sectors identified within the NAP. This will provide greater information on the types of activities to be undertaken, as well as involving the development of additional Concept Notes which can be used to seek national and/or international financing.

- **Further engagement and coordination with existing bilateral donors** – Haiti will continue to engage with the various donors that have provided support in the past for resilience and adaptation activities, and further cultivate these relationships in the context of NAP implementation, through the communication of priority projects and participation in selected fora and events.

- **Identification of a full set of financial resources required for NAP implementation** – Identifying costs of NAP implementation will be a long-term iterative process. However, over time, Haiti will work toward developing an understanding of the full cost of NAP implementation. This will support implementation planning and updating of the document.

To date, the SASAPs are semi-costed—there are cost estimates associated with the SASAP concept notes, but understandably, not the broader measures, for which scope and scale (and therefore cost) would emerge only when elaborated via concept note. In recognition of the fact that the NAP and SASAPs are meant to be living instruments, over time, the relevant MDAs should work toward the elaboration of concept notes that are reflective of the full scale of adaptation measures and subsequently the development of a full accounting of the expected adaptation costs associated with their relevant SASAPs. This will allow for the effective strategic planning of financial needs over time and the assessment of appropriate sources of finance—national and international, public and private. This information will further support the communication of needs for effective country programming with respect to various climate-related funds and can help determine where support can be most impactful. Indicative bottom-up costing efforts should thus continue on an ongoing basis, in alignment with urgency (as indicated in through the inclusion of the implementation periods in the SASAP documents).
Key Lessons

Political leadership is critical to domestic financing of adaptation action. High-level support from Haiti’s political leaders, including the Minister of Environment will enable the development of institutions and processes that prioritize adaptation actions, and the allocation of domestic funds for adaptation.

Expenditure data needs to be combined with data on climate adaptation outcomes to assess the effectiveness and efficiency of public investments. Haiti needs to establish a monitoring and evaluation framework that will include climate-related indicators in the national budget, including climate finance indicators and climate outcomes.

Some climate change actions are supported with existing budget funds that are not identified as climate finance. Identification of all domestic public finance that addresses climate change enables informed decision making. This is also true for external funding, whereby the amount of external finance that supports adaptation could be increased by mainstreaming climate change into typical development projects funded by donors.

Lack of finance is a critical barrier to the NAP process. Haiti needs to improve its capacity to mobilize, spend and track public finance for the NAP process. Yet a lack of finance remains a critical barrier impacting the implementation of adaptation actions. Despite increased allocations of domestic funding, international climate finance will continue to be a large contributor to the implementation of Haiti’s NAP.

Domestic resources can mobilize a more immediate, nationally driven response to climate change, and when aligned with external funding sources, can gain a much greater impact. The integration of programs and domestic and international funding sources improves the effectiveness of the NAP process.

Sustainable financing is based on country ownership and a long-term view. Some officials in key institutions need to be trained and provided with training-of-trainer courses on climate finance to ensure local ownership and buy-in. Tracking and measuring domestic budget allocations for adaptation is not easy. It is a process, and Haiti needs to ensure that public officials use their knowledge and share information on climate financing and budgeting across several budget cycles.

Clear mandates provide predictable climate finance – County Climate Change Funds (CCCFs) ensure a domestic revenue stream to finance adaptation that provides resource predictability for priority actions at the community level. Budget allocations to adaptation priorities are facilitated by clear mandates to prioritize climate change action at the county level. At the national level, the Climate Change Act mandates mainstreaming climate change in development plans and reporting on action. At the county level, climate change fund legislation mandates the allocation of a portion of development budgets to climate change.
**Government commitment helps to attract international climate finance** – The government commitment to provide domestic budget allocations to the County Climate Change Funds (CCCFs) will help to attract international climate finance.