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Beyond Climate Finance Pledges

A Critical Exploration of Adaptation Finance Allocation and Access to Sudan

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"Today, let us swim wildly, joyously in gratitude."

— Rumi

Abstract

Climate adaptation finance is crucial, particularly for the most vulnerable countries, as these countries often face the worst impacts and are the least capable of adapting. While adaptation finance mobilization has increased over the last years, little has actually been channelled to the most vulnerable countries, with no concrete evidence of the prioritization of the most vulnerable countries in allocation. The main objective of this study is to contribute to the understanding of adaptation finance allocation and trace the manifestations of allocation rationales on access procedures. An explorative case study research design was adopted to realize this objective, with qualitative data triangulated with semi-structured interviews and document review. The study focused on Sudan as a case of one of the most vulnerable countries and analyzed the rationales for adaptation finance allocation to Sudan from four different bilateral and multilateral sources, including the UK, Sweden, Japan, and GEF. Much emphasis has been placed on perspectives; both recipient and donor perspectives were equally incorporated when relevant. Through thematic analysis, the results of this study yielded three main findings. First, it confirmed that vulnerability is not a strong proxy for allocation; however, it is viewed as a prerequisite that would only support the requests of recipient countries. Second, an additional supplementary model for adaptation finance allocation has been suggested in response to the surfacing of concerns from donors in relation to climate-induced migration and the potential increase in humanitarian needs as a result of climate change. Third, it became evident that there is a mix of converging factors and rationales shaping decisions underlying adaptation finance allocations rather than a singular motive or factor that pushes forward or restricts decisions. Looking into the future, the findings of this study underline the need for both donors and recipients to rethink adaptation finance beyond traditional development finance while also considering the root causes that generate, reproduce, and amplify vulnerability. It also urges the planning of strategies that can accommodate the political unrest in the short term because climate change does not await political rest. Further, particular to recipients, the findings suggest a dire need to claim or reclaim country ownership by being proactive and purposeful in setting and mainstreaming ownership across the different levels. Finally, future research is suggested for building on the proposed analytical framework for the manifestations of allocation rationales.

Keywords: climate change, adaptation finance, vulnerability, allocation, access, Sudan

Executive Summary

Combining approaches from development cooperation research with climate change finance principles, this thesis sought to contribute to the understanding of adaptation finance allocation and access to the most vulnerable countries by focusing on the case of Sudan.

Problem Definition and research questions

The weather extremes and other climate impacts are accelerating faster than earlier anticipated (IPCC, 2022). In adjusting and managing the effects of climate change, Saunders (2019) asserts that adaptation is vital. Despite the continuous assertion, current international public adaptation finance flows are five to ten times less than the amounts needed by developing countries (UNEP, 2021). Adaptation finance is particularly crucial for the most vulnerable countries, as often, these countries face the worst impacts and are the least capable of adapting (Pelling & Garschagen, 2019). According to Notre Dame Adaptation Index (2021), Sudan is the 5th most vulnerable country to climate change globally. Yet, Sudan is amongst the countries receiving the most diminutive adaptation finance (Savvidou et al., 2021).

The vast of studies on the allocation of adaptation finance did not concretely establish that adaptation finance was directed to the most vulnerable countries (Khan et al., 2020). Besides the insufficiency of the amounts being channelled, the OECD (2015) reported that the vast share of climate finance (76–80%) is actually ODA, which suggests that climate finance is not additional to what would have been delivered anyway (Nakhooda et al., 2013). Given the close relationship between development and adaptation, it is tempting to use existing channels of development assistance to fill this gap. However, Ayers & Huq (2009) argue that it is imperative that development assistance is not seen as a substitute for specific adaptation finance.

While adaptation as a research discipline is rapidly growing, with substantial progress in areas concerning vulnerability and adaptation practices, this progress has not been matched by advancement in practical policy research (Lynch et al., 2008; Nalau & Verrall, 2021). Further, Doshi & Garschagen (2020) note that the focus on donors' perspectives has dominated the literature on adaptation finance. Methodologically, the majority of previous studies have been conducted using quantitative methods, which are attested to limit the possibility of gaining a deeper understanding of adaptation finance allocation and access (Doshi & Garschagen, 2020).

Based on the mentioned above, the following research questions have been posed:

> **RQ1** What are the rationales shaping adaptation finance allocation decisions for the case of Sudan?
> **RQ2** How are the motives underlying allocation reflected in the access procedures of adaptation finance in the case of Sudan?

To address these questions, a literature review has been conducted to conclude relevant theories/explanations that would assist in guiding the research strategy.

Research Design and Methodology

This thesis is conducted under the lens of critical realism by acknowledging that while there is one reality, there are multiple interpretations of that reality (Bhaskar, 2008). A primary objective of scientific research conducted under critical realism is to develop explanations for the way things act and how they are capable of so doing (Wynn & Williams, 2012). In critical research, a critical stance is adopted, and the researcher attempts to 'critique the status quo' by highlighting contradictions within social systems that lead to conflict and inequalities (Myers & Klein, 2011). Cousin (2005) says that the case study method is suitable for defining cases for an easier understanding. A distinctive feature of case study research is the presence of many variables of interest rather than only data points (Yin, 2003). Based on this, the scoping of this research is unidimensional for the recipient side to account for the particular nature of the vulnerability, and is multidimensional for the donors' side, as adaptation finance is mobilized and allocated from a variety of sources. On the recipient side, Sudan was selected as a case that displays high vulnerability to climate change and a unique political and economic context. On the donor side, the study focuses on both bilateral and multilateral sources of adaptation finance, where the UK, Sweden, Japan, and GEF were selected as cases.

For data collection, semi-structured interviews and document reviews were deployed. Both interviews and documents were analyzed using thematic analysis. For data analysis, Wynn & Williams (2012) pointed out that in conducting critical realist case-based research, data is best analyzed through a retroductive approach, which entails both deductive and inductive logic. Such an approach has been adopted to guide the analysis logic for the thesis at hand. An analytical framework inspired by development aid theories and principles of climate finance has been used to guide the collection and analysis of data.

Findings

With regard to RQ1, four models of allocation have been concluded as overarching models that collide together in shaping adaptation finance allocation decisions. These models included *recipient need, recipient merit, donor interest and donor concern*. The first three models are largely correspondent to rationales found in previous academic literature. In contrast, the donor concern model has been suggested as an additional model that explains the rationales of allocation for some donors. Similar to findings found in the literature, the findings in this study did not concretely establish that donors particularly prioritize the most vulnerable countries in their allocation decisions. Most notably, dependencies between the different models have been observed. These dependencies have been observed across all models; however, the recipient merit model has been identified as a central model that plays a vital role in facilitating or hindering the actualization of the factors underlying other models. The identified models, factors and dependencies are illustrated in Figure 0- 1. Factors related to research capacity, institutional capacity to absorb finance, capacity to apply for projects and political stability have been identified as crucial factors shaping allocation decisions. Additional factors related to claiming climate leadership and climate-induced migration have been observed as emergent rationales or factors that explain adaptation finance allocation.

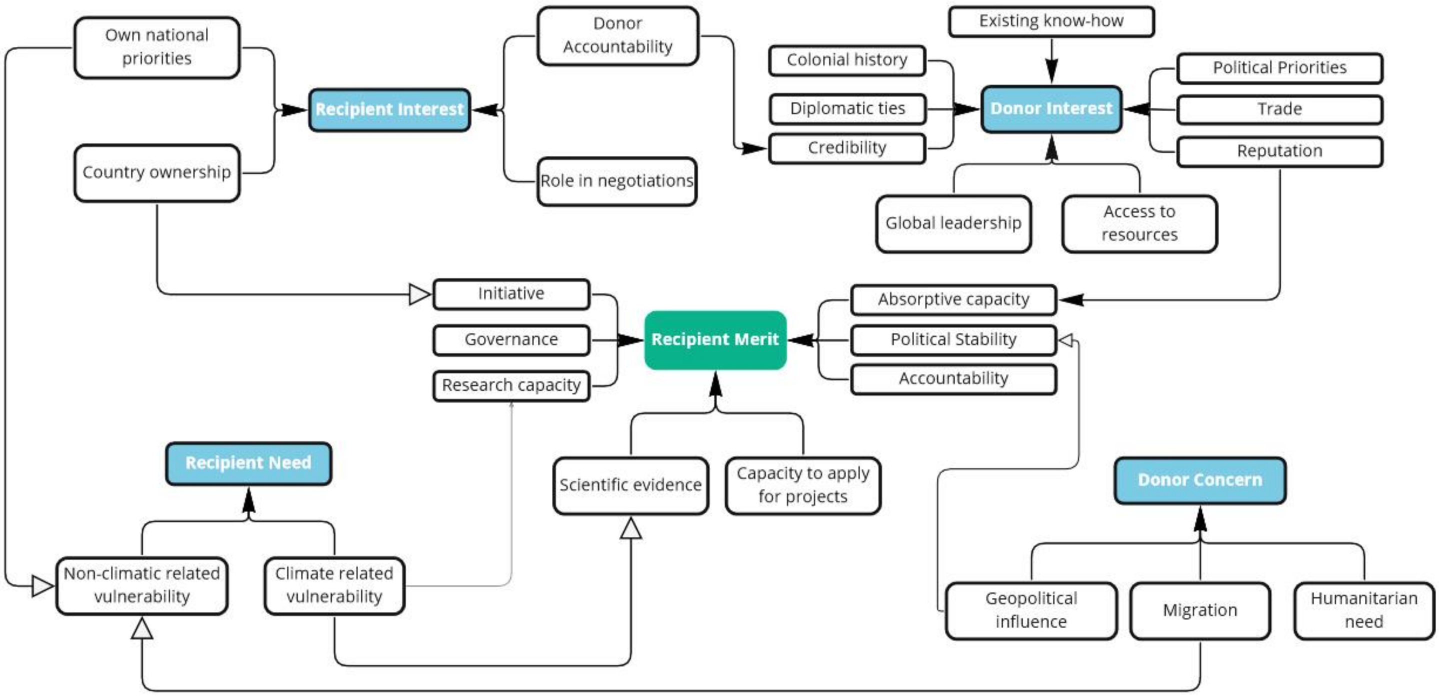

Figure 0- 1: Summary of adaptation finance allocation models, underlying factors, and interdependencies. Source: Own findings and illustration

Related to RQ2, the findings confirmed the assumption that allocation rationales are reflected on access; however, the findings varied across the different dimensions of the analytical framework and across the different perspectives. For the UK, *recipient need* and *donor interest* were concluded to be predominantly manifested in access procedures. While for Sweden, rationales related to *recipient merit* and *recipient need* were observed to be more predominant. For Japan, factors pertaining to *recipient need* and *donor interest* have been observed to be manifested in access procedures. Importantly, for all assessed adaptation finance sources, these manifestations were most observed in access requirements, access modalities, and country ownership.

Conclusions and recommendations

The *empirical contribution* of the thesis is rooted in the scoping of this study, as it looked at the case of Sudan as one of the most vulnerable countries, which presents a particularly unique case with limited previous research. Further, this thesis takes the conversation a step further by exploring and tracing the implications of allocation rationales through a novel practical angle. Finally, the conceptual contribution of this thesis is that it expanded on the models explaining the motives underlying adaptation finance allocation, where an additional model was suggested, and actionable recommendations for future research were identified.

The study's practical implications and recommendations are aimed at both recipient and donor public and private organizations. For donors, it is apparent that there is a mismatch between the announced ambitions and the courses of action taken to actualize these ambitions.

This mismatch directly manifests how adaptation finance is perceived together with the 'non-urgent' sentiment towards adaptation. To practically alter this state, donors need to first reimagine adaptation finance beyond traditional development cooperation mindset and systems because the two are inherently different. While there have been considerable improvements in adaptation finance mobilization, the devil is indeed in the process. Stepping up the conversation into what should happen beyond the mobilization is as equally essential. Mainly because beyond finance mobilization is where values related to responsibility and justice are mostly materialized.

Further, while aspirational goals are essential in scoping the use of adaptation finance, it has been noted that the actualization of too aspirational goals can be problematic in the implementation phase of adaptation projects. Hence, it is important to consider the repercussions of 'too aspirational' goals prior to setting goals. Finally, in terms of responding to context-specific challenges, donors need to have the humility to meaningfully understand the local specificity of vulnerability and the sorts of actions that generate, reproduce, and amplify vulnerability.

Specific to Sudan, while the case is particularly unique due to the various paradoxes, three main actionable areas have been concluded in light of the findings of this study. First, while the ambiguity surrounding the political state is considerable, recipient organizations need to rethink and articulate the national adaptation finance strategies under the worst-case scenario's assumptions because climate change does not wait for political rest. It is acknowledged that this is easier said the done; however, the urgency and magnitude of climate risks are stipulated to exacerbate the existing political challenges. Second, to increase the effectiveness of the acquired finance, national recipient organizations should claim more agency and consider the effects of having international organizations as the main actors on the adaptation agenda. Third, the findings related to access strongly suggest that knowledge and skills related to adaptation finance are limited to a niche of individuals and organizations. This warns against both the sustainability and the mainstreaming of adaptation. Hence, there is a dire need for diffusing knowledge and skills amongst a wider array of individuals and across different institutions.

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1 Introduction

Climate change is upon us. The weather extremes and other climate impacts are accelerating faster than anticipated (IPCC, 2022). With high confidence, the IPCC (2022) reported that widespread damages are already occurring. Human beings and animals are already dying in heatwaves, storms, and other disasters fueled by climate change. Hundreds of species have disappeared, both on land and at sea, resulting in an irreversible loss of ecosystems (IPCC, 2022). Simpson et al. (2021) note that the impacts and risks associated with climate change are progressively becoming more complex and intertwined. The IPCC (2022) report on adaptation and vulnerability warns and strongly urges governments and people to be prepared for a warmer world with simultaneous climatic and non-climatic hazards, resulting in compounding risks cascading across sectors and regions.

Despite its low contribution to greenhouse gas emissions, Africa remains the most vulnerable continent (AFDB, 2019). Moreover, despite contributing the least to climate change and having the lowest emissions, according to the African Development Bank (2019), it was stipulated that the continent can face exponential collateral damage from the impacts of climate change. In adjusting and managing the impacts of climate change, Saunders (2019) asserts that adaptation is vital. Climate change adaptation refers to the actions taken to address the effects of climate change by reducing vulnerability and exposure to its harmful effects and exploiting any potential benefits (IPCC, 2018, Chapter 1). Adaptation to climate change can considerably minimize many of the adverse effects of global warming and buildup beneficial impacts—though not without a cost (Smit et al., 2001). As such, Doshi & Garschagen (2020) note that international adaptation finance plays a fundamental increasing role in addressing the effects of climate change. Adaptation finance is necessary to respond to the impacts of climate change such as flooding, droughts, cyclones, coastal erosion and increased variability of precipitation (Watson & Schalatek, 2020). Climate policy, starting with the 1992 Rio Convention and culminating with the Paris Agreement, has stressed the importance of providing adaptation finance to the most vulnerable countries (Doshi & Garschagen, 2020). Nevertheless, despite the continuous assertion, current international public adaptation finance flows are reported to be five to ten times less than the amount needed by developing countries (UNEP, 2021). Besides the finance gap, it has been indicated that adaptation finance is not flowing to countries most vulnerable to climate change (Doshi & Garschagen, 2020; Saunders, 2019). Khan et al. (2020) pointed out that adaptation finance allocation is one of the key cornerstones of climate justice.

Sudan, the 5th most vulnerable country to climate change, received a total of USD 39 million between 2012-2019 (AidAtlas, 2019). To put this into perspective, the total amount of disbursed adaptation finance during the same period was USD 24 billion (OECD, n.d.). Underlying this immense finance gap, there is a long-running international debate raising the fundamental questions of who is responsible for providing finance, who should decide the allocation of available finance, how finance will be channelled, and for what purpose (Diamond & Bruch, 2010). While several scientific and political attempts have been made to clarify responsibilities and regulate access processes, there has yet not been a consensus.

1.1 Background & Problem definition

The following section details the main principles for adaptation finance, presents an overview of the architecture of adaptation finance and details the problem definition for the thesis at hand.

1.1.1 Principles underlying adaptation finance

In March 1994, the United Nations Framework Convention on Climate Change (UNFCCC) entered into force to ensure international cooperation in combating climate change and increasing resilience (UNFCCC, n.d.). The adoption of the Paris Agreement in December 2015 during the 21st Conference of the Parties to UNFCCC (COP21) was a landmark event for the adaptation pillar. The Parties to the UNFCCC reaffirmed the global goal of "enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change" (Article 7.1, Paris Agreement, 2015). The Parties also committed to jointly mobilize to support proactive measures to adapt to climate change with an emphasis on prioritizing the needs of developing countries (UNEP, 2020; UNFCCC, 2018)

A key clause in the UNFCCC regarding climate finance is as follows: "Parties should protect the climate system for the benefit of present and future generations of humankind, based on equity and in accordance with their common but differentiated responsibilities and respective capabilities" (Article 3.1, UNFCCC, 1992). Another important clause detailing the nature of finance commitments mentions: "The developed country Parties and other developed Parties included in Annex II shall take all practicable steps to promote, facilitate and finance, as appropriate, the transfer of, or access to, environmentally sound technologies and know-how to other Parties" (Article 4.5, UNFCCC, 1992). These two articles serve as overarching umbrellas that specify the nature of responsibilities and commitments.

Following on this, Article 4.3 of the UNFCCC details the nature of the financial commitments by specifying the additional nature of climate finance: "The developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties" (Article 4.3, UNFCCC,1992). Given the close relationship between Official Development Aid (ODA) and climate finance, it is rather challenging to substantiate a universal definition for additionality in climate finance (Ayers & Huq, 2009). Calleja (2021) summarized four definitions commonly used to identify additional finance based on annual appropriations in yearly budgets, finance above historic commitments, finance above growing, ODA and finance above 0.7 % of ODA. However, the lack of a standard definition of what is considered new and additional implies an increased inability to decouple climate finance from traditional ODA flows, leading to concerns of double counting (UNCTAD, 2015). Other principles central to the conversation around adaptation finance include *transparency*, *adequacy,* and *predictability* of finance (Schalatek et al., 2018).

1.1.2 The architecture of adaptation finance

This section gives a broad overview of the sources and the architecture of adaptation finance. Importantly, it must be noted that the landscape of adaptation finance is far more complex than this broad overview, with more than 100 dedicated financing channels, both bilateral and multilateral, and with private foundations also actively mobilizing funds (OECD, 2015).

The architecture of adaptation finance includes financial flows from public and private sources, development finance institutions, and increasingly from insurance and risk pooling mechanisms (Watson & Schalatek, 2020). A breakdown of the total commitments to adaptation finance shows that 69% was allocated by donors bilaterally, 7% multilaterally, and 24% by Multilateral Development Banks (MDBs) (Doshi & Garschagen, 2020). With over USD 17 billion distributed in 2018, bilateral flows make up the largest share of international adaptation finance (OECD, n.d.). Adaptation finance flows from bilateral contributors are channelled through various bodies, including contributors' national agencies, specialized bilateral mechanisms, regional agencies, and multilateral institutions (Watson & Schalatek, 2020). For multilateral funding, the largest sources of funding approved for adaptation projects came from the Green Climate Fund (GCF), the Pilot Program for Climate Resilience (PPCR), and the Least Developed Countries Fund (LDCF), administered by the Global Environmental Facility (GEF) and the Adaptation Fund (Hirsch, 2018).

1.1.3 Problem Definition

Adaptation finance is particularly crucial for the most vulnerable countries, as often, these countries face the worst impacts and are the least capable of adapting (Pelling & Garschagen, 2019). According to Notre Dame Adaptation Index (ND-GAIN) (2021), the most vulnerable countries to climate change are in Sub-Saharan Africa. While there is a positive correlation between vulnerability and the allocated amounts of adaptation finance, investment levels fall magnitudes short of the region's needs (CPI, 2021). The adaptation financing gap in Sub-Saharan Africa is estimated to be USD 12.4-13.1 billion (CIF, 2016). According to Notre Dame Adaptation Index (2021), Sudan is the 5th most vulnerable country to climate change globally. Yet, Sudan is amongst the countries receiving the most diminutive adaptation finance, as illustrated in Figure 1-1 (Savvidou et al., 2021).

With a long history of political unrest and two decades of economic sanctions, Sudan faced a broad-based trade embargo, freezing of government assets, and limits on Sudan's ability to transact in US dollars (ISSAfrica.org, 2017). This, amongst other reasons, resulted in Sudan's limited access to adaptation finance. However, the effects of climate change do not await political rest. The paradox of vulnerability and readiness to receive finance poses fundamental questions regarding the entitlement of the most vulnerable countries, together with the effectiveness of finance allocation and provision processes.

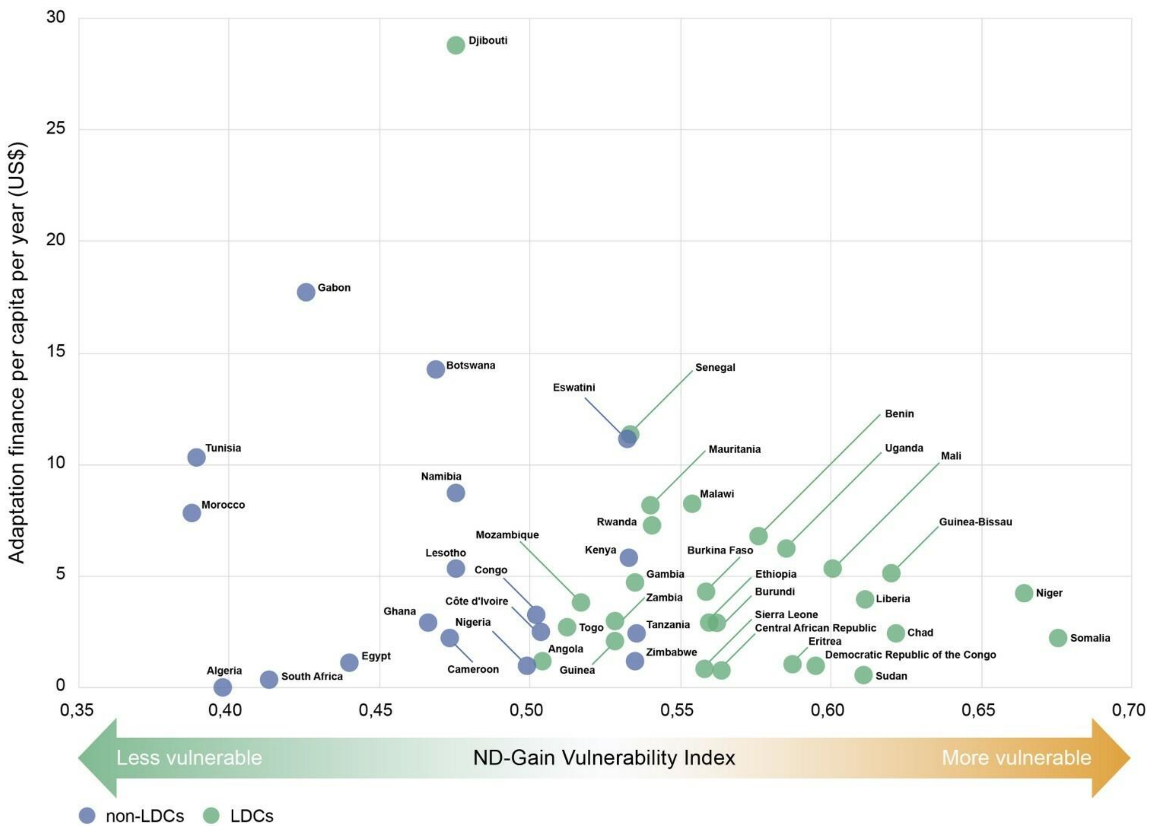

Figure 1-1: Adaptation-related commitments for each African country, per capita per year, 2014–2018 (USD/person, constant prices), ND-GAIN Vulnerability Index and LDC status (as of September 2020)[1].

Source: (Savvidou et al., 2021). This figure is subject to Copyright © belonging to (Savvidou et al., 2021)

The vast of studies on the allocation of adaptation finance did not concretely establish that adaptation finance was directed to the most vulnerable countries (Khan et al., 2020). Not only that, but several studies indicate that both bilateral and multilateral sources of adaptation finance do not particularly prioritize the most vulnerable countries in their allocation process (Doshi & Garschagen, 2020). Moreover, even amongst the most vulnerable countries, Saunders (2019) reported that the most vulnerable countries receive lesser amounts than their less vulnerable counterparts. Indeed, the adaptation finance allocation process is complex and multifaceted, as the factors and rationales entailing allocation decisions are multiple, interconnected, and unique to each provider and recipient (Robertsen et al., 2015). However, these same factors underlying allocation decisions shape the priorities about what is done and what is not done, for what purpose, by who, for whom, and with what outcome (Singh et al., 2021).

Diving deeper into the finer level of processes of adaptation finance, Baatz (2018) indicates that although adaptation finance has started to gain more momentum in recent years, with record pledges every year, only little has been actually channelled to the global south. Besides the insufficiency of the amounts being channelled, the OECD (2015) reported that the vast share

[1] Notes from source of figure (Savvidou et al., 2021): For the calculation, average population figures over this period for each country were used. South Sudan received roughly US$1 per person but is not included in the figure because the ND-GAIN Index does not include data on its vulnerability. For commitments reported under the Rio Marker methodology, the 'Principal' marker for adaptation is used.

of climate finance (76–80%) is actually ODA, which suggests that climate finance is not additional to what would have been delivered anyway (Nakhooda et al., 2013). Most adaptation finance is channelled through traditional channels such as existing developing agencies, such as the UN Development Program (UNDP) or World Bank (Bapna & Mcgray, 2008). On the one hand, channelling through existing agencies would minimize the cost of creating new institutions and would be an avenue to capitalize on existing expertise and experience in managing international finance (Bapna & Mcgray, 2008). On the other hand, this channelling mode limits the country's ownership of adaptation projects and imposes the pre-existing flaws in development aid practices on adaptation finance (Robertsen et al., 2015). These flaws include the considerable fragmentation within the development system, high transaction costs, loose timelines, and unpredictable monetary flows (Birdsall, 2012).

The 2015 Paris Agreement avoids mentioning specifics regarding finance provisions "From a wide variety of sources, instruments, and channels, noting the significant role of public funds […]" (Article 9.3, Paris Agreement 2015). This protects contributor nations' rights to channel climate finance through whichever bilateral or multilateral agency and allows a large margin for setting access criteria. It also grants a high level of flexibility in providing finance as loans and export credits or grant-based assistance (Khan et al., 2020). However, this lack of firmness has led to severe fragmentation of the structure of finance provision (Khan et al., 2020); resulting in limited predictability of finance and shifting the process of adaptation finance provision into a highly political one process (Scoville-Simonds, 2016). Given the close relationship between development and adaptation, it is tempting to use existing channels of development assistance to fill this gap. However, Ayers & Huq (2009) argue that it is imperative that development assistance is not seen as a substitute for specific adaptation finance

While adaptation as a research discipline is rapidly growing, with substantial progress in areas concerning vulnerability and adaptation practices, this progress has not been matched by advancement in practical policy research (Lynch et al., 2008; Nalau & Verrall, 2021). Moreover, Nalau & Verrall (2021) pointed out that the research field suffers from an under-theorization of the political mechanisms of social change and the processes that serve to reproduce vulnerability over time and space. Further, Doshi & Garschagen (2020) note that the focus on donors' perspectives has dominated the literature on adaptation finance. Also, methodologically, most studies have been conducted using quantitative methods, which are attested to limit the possibility of gaining a deeper understanding of adaptation finance allocation and access (Doshi & Garschagen, 2020). Specific to Sudan, although climate finance has been flowing to the country for over 25 years – although relatively limited – there is an academic research gap in understanding the underlying rationales of finance allocation and its implications for access procedures.

1.2 Aim and Research Questions

This thesis aims to contribute to the understanding of adaptation finance allocation rationales and their implications on practical access procedures. It does so by exploring and analyzing the complex landscape of the determinants underlying allocation decisions. It also explores the demonstration of these factors in actively including in, or excluding from, countries to access processes. In realizing this aim, the thesis looks at the case of Sudan as one of the most vulnerable countries to climate change, with a particularly unique local context. In the context of this study, Sudan represents a case of a recipient country. For the donor side, four bilateral and multilateral sources of finance have been identified as relevant cases, namely GEF, the UK, Sweden and Japan, with the common dominator of having allocated adaptation finance to Sudan.

This research is conducted through a multidimensional and interdisciplinary lens. The author considers both the international and national dimensions involved in adaptation finance and connects adaptation finance with development theories. The overall focus is on critically generating and describing implicit and explicit themes that will aid a more comprehensive understanding of adaptation finance allocation. The findings of this study can be potentially built on in exploring avenues to practically rethink the processes of allocating and accessing adaptation finance, especially for the most vulnerable countries.

Based on the above mentioned, the following research questions have been posed:

> **RQ1** What are the rationales shaping adaptation finance allocation decisions for the case of Sudan?
> **RQ2** How are the motives underlying allocation reflected in the access procedures of adaptation finance in the case of Sudan?

To address these questions, a literature review has been conducted to conclude relevant theories/explanations that would assist in guiding the research strategy. Chapter 2, and Chapter 3 further elaborate on the process underwent to answer these questions.

1.3 Scope & Delimitations

This section details the scope together with the delimitations of this research project. Prior to indicating the practical scope of this thesis, the author wants to start by reflecting on the choice of the linguistic terms that will be used throughout the thesis. In discussing adaptation finance, terms such as 'developing countries', 'least developed countries', 'donor' and 'recipient' are commonly used. While the author does not ultimately agree with the assumptions underlying these terms, these terms will be used throughout this thesis for two reasons. First, according to the philosophical paradigm adopted in this research, language is understood as an element constructing our social realities (Sims-Schouten et al., 2007). As such, in realizing these realities, language choices hereafter will reflect the present power dynamics, perceptions, and dependencies. Second, this deliberate choice is made to avoid the expected implications of political correctness and producing inaccuracy in the findings.

The focus of this study is on adaptation finance allocation and access. The Paris Agreement emphasizes the need to prioritise countries that are most vulnerable to climate change for funding and the importance of prioritizing the needs of developing countries (UNFCCC, 2015). Doshi & Garschagen (2020) pointed out that climate change vulnerability is context-specific and scale-dependent. Based on this, the scoping of this research is unidimensional for the recipient side to account for the particular nature of the vulnerability, and is multidimensional for the donors' side, as adaptation finance is mobilized and allocated from a variety of sources. Further information on the process taken to select these cases is presented in Chapter 3.1.2.

In contributing to the literature on adaptation finance, firstly, the author of this thesis places an emphasis on perspectives. According to Lynch et al. (2008, p. 175), "the perspective is not about what is included or excluded in the attention frame, but rather about the existence of multiple viewpoints in the same context". In this thesis, stemming from the limited presence of the recipients' perspective in previous literature, the recipient perspective is not merely incorporated; however, is viewed as an equally crucial and detrimental perspective. Secondly, the study is conducted methodologically through a qualitative case study design (See Chapter 3.1). This shall supplement previous quantitative findings and allow a more comprehensive understanding of implicit and explicit factors and rationales underlying adaptation finance allocation and access.

On the recipient side, Sudan was selected as a case that displays high vulnerability to climate change and a unique political and economic context. Singh et al. (2021) argue that the dichotomy of vulnerability and political instability brings forward some inherent tradeoffs. Such tradeoffs highlight a crucial discomfort, which needs to be understood and acknowledged for adaptation to be more effective. Henceforth, a narrow focus on the recipient perspective, manifested in the selection of one recipient country will allow for a deep and novel analysis of the motivations underlying allocation and will be a beneficial point of departure for further research. As expected, the findings specific to the recipient perspective from this case-based study are likely to be limited in terms of generalizability to other recipient countries. However, given the nature of the majority of adaptation finance allocation, being based on a country-to-country or fund-to-country, this choice was deemed necessary and relevant. As such, regional allocations that include Sudan were excluded from the analysis.

The study focuses on both bilateral and multilateral sources of adaptation finance to capture the donor perspective. A diverse set of cases is recommended in case study research to maximize spatial and temporal variability (Sovacool et al., 2018; Yin, 2003). Four sources of adaptation finance were identified as cases to achieve the spatial variability, namely GEF, Sweden, the United Kingdom, and Japan. The selection of these sources was based on the amounts of disbursed finance to Sudan; the specific selection criteria are further discussed in Chapter 3.1.2. Temporal variability was achieved by analyzing the allocation and access of adaptation finance between 2012-2020. This temporal scoping was based on the secession of South Sudan in 2011, which was reflected in Sudan's social, political, and economic context.

In terms of scope of the research methods, qualitative methods were deemed appropriate for in concluding a suitable research design. Firstly, the majority of previous research on adaptation finance deployed quantitative methods, highlighting a crucial methodological gap. Secondly, while quantitative methods allow for clear cut findings, specific to adaptation finance, these methods can be limiting in corroborating the explicit motives together with the implicit ones. Therefore, although the methodological scope of this research has deliberately been chosen and the potential benefits are sought to outweigh its potential flaws, some methodological limitations are further discussed in Chapter 3.

1.4 Ethical Considerations

This research has not been influenced nor funded by anyone or any organization. Several ethical measures have been taken in conducting the research, particularly during the data collection phase. Upon the first communication with the interviewees, a clear specification of the purpose of this research has been communicated through email. Interviewees were asked verbally for consent to record the interviews and to use the obtained data only for the purpose of this research.

Since most interviewees represented government officials or other high-level individuals, special attention has been given to data sensitivity. While there were no stated nor predicted indications of sensitivity of the information shared, the collected data were treated anonymously, with no names of individuals made public. The only people who had access to the names of the interviewees were the author of this thesis and her supervisor. However, to ensure the credibility and distinction between opinions, an indication of the represented organizations was highlighted in the anonymized interview codes (See Appendix A: Information on expert interviews. The recordings from the interviews were stored and secured offline on a computer with a password.

1.5 Audience

As this thesis focuses on both national and international climate change policies, the primary audiences are national and international policy makers, climate change negotiators, and public and private agencies for both recipients and donors. This thesis also targets the academic community, presenting both conceptual and empirical contributions, together with suggestions for further research. Finally, while the audiences mentioned earlier present the primary audience, individuals and organizations interested or concerned about adaptation finance are also targeted.

1.6 Disposition

Chapter 1 begins by providing a background on the principles and architecture of adaptation finance. Then, it describes the problem identified for this research, outlines the aims, research questions, scope and delimitations, and ethical considerations, and ends with the targeted audience.

Chapter 2 presents key concepts, a literature review and introduces the analytical framework deployed in collecting and analyzing data.

Chapter 3 addresses the methodology and introduces the research design, data collection, and analysis methods.

Chapter 4 merges both the findings and analysis of data collected from both interviews and documents review.

Chapter 5 discusses the findings of the study in terms of their empirical and conceptual relevance and contribution. It also critically reflects on the analytical framework and the methodology.

Chapter 6 presents both the implications of the findings and recommendations for non-academic audiences. It also presents suggestions for future research.

Chapter 7 concludes the main findings of this research and provides answers to the posed research questions.

2 Literature Review & Analytical Framework

This chapter presents the main concepts pertaining to adaptation finance and presents key theories and explanations found in the literature addressing adaptation finance allocation and access. Additionally, based on the literature review, an analytical framework has been concluded to provide overarching guidance in conducting this research.

2.1 Concepts

While there are several concepts pertinent to adaptation, the two concepts of vulnerability and adaptive capacity are of particular importance to adaptation finance, as they encapsulate the challenge and the sought outcome of adaptation (Smit & Wandel, 2006). Therefore, this section aims to lay the overarching conceptual ground for forthcoming chapters.

2.1.1 Vulnerability

In effectively adapting to climate change, it is critical to understand how vulnerability is generated and defined (IPCC, 2012). Vulnerability is a central concept in understanding the effects of climate change, yet little consensus exists about its meaning and implications (Füssel & Klein, 2006). Within scientific and political spheres, much emphasis is placed on prioritizing the most vulnerable in adaptation finance allocation (Doshi & Garschagen, 2020). Garschagen & Doshi (2022) indicate that the scholarly community faces two challenges: the ontological challenge of conceptually defining vulnerability and the methodological challenge of objectively measuring vulnerability.

Diverse research communities are using the term 'vulnerability' in various ways, including in connection with food security, natural hazards, disaster risk management, public health, global environmental change, and climate change (Füssel & Klein, 2006). In conjunction with each research discipline, vulnerability is understood and defined differently. Despite the diverse conceptualizations of vulnerability, Füssel & Klein (2006) concluded two distinct models for describing vulnerability. Firstly, the 'risk-hazard framework' which corresponds most closely with the concept of sensitivity and prevails in technical risk and disaster literature. This framework conceptualizes vulnerability as a dose-response relationship between external risks and their adverse impacts (Dilley & Boudreau, 2001). Secondly, the 'socio-constructivist framework' which is closely linked with human geography and political economy literature and corresponds to the non-climatic factors. This framework focuses on social vulnerability and considers vulnerability a priori condition of a system or community, determined by socio-economic and political factors (Blaikie et al., 1994). The IPCC (2007) defined vulnerability as a function of the character, magnitude, rate of climate change, the variation to which a system is exposed, its sensitivity, and its adaptive capacity. However, in the latest IPCC (2022) report on impacts, vulnerability and adaptation, further clarification was provided, which combined the systems' sensitivity and the socio-economic elements. Here vulnerability was defined as a component of risk, but also an important independent focus was on improving the understanding of the differential impacts of climate change on people of different gender, race, wealth, social status and other attributes (IPCC, 2022, Chapter 1)

2.1.2 Adaptive capacity

As an extension of climate impact assessments, Füssel & Klein (2006) distinguished two generations of assessments that evolved over time. The first generation was characterized by focusing on climatic impacts while also looking at adaptation potential in terms of societal relevance. The second generation is considered to be more thorough as it shifts the focus from potential adaptation to feasible adaptation by assessing the adaptive capacity. Adaptive capacity has been defined as: "the potential or ability of a system, region, or community to adapt to the effects or impacts of climate change" (IPCC, 2001, Chapter 18.1). Unique to the second-generation assessments is the explicit focus on the non-climatic factors. These factors include the economic, social, institutional, and technological conditions that pave the way or constrain the development and deployment of adaptive measures (Adger & Kelly, 1999; Bohle et al., 1994; Rayner & Malone, 1998).

Füssel & Klein (2006) suggest that the relationship between adaptation and adaptative capacity is two-fold, as adaptive capacity determines the practical feasibility of adaptation and is influenced by factors that would facilitate adaptation. The importance of the concept of adaptive capacity in the context of this thesis stems from its cruciality in understanding expected adaptation outcomes. Hence, adaptive capacity is fundamental in estimating the costs associated with climate change (IPCC, 2001, Chapter 18)

2.2 Vulnerability and Adaptation Finance in Sudan:

Sudan is the third-largest country in Africa, with an estimated total area of approximately 1,861,482 sq. km. The ecosystems of Sudan are, for the most part, arid and semi-arid. Over the northern part of the country, above El Obeid, semi-desert and desert areas predominate (HCENR, 2016). In contrast, low rainfall savannahs and mountains extend throughout the eastern and western borders of South Sudan (HCENR, 2016). Over the last decade, Sudan has experienced more frequent droughts, high rainfall variability, and devastating floods (Government of Sudan, 2015). Climate change is predicted to increase the likelihood of these events, leading to: (1) increased unpredictability of seasonal rains, (2) increased average temperature of 1.5–3°C by 2050, (3) drought incidences, and (4) rising sea levels and higher storm surges (Cao et al., 2021).

According to Sudan's Nationally Determined Contributions (NDC) (2021), it has been highlighted that climate change poses a real threat to both food security and sustainable development, as 70% of the population are dependent on vulnerable sectors. Agriculture, water, coastal zones and health sectors have been identified as the most vulnerable to climate change (NDC, 2021). Importantly, these sectors are inseparable as increased vulnerability in each sector shall result in a compounding effect in the other, especially for water and agriculture. Sudan's agriculture sector contributes 39% of Growth Domestic Product (GDP) , employs 50% of the labour force and is a source of livelihood to approximately 65% of the population (UNEP, 2020). However, given that the agriculture sector is mainly rainfed, it is expected that the sector will face exacerbated constraints due to water supply pressures (USAID, 2016).

As of April 2020, the climate agenda is primarily led by the Higher Council for Environment and Natural Resources (HCENR) (Cao et al., 2021). The council is chaired by the Prime Minister and heads of ministries without nationally accredited organizations for GEF and GCF. The absence of nationally accredited agencies resulted in adaptation finance being primarily accessed and channelled through UN agencies and multilateral development banks (Cao et al., 2021). In terms of contribution to climate finance in general, the Government of Sudan contributes 40.8%, donors contribute 58%, and the private sector contributes about 3.8% (HCENR, 2020)

As illustrated in Figure 1-1, among African countries, Sudan is located at the bottom of the list of countries most vulnerable to climate change and receives less adaptation finance per capita than other most vulnerable countries (Macura et al., 2021). From 2012 to 2019, the total commitment to Sudan from all sources accounted for USD 165 million, and in the same period, USD 39 million was disbursed (AidAtlas, 2019). For all the disbursed amounts, grants were the main financial instrument. The most significant disbursements were USD 18.6 million to Water Supply & Sanitation, USD13.4 million to General Environment Protection and USD 2.14 million to Other Multi-Sectors (AidAtlas, 2019). Regarding the technicalities of allocation and access, the Sudan country programme for the GCF highlighted five areas where gaps were identified, including financial instruments, allocation processes, disbursement channels, absorption capacity, and finance tracking. For each of these categories, the current gaps and challenges are summarized in Table 2-1.

Table 2-1: Status of key areas related to adaptation finance, and key challenges and gaps in Sudan (HCENR, 2020)

Area	Gaps/challenges
Financial Instruments	Large allocations are usually made as loans in opposition to grants, which reduces access to heavily indebted yet climate-vulnerable countries like Sudan.
Allocation processes	Requirements to access climate finance are complex and specific to each financial mechanism; the processes to secure funding are lengthy and highly technical, yet for short financing cycles.
Disbursement channels	Direct access is limited as intermediaries usually channel funding, adding extra complexity costs. In addition, some disbursement channels run outside Sudan's systems for receiving and reporting on funds.
Absorption capacity	There are limited project management capacities, and donors' complex and restrictive procurement policies limit the ability to deliver cost-effectively.
Finance tracking	There is a large volume of climate finance outside the government view and minimal capacity to track domestic systems due to the fragmentation of climate finance.

2.3 Determinants of Adaptation Finance Allocation

From older to more recent studies on general development cooperation allocations to developing countries, many studies are available in the development literature (Ball & Johnson, 1996; Collier & Dollar, 2002; Dollar & Levin, 2006; Stokke, 1989). Models of allocation introduced in the 1970s to 1990s almost exclusively adopted a donor-centric approach, where donors' motives received a fair share of attention in the literature (Weiler & Sanubi, 2019). These studies highlight varying patterns of allocation rationales across different donors. These patterns were later categorized into three main sets of rationales (Younas, 2008; Berthélemy & Tichit, 2004; Alesina & Dollar, 2000). Including:

- First, the provision of aid is altruistic in nature;
- Second, aid is provided in accordance with donors' self-interest; and
- Third, donors consider recipient characteristics that could impact the effectiveness of the provided aid.

In the literature, these three rationales are commonly referred to today as the recipient need, the donor interest, and the recipient merit models of aid allocation (Saunders, 2019). The donor interest model has been typically linked to the size of the domestic market, colonial history, and the ability to influence recipients on the international stage politically (Hagmann & Reyntjens, 2016). While the recipient merit model typically adheres to the recipient country's level of having sound governance structures, together with established economic policies and democratic institutions (Weiler & Sanubi, 2019). These factors are considered safeguards that ensure the effective use of aid. Similar to the donor interest model, studies indicate different levels of correlation between recipient merit and aid allocation. According to Stokke (1989), donor interest plays a primary determinant in aid allocation.

Nevertheless, other studies show that a mix of self-interest and more altruistic motives lead to aid allocation decisions. However, most concluded that donor interest tends to be the stronger determinant of allocation than recipient need, but also that variations between donors are evident (Alesina & Dollar, 2000; Clist, 2011; Younas, 2008). For the recipient merit model, although Betzold & Weiler (2018) argue there is a strong relationship between aid allocation and recipient merit, Dollar & Levin (2006) and Figaj (2010) indicate that this relationship is limited.

In general development cooperation allocation, the recipient need rationale suggests that donors consider recipient need and give more aid to low-income countries, where GDP is used as a proxy for need (Alesina & Dollar, 2000; Saunders, 2019). From a donor perspective, the dominance of the recipient need in shaping allocation decisions is disputed. Specific to Japan's bilateral aid to African countries, Tuman & Ayoub (2004) found that recipient need plays a significant role in determining allocation decisions. However, Weiler & Sanubi (2019)argue there is prevailing uncertainty about the validity of the recipient merit model for aid allocated to African countries. Although the relationship between aid allocation and recipient need has not been entirely diminished, Riddell (1999) claims that donor aid is not critically reflecting the needs of African countries in particular.

Specific to adaptation finance, vulnerability is a crucial indicator of recipient need (Doshi & Garschagen, 2020). However, vulnerability is also contested as to how it influences donors' allocation decisions and the distribution of adaptation finance (Saunders, 2019). For example, previous studies investigating adaptation finance allocation to Africa suggest that a higher level of vulnerability is not correlated with a higher number of adaptation projects (Berrang-Ford et al., 2015). Further, Donner et al. (2016) found evidence of an unbalanced allocation of adaptation finance between countries with similar levels of vulnerability. Similarly, Saunders (2019) found that, on average, countries most vulnerable to climate change are found to receive smaller allocations of adaptation finance from bilateral donors than their less vulnerable counterparts. According to S. Robinson & Durnan (2017), a similar finding is also observed for multilateral allocation of adaptation finance to Least developed countries (LDCs) and Small island developing states (SIDs). In contrast, Weiler et al. (2018) found that bilateral donors allocated more adaptation finance to the most vulnerable countries on a per capita basis. Füssel & Klein (2006) argue that these seemingly contradictory findings can be partially explained by the ontological and epistemological differences in how vulnerability is defined and modelled.

Beyond the three development aid allocation models, Doshi & Garschagen (2020) identified an emerging cluster of factors specific to adaptation finance corresponding to the perceived recipient interest. In gauging the recipient interest, country ownership and role in the negotiations were identified as proximal determinants. According to Doshi & Garschagen (2020), country ownership is manifested in recipient countries' willingness, interest, and seriousness about adaptation. At the same time, the role in negotiations is observed through recipient countries' contributions and positions regarding international climate change dialogues (Doshi & Garschagen, 2020). Four main models have been identified based on the aforementioned, as summarized in Table 2-2.

Additionally, however limitedly, other scholars used different aggregates of factors to understand adaptation finance allocation beyond development aid models. For instance, Robertsen *et al.* (2015) used the *4Ps framework of* 'Poverty, Proximity, Policy & Population' to identify the determinants of adaptation finance flows to Africa. Also, Field et al. (2014) identified institutional capacities, social and cultural setups, and economic trends in recipient countries as determinants of adaptation finance allocation.

Although the research on adaptation finance allocation has been growing, when compared to the literature on development aid allocation, it is relatively considered a new field of research (Doshi & Garschagen, 2020). Macura et al. (2021) found that the vast majority of research focused on adaptation finance allocation relies on models derived from development aid models. Doshi & Garschagen (2020) argue that although development aid models are helpful in understanding allocation decisions, however cannot be entirely replicated for adaptation finance.

Table 2-2: Summary of adaptation finance allocation models and theri underlying factors available in the literature

Model	**Recipient Need**	**Donor Interest**	**Recipient Merit**	**Recipient Interest**
Underlying factors	Gross Domestic Product (GDP) Human Development Index Vulnerability	Political priorities Economic trade interest Colonial ties Diplomatic relationships	Governance Economic policies Democratic institutions	Country ownership Role in negotiations

2.4 Adaptation Finance Access – processes and modalities

After signing the Paris Agreement, the period has been characterized by struggles among recipient countries over climate finance governance (Khan et al., 2020). Robinson & Gilfillan (2017) reported that recipient countries are overburdened with lengthy and demanding access requirements in terms of access processes. According to Khan et al. (2020), the tension mainly arises in project proposals, the approval process, and ensuring a level playing field for all recipients. On having a level playing field, Garschagen & Doshi (2022) suggest that post-Paris, the emerging architecture of adaptation finance is leaning more towards a competitive access process. The implication of this competitive nature is risking some countries' ability to access adaptation finance directly and further limiting their ownership over adaptation projects (Garschagen & Doshi, 2022).

In terms of access modalities, two access modalities are commonly referred to, irrespective of finance source. Firstly the direct access modality is where a national entity is responsible for developing, designing, and implementing adaptation projects or programs (OECD, 2015). Secondly, the international access modality, where a multinational entity facilitates project development, designing, submitting applications and approvals, and reporting on behalf of a country (OECD, 2015). It has been widely attested that the international access modality should be a transitionary phase, with the ultimate goal being enhancing direct access, as direct access is strongly linked to country ownership (Garschagen & Doshi, 2022).

The vast research on adaptation finance access focuses on two broad spectrums: recipient countries' readiness to access finance and readiness to govern finance. A limited number of studies have developed frameworks for assessing nations' readiness to access climate finance (Ford & King, 2015). The United Nations Development Program (UNDP) developed a framework for evaluating adaptation finance readiness. It consists of four elements: the ability to access, deliver, monitor, and report on project activities (Vandeweerd et al., 2013). Similarly, the Notre Dame Global Adaptation Index (ND-GAIN) developed metrics to measure countries' readiness levels and compare them over time and across countries. However, one of the core differences from the UNDP framework is that for the latter, adaptation readiness is accounted as part of countries' vulnerability levels and is perceived as non-climatic vulnerability factor. For the ND-GAIN readiness evaluation methodology, the focus is mainly on recipients' ability to absorb adaptation finance through their national institutions. The methodology consists of three dimensions, namely, economic readiness, governance readiness, and social readiness (Notre Dame Global Adaptation Initiative, n.d.).

A niche of studies has focused on the principles related to finance and on conducting thorough research on the practical aspect of access. Schalatek & Bird (2021) note that the principles established during climate negotiations can be deployed to provide clarity in mobilizing, governing and disbursing climate finance. Robertsen *et al.* (2015) argue that these principles stem from values relating to responsibility, justice, and ethics. Specific to access, Schalatek & Bird (2021) identified three particularly relevant principles for climate finance access. Including additionality, predictability, and local ownership. On the practical level (Macura et al., 2021) commenced a study assessing the effectiveness of climate change adaptation interventions in sub-Saharan Africa and the impact of funding modalities. However, the study was not completed due to funding suspension (Macura et al., 2021). Notably, Macura et al. (2021) developed the Theory of Change (ToC) for adaptation finance, which captures processes involved in accessing adaptation finance. These elements include allocation rationale, funding size and instruments, available access modalities, co-financing requirements, sectorial focus, recipient country eligibility, and donor development priorities. Ford & King (2015) note that while there is a prevalent body of studies assessing vulnerability, adaptive capacity, and identifying adaptation options, knowledge is indeed limited on governance systems' preparedness to access and absorb finance.

2.5 Summary and gaps in the literature

The literature review revealed that while much emphasis is placed on prioritising the most vulnerable countries, there is a lack of consensus around the understanding of vulnerability, which was attributed to both ontological and methodological challenges. In reaching a more comprehensive understanding of adaptation potential, the concept of adaptive capacity was introduced to indicate the potential of adaptation under the consideration of non-climatic factors.

Drawing on literature focused on development aid and more recent literature on adaptation finance, it was found that finance allocation can be understood through the motives underlying allocation. These motives were categorized under four models: recipient need model, recipient merit model, recipient interest model, and donor interest model (See Table 2-2). Related to access to adaptation finance, the vast research is focused on recipient countries' readiness to access and govern finance, with a niche of studies focused on the practical aspects of access processes.

In terms of gaps in the literature, three main areas were identified. First, research on adaptation finance is considered a relatively new research field. Hence it is inevitable that the available theories and frameworks are not mature enough to accommodate the specificity of adaptation finance. Second, literature on allocation determinants is focused only on identifying the rationales of allocation without explicitly aiming to realise their practical implications. Thirdly, literature on adaptation finance allocation has been concluded to be relatively more mature when compared to the literature on access.

2.6 Analytical Framework

According to Coral & Bokelmann (2017), analytical frameworks are defined as providing the basic vocabulary of concepts and terms that may be used to construct the kinds of explanations and findings expected of research. A similar role has been assumed in deducing the analytical framework deployed in the thesis at hand. From the literature review, a set of theories, principles and frameworks were identified as relevant and helpful in guiding the research strategy for this thesis. Hence, an analytical framework has been extracted and modified to enable the process of answering the posed research questions. Relevant to adaptation finance allocation, the framework picks up on previous development models of recipient need, recipient merit, and donor interest together with the recent emerging model of recipient interest. While these models served as overarching umbrellas, the explorative nature of the research grants a margin that allows the emergence of other explanations. In that sense, the framework is generic and flexible, and the findings are not necessarily limited or restricted to fit within these four models.

Relevant to access to adaptation finance, while the literature review provided hints on the overarching elements pertaining to access, these elements were not addressed in depth in the literature. Henceforth, the author of this thesis made an informed choice of deducing certain elements to be included in the analytical framework. This choice corresponds to the problem definition presented in Chapter 1.1.3 and the aim of this thesis explained in Chapter 1.2. The identified elements are not meant to be exhaustive of all the aspects determining adaptation finance access; however, they capture the most relevant aspects.

As illustrated in Figure 2-1, the analytical framework follows a two-level logic, namely an overarching principles level and a second procedural granular level for access. For the principles level, additionality, donors' perception of responsibility, country ownership and predictability were selected as proxies that can reflect the manifestation of donor's allocation rationales on access procedures. In providing context for these principles, Schalatek & Bird (2021) provide practical definitions of these principles. These definitions will be assumed when referring to the four principles. Additionality refers to provided climate finance being more than existing national ODA commitments and is not counted towards fulfilling existing national ODA commitments (Schalatek & Bird, 2021). Perception of responsibility corresponds to financial contributions relative to the quantity of historical and current emissions produced. Country ownership guarantees that funding meets actual needs in developing countries (Schalatek & Bird, 2021). As such, donors should not impose funding priorities on a country (Schalatek & Bird, 2021). Finally, predictability corresponds to sustained flows of climate finance through multi-year and medium-term funding cycles(Schalatek & Bird, 2021). For the procedural level, the core aspects that were concluded are: 1) Eligibility criteria, 2) Application process, 3) Finance requirements, 4) Channeling options and 5) Funding conditions (size, instrument).

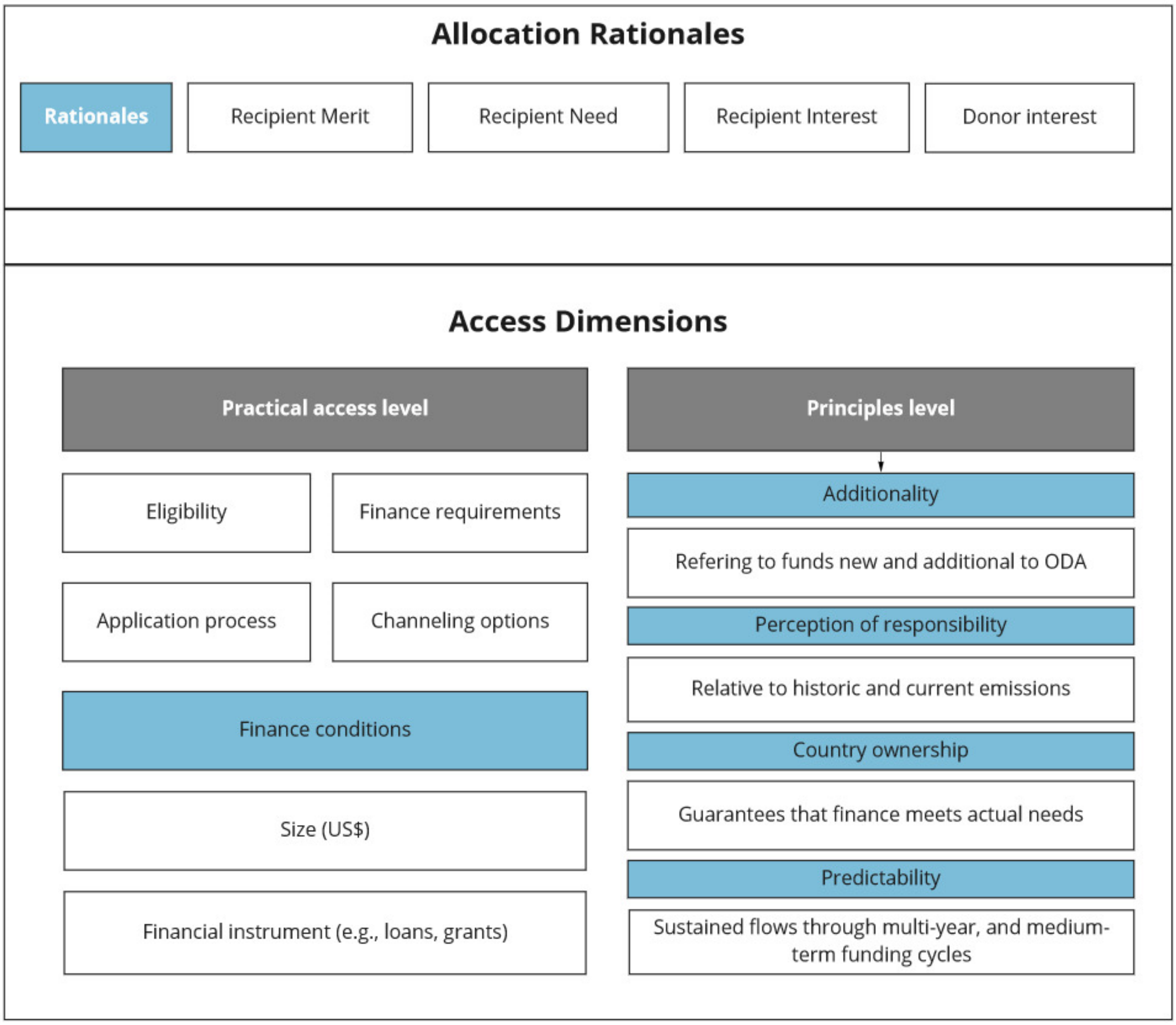

Figure 2-1: Overview of analytical framework. Source: Own synthesis from the literature review (Doshi & Garschagen, 2020; Macura et al., 2021; Schalatek & Bird, 2021)

3 Methodology

In conducting this thesis, the author follows the argument of *critical realism* by acknowledging that while there is one reality, there are multiple interpretations of that reality (Bhaskar, 2008). A primary objective of scientific research conducted under Critical Realism is to develop explanations for the way things act and how they are capable of so doing (Wynn & Williams, 2012). In critical research, a critical stance is adopted, and the researcher attempts to "critique the status quo" by highlighting contradictions within social systems that lead to conflict and inequalities (Myers & Klein, 2011). Kincheloe & Mclaren (2011) note that in conducting critical research, theories shall not determine the way we see the world; however, they should be a way to help in concluding research questions and identifying strategies to explore the posed questions. As such, the deduced analytical framework outlined in Chapter 2.6 served as a tool that assisted in devising and revising the research question and curating the research design.

The purpose of this section is to detail the way knowledge explicitly was produced for this research. As summarized in Table 3-1, the research strategy follows a qualitative exploratory case-study approach further elaborated in Chapter 3.1.1. This is followed by a description of the methods for data collection and data analysis. Finally, limitations regarding the validity and reliability of the data and methods of analysis are likewise addressed.

Table 3-1: Summary of research design

Aim	**Contributing to the understanding of adaptation finance allocation rationales and their implications on access**
Research strategy	Qualitative multi-case study
Research questions	RQ1: What are the rationales that shape allocation decisions regarding adaptation finance from bilateral and multilateral sources for the case of Sudan? RQ2: How are the motives underlying allocation reflected in the access procedures of adaptation finance in the case of Sudan?
Data type	1)Policy documents, 2) Procedural documents, 3) Respondents' opinions
Data collection method	1)Semi-structured interviews, 2) Document review
Data analysis method	Qualitative thematic analysis

3.1 Research Design

In most critical realist research, a consistent thread is an explicit focus on establishing causal mechanisms (Wynn & Williams, 2012). Establishing causal relationships is also one of the explicit aims of case-study research. Building on definitions from Bhaskar (1979) & Mahoney (2001), Wynn & Williams (2012, p. 137) defined causal mechanisms as "ultimately unobservable physical, social, or psychological processes through which agents with causal capacities operate, but only in specific contexts or conditions, to transfer energy, information, or matter to other entities". Wynn & Williams (2012) argue that the most robust means of drawing causal inferences from case studies are using a combination of within-case and cross-case comparisons within a single study. Stake (1995) noted that studying multiple cases allows for a deeper understanding of the differences and the similarities across cases. Another benefit is that it enables the researcher to conduct analysis both within each situation and across situations (Yin, 2003). Edwards et al. (2014) note that as critical realist research aims to discover the functioning of social mechanisms, researchers are often eclectic when it comes to research techniques. As such, in conducting this research, the author used a variety of methods to collect data. Further, the author deployed a unique definition for the scope of the study as described in Chapter 1.3, where Sudan is looked at as a single case of a recipient country, and four sources of finance are looked at as multiple cases of donors.

The section below details the conceptual background of case-study research, the selection process of cases, and introduces the identified cases.

3.1.1 Introduction to Case Study Design

Case study research aims to explore and depict a setting with the purpose of advancing understanding (Cousin, 2005). Creswell (2013, p. 97) defines the case study as "a method that explores a real-life, contemporary bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information and reports a case description and case themes".

Schramm (1971) notes that one of the essences of case study research design is "trying to illuminate *a decision* or a set of decisions: why they were taken, how they were implemented, and with what result". Cousin (2005) says that the case study method is also suitable for defining cases for an easier understanding. A distinctive feature of case study research is the presence of many variables of interest rather than only data points. It relies on multiple sources of evidence, with data needing to converge in a triangulating manner (Yin, 2003).

Stemming from the aim of this research together with the nature of the topic investigated, a multiple case-study design was identified as the most suitable research method. Firstly, to understand allocation and access processes, case study design comes in handy to contain the complexity of the topic. Secondly, given that adaptation finance underlays various governance levels, principles, and processes, studying it requires a method that allows for different variables of interest to be included. Thirdly, adaptation finance has been significantly evolving over time, and hence analyzing it necessitates a method that accounts for such an evolution. Lastly, the choice of multiple studies is embraced for generating evidence that is considered robust and reliable (Baxter & Jack, 2008).

While the choice of multi-case study is relevant and even necessary, the author of this thesis acknowledges the limitations of case-study research in general and multi-cases in specific. First, case studies are often contemned for their limited generalizability (Yin, 2003). Further, multiple case studies are particularly criticized for their lack of comprehensiveness, discounting the researcher's time for observation and limited ability to generate high-quality theories (Baxter & Jack, 2008). By selecting Sudan as a case of a recipient country, generalizability is indeed limited for other recipient countries. However, exploring adaptation finance through four different donors shall increase the margin of generalizability to other recipients. Secondly, although the time provided to conduct this thesis was bounded, the author created a plan that allowed enough time for each study stage. Henceforth, sufficient time was dedicated to generating meaningful observations across the various cases. Lastly, this thesis was only limited to the scope mentioned in Chapter 1.3, allowing for a vertical level of depth across and within cases, allowing for some comprehensiveness.

In conducting critical realist case-based research, Wynn & Williams (2012) concluded that it is best analyzed through a retroductive approach, which entails both deductive and inductive logic. Such an approach has been adopted to guide the analysis logic for the thesis at hand.

3.1.2 Selection of Case Studies

George & Bennett (2005) argue that case selection should be an integral part of a good research design to achieve well-defined objectives of the research. In this thesis, case selection was based on identifying bilateral and multilateral adaptation finance sources that provided adaptation finance to Sudan in various forms and with a variance in the amounts disbursed. The author conducted a systemic review of climate change finance in Sudan to identify these sources. The review commenced by screening the dataset of the reported adaptation finance. The source of this information was AidAtlas (2019), a dataset that compiles both the OECD Creditor Reporting System of bilateral finance and Climate Change: OECD DAC External Development Finance Statistics database of multilateral and funds finance. The dataset was screened to include adaptation disbursements from all donors to Sudan between 2011-2019. Disbursements before 2011 were ruled out due to South Sudan's secession. Adaptation finance that has only been committed has been ruled out, as it only presents an expression of commitment and does not suffice as tangible evidence for allocation. From this dataset, four sources presenting bilateral and multilateral finance sources were selected to capture each donor's specific conditions and context. The selection of the providers was based on including sources with *the most finance allocation*, *middle-range finance allocation* and the *least finance allocation*. These identified sources included the United Kingdom (USD 25.4 million) presenting most dispersed finance, Sweden (USD 2.22 million), GEF (USD 1.78 million) introducing middle-range dispersed finance, and Japan (USD 41.3 thousand) presenting least dispersed finance (AidAtlas, 2019). The selection of the UK and Japan as cases was more straightforward as they represent the most and the least disbursed finance, respectively. However, the selection of the middle range cases was more challenging. Among middle-range donors, other countries disbursed adaptation finance to Sudan as Germany, the United States, Ireland, Canada, and Finland. However, disbursed finance from Sweden and GEF in terms of amounts are positioned right in the middle of disbursements made by other donors (AidAtlas, 2019). The limitations of this selection and suggestions for future research are further discussed in Chapter 5.3.

3.2 Data Collection

According to King et al. (1994, p. 23), data is a product of "systematically collected elements of information about the world". It is also noted that "the most important rule for all data collection is to report how the data were created and how we came to possess them (King et al., 1994, p. 51). Case study research data are usually qualitative (words, meanings, views) and typically include multiple data collection techniques and data are collected from multiple sources

(Shanks & Bekmamedova, 2018). Following this, the data for this thesis was collected after a period of desk research and mainly used policy and procedural documents and semi-structured interviews as sources of data. The following section details the process of data collection.

3.2.1 Semi-structured interviews

Stake (1995, p. 16) argues that "interviews are the main road to multiple realities". In the first step of data collection, the author of this thesis conducted a number of twelve semi-structured interviews. This implied asking open-ended questions as well as craftily asking questions that motivate informants to elaborate further on their perspectives (Adom, & Ankrah, 2016). The choice of using semi-structured stems from two reasons. First, such interviews are best suited for research projects where the respondents are likely to be 'high-level bureaucrats and elite members of a community' with limited time, allowing the researcher to capitalize on its freewheeling aspects (Bernard, 2006). Secondly, semi-structured interviews are contested to allow for causal relations to emerge and be explored, where the interviewer has control over the course of the interview, while also allowing space for the interviewees to follow new untapped upon leads (Bernard, 2006; Gorman & Clayton, 2004).

The interviews were designed first to capture opinions and views around adaptation finance while also capturing the contextual factors shaping these opinions, particularly their perspectives as recipients or donors. In curating the interview guide, the author created two different sets of questions for respondents representing recipient organizations and respondents representing donor organizations (See Appendix B: Interview guide for donors. However, the two sets were both built around the same elements of the analytical framework to capture the similar thematic areas, but from different angles. Using the analytical framework as a guide in developing questions was particularly useful in anticipating analysis. Lastly, Rubin & Rubin (2005) advise researchers to design questions that evoke vivid descriptions by asking for narratives or requesting step-by-step descriptions. Such an approach was also incorporated into the logic of the interview guide.

The interviews were conducted through web-based applications and were recorded if the interviewee consented to the recording. In conducting the interviews, the questions were drafted and asked in a simple and open-ended manner. The interviews were conducted both in English and Arabic, capitalizing on the author's knowledge of Arabic. In avoiding socially desirable responses, the author abstained from asking leading questions (Patton, 2002). Following up on what has been said has been given particular attention using different techniques, such as probing or interpretative questions and even silence. Moreover, the author recognizes that, unlike regular conversations, qualitative interviews require intense listening, curiosity about what people say, and a willingness to acknowledge what is not understood (Rubin & Rubin, 2005). Hence, prior to conducting the actual interviews, both the interview guideline and the interview situation were pretested two times to obtain experience in applying these techniques and increasing the validity.

3.2.2 Sampling of the interviewees:

The selection of the interviewees was based on purposeful sampling, which is a technique widely used in qualitative research for the identification and selection of information-rich respondents

(Patton, 2002). This involves identifying and selecting exceptionally knowledgeable individuals experienced with the research topic (Creswell & Plano Clark, 2018). In addition to knowledge and experience, Bernard (2006, p. 2) notes "the importance of availability and willingness to participate, and the ability to communicate experiences and opinions in an articulate, expressive, and reflective manner". Henceforth, the selection of the interviewees was based on their involvement level in the processes pertaining to adaptation finance from the four selected sources, as well as the perceived level of knowledge of adaptation finance processes. The interviewees were grouped into two categories: recipient perspective interviewees and donor perspective interviewees (See Appendix A: Information on expert interviews. Each interviewee has been assigned a code that indicates their perspective to maintain the respondents' anonymity. According to the grouping of the interviewee, the interview questions were tailored accordingly

3.2.3 Documents Review

Document analysis is a systematic procedure for reviewing and evaluating both printed and electronic materials. (Bowen, 2009). Documents should be recorded without the researcher's intervention, such as prior interpretation or paraphrasing in the data collection phase (Bowen, 2009). In order to elicit meaning and develop empirical knowledge, the examination and interpretation of collected data follow in the analysis phase (Strauss & Corbin, 1998). In terms of the strengths of documents as a source of data, it can be said that data collection can be comparatively more efficient because the documents already exist as data. Hence, it provides a cost-effective option, and documents serve as a stable and exact source of data (Yin, 1994)

3.2.4 Documents Sampling

The selection of the documents was based on purposeful sampling. Maxwell (1996) notes that purposeful sampling is advantageous where important pieces of information cannot be obtained otherwise. For this thesis, this sampling method's choice is attributed to the difficulty and even impossibility of obtaining comprehensive qualitative data otherwise. In recognizing both the limitations of documents as a source of data and in the purposeful sampling method, Yin (1994) highlights that documents can be insufficient and subject to biased selectivity. In mitigating these limitations, the author of this thesis used documents as a secondary data source that can corroborate data from interviews. Additionally, the documents were selected based on an objective selection process. In identifying these documents, different words combinations were used, including:

- Adaptation finance, vulnerability, determinants of allocation, channelling, additional
- Development, cooperation, policy framework, charter, annual reports
- Climate finance strategy, allocation, access, additional finance
- Application process, eligibility, how projects work, guidelines, finance requirements, channelling options

These keywords are firstly motivated by the analytical framework introduced in Chapter 2.6, and secondly by the dichotomy of adaptation finance and development, where information relating to adaptation finance is usually linked to development, especially for bilateral donors. The selection process entailed the initial screening of online documents related to GEF, Sweden, Japan, and the UK. From document titles, a number of 37 policy and procedural documents were identified as potentially relevant documents. These documents were uploaded into Nvivo 12 plus[2], a qualitative analysis tool, and skimmed using the analytical framework keywords. Following this, a number of 28 documents were identified as relevant for document review (See Appendix E: Information on Documents for GEF, Appendix F: Information on Documents for The UK Appendix G: Information on Documents for Sweden and Appendix H: Information on Documents for Japan)

3.3 Data Analysis

Both interviews and documents were coded using thematic analysis. Braun & Clarke (2006, p. 2) describe thematic analysis as "a method for identifying, analysing, and reporting patterns (themes) within data". Thematic analysis is often praised for its flexibility and generation of thick descriptions and is particularly useful in qualitative research aimed at informing policies (Braun & Clarke, 2006). Braun & Clarke (2006) developed a six-steps framework that can guide the analysis in conducting the analysis. This six-phase guide was adopted to aid the analysis process. Although these steps appear linear and distinct, the actual process was reflexive and involved moving back and forth across the steps. These steps include:

1. Familiarization with the data:
2. Generating initial codes:
3. Searching for themes:
4. Reviewing themes:
5. Defining and naming themes
6. Producing the report

As a first step in preparing data, the interviews in Arabic were translated into English. Many Arabic words that came in the interviews were checked for their exact translation in English to ensure accuracy and accountability. In a second step, interviews in English were transcribed using the Otter.ai, an artificial intelligence transcription tool[3]. All interviews' transcripts were then checked for grammar and spelling consistency. Finally, an initial coding structure was developed corresponding to the analytical framework (see Chapter 2.6). Alhojailan (2012) pointed out that in analyzing qualitative data, using a software can improve the rigour of the analytical steps and allow for a more specific level of analysis. For this thesis, Nvivo Plus 12 was used to help organize, structure, and analyze the data. First, the text was thoroughly read and coded into the different identified themes as presented in Appendix K: Analysis codes. The coding process was both deductive and inductive; it was deductive in the sense that text was coded into the preexisting analytical thematic areas; inductive in adding new themes as they emerged. Following this, the themes were reviewed, redefined, and further reported on.

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[2] **NVivo** is a qualitative data analysis (QDA) computer software package produced by QSR International. NVivo helps qualitative researchers to organize, analyze and find insights in unstructured or qualitative data like interviews, open-ended survey responses, journal articles, social media, and web content, where deep levels of analysis on small or large volumes of data are required

[3] Otter ai is a tool that transcribe voice conversations to text. https://otter.ai/home

4 Findings and Analysis

This section details the findings obtained from the collected data together with the analysis. It starts by introducing the four selected cases for the donors. In the introduction of the cases, a brief overview of the structure of adaptation finance together with disbursements outlook for each donor is presented. Following on this, the chapter presents the obtained findings and analysis as a one unit. The presented information is categorized in accordance with the sources of obtained data, whereas the findings and analysis from the semi-structured interviews is presented firstly and is followed by findings and analysis of data obtained from the documents review. Lastly, the chapter is concluded with a summary of the key findings. For ease of text distinguishing, direct quotes from the interviews are presented in Italic font.

4.1.1 Introduction to Cases

The following section provides an overview of adaptation finance allocations, governance structure and access modalities specific to the four identified donors.

For the UK, according to GOV.UK (2018) the International Climate Finance (ICF) presents the primary arm of climate change ODA that aims at supporting developing countries in responding to climate change, where it supports both adaptation and mitigation. The finance from ICF supports various programs and is delivered by three main national entities. Namely, the Foreign, Commonwealth and Development Office (FCDO), the Department for Business, Energy, and Industrial Strategy (BEIS) and the Department for Environment, Food and Rural Affairs (Defra). Besides ICF, the UK significant contributes to multilateral sources, where it contributed USD 319 million between 2018-2022 to the GEF, USD1.9 billion between 2020-2023, and the GCF, USD 3.0 billion to GIF since 2008 (Donor Tracker, 2022).

Between 2012-2019, the total amount of adaptation finance disbursements from the UK is estimated at USD2.62 billion, targeting 82 different recipient countries/regions (See Table 4-1). The most significant amounts were USD 927 million to Developing countries unspecified, USD 246 million to Africa, regional and USD 239 million to South of Sahara, regional. Specific to Sudan, The UK disbursed USD 25.4 million in development finance targeting adaptation. The largest disbursements were USD 15.7 million to Water Supply & Sanitation and USD 9.7 million to General Environment Protection.

For *Sweden*, more reliance is on the UNFCCC multilateral funds for adaptation finance delivery, namely through GEF and GCF. Additionally, Sweden provides funding through other climate funds, such as the Adaptation Fund (AF) and the Least Developed Countries Fund (Regeringskansliet, 2020). For bilateral cooperation, finance is primarily channelled either through the Swedish International Development Cooperation Agency (SIDA) in countries where SIDA works or through international organizations such as UN agencies (Regeringskansliet, 2014). Between 2012-2019, the total amount of adaptation finance disbursements from Sweden is estimated at USD 884 million, targeting 66 different recipient countries/regions (AidAtlas, 2019). The largest disbursements were USD 316 million to Developing countries unspecified, USD 98.6 million to Africa (regional) and USD 66.9 million to Kenya (See Table 4-1). Specific to Sudan, Sweden disbursed USD 2.22 million in development targeting adaptation (AidAtlas, 2019). The largest disbursements were USD 2.17 million to Water Supply & Sanitation and USD 51.5 thousand to Government & Civil Society (AidAtlas, 2019).

By November 2021, *Japan*'s pledges towards climate finance totalled USD 70 to be disbursed between (2020-2025), with USD 14.8 billion targeting adaptation (Donor Tracker, 2021). Japan climate finance has so far been majorly focused on mitigation. A portion of Japan's climate finance is delivered through multilateral organizations, but not all are accounted for as ODA(Donor Tracker, 2021). For 2020-2023, USD 1.5 billion has been pledged to GCF, USD 638 million pledged to GEF for the 2018-2022 replenishment period, and USD 2 million have been provided to UNEP in 2020. For bilateral ODA, The Ministry of Foreign Affairs (MOFA), the Ministry of Finance (MOF), and the Ministry of the Environment (MOE) all hold responsibilities for setting priorities and allocating climate finance(Donor Tracker, 2021). The identified projects financed bilaterally are typically implemented by Japan International Cooperation Agency (JICA). Between 2012-2019, the total amount of adaptation finance disbursements from Japan is estimated at USD 2.87 billion, targeting 122 different recipient countries/regions (AidAtlas, 2019). The largest amounts were USD 605 million to Viet Nam, USD 555 million to the Philippines and USD 490 million to Indonesia (See Table 4-1). During the same period, specific to Sudan, Japan disbursed a total of USD 41.4 thousand in development finance targeting adaptation (AidAtlas, 2019). The largest disbursements were USD 34.9 thousand to General Environment Protection and USD 6.45 thousand to Government & Civil Society.

Table 4-1 Top 10 total disbursements made for adaptation finance by the UK, Sweden, Japan and GEF between 2012-2019 (Source: Aidatlas)

United Kingdom		**Sweden**		**Japan**		**GEF**	
Recipient country	**Amounts Disbursed (USD)**	**Recipient country**	**Recipient country**	**Amounts Disbursed (USD)**	**Amounts Disbursed (USD)**	**Recipient country**	**Amounts Disbursed (USD)**
Developing countries unspecified	$926.57mn	Developing countries unspecified	$315.63m	Viet Nam	$604.96mn	Rwanda	$5.14mn
Africa, regional	$245.72mn	Africa, regional	$98.61mn	Philippines	$555.45mn	America, regional	$4.41mn
South of Sahara, regional	$239.06mn	Kenya	$66.92mn	Indonesia	$490.23mn	Africa, regional	$4.32mn
Asia, regional	$178.91mn	Burkina Faso	$46.33mn	Bangladesh	$424.03mn	Angola	$4.07mn
Tanzania	$119.34mn	South of Sahara, regional	$42.14mn	Kenya	$99.98mn	Afghanistan	$3.31mn
Uganda	$118.30mn	Mali	$35.83mn	Thailand	$96.78mn	Benin	$3.28mn
South Sudan	$90.71mn	Mozambique	$32.36mn	Pakistan	$81.19mn	Democratic Republic of the Congo	$3.21mn
Caribbean, regional	$58.65mn	Bolivia	$29.37mn	Cambodia	$72.94mn	Haiti	$3.20mn
Bangladesh	$53.15mn	Asia, regional	$24.99mn	Bhutan	$33.90mn	Asia, regional	$3.19mn
Ethiopia	$55.2mn	Guatemala	$17.57mn	Democratic Republic of the Congo	$33.32mn	Yemen	$3.11mn

As for the *Global Environment Facility (GEF),* the recognition that the GEF has a role in supporting adaptation goes back to the early guidance of the financial mechanism of the UNFCCC (GEF, 2011). While the GEF Trust Fund does not support adaptation under GEF-5, a financial strategy was concluded where GEF-managed and mobilized adaptation finance is channelled through Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) (GEF, 2011).

Adaptation projects are categorized in terms of their size into three main categories, Full Sized Projects (FSBs), Medium-Sized Projects (MSPs, and Enabling Activities (EAs). FSBs are projects requesting more than USD 2 million, MSPs are projects requesting less than USD 2 million, and EAs are projects focused on preparing a plan, strategy, or report to fulfill commitments under a Convention (GEF.

Between 2012-2019, the total amount of adaptation finance disbursements from GEF is estimated at USD 111 million, targeting 81 different recipient countries/regions (AidAtlas, 2019). The largest disbursements were USD 5.14 million to Rwanda, USD 4.41 million to America regional and USD 4.32 million to Africa, regional (See Table 4-1). Specific to Sudan, GEF disbursed USD 1.78 million in adaptation finance during the same period, mainly targeting General Environmental Protection (AidAtlas, 2019).

4.2 Semi-structured interviews

4.2.1 Determinants of Adaptation Finance Allocation:

The following two sections detail respondents' opinions regarding the allocation of adaptation finance both from the donor and recipient perspectives.

Factors shaping allocation decisions from the donor perspective

From the donor perspective, the respondents highlighted the cruciality of **vulnerability** as an important determinant to be considered in making adaptation finance allocation decisions— "*Generally, allocation of adaptation finance would depend on how vulnerable the recipient country is*" (Swe-DA1). However, it has been highlighted that vulnerability alone cannot be determinantal in isolation from other factors. The interviewees indicated that even when a country is vulnerable to climate change, there is a shortcoming from several eligible recipients in substantiating their level of vulnerability— "…*in project proposals, we often find the scientific argument backing up vulnerability claims to be missing*" (IA-1). Other than vulnerability, no other factors were identified from the donor perspective related to the **recipient need** model. Moreover, vulnerability is perceived as a precondition that would support allocation decisions; however, vulnerability alone is not determinantal.

Related to the **recipient merit** and **recipient interest** models, respondents pointed out factors related to: governance structure, research capacity, ability to develop projects and proposals, political stability, democratic transitions and country ownership as key determinants. (Swe-DA 1) noted that allocation of finance would be more meaningful when recipient countries have *existing governance structures* that can further sustain long-term plans, and ultimately work independently— "*We seek to work with governments that also have some kind of skin in the game*" (Swe-DA1) Along the same line, it highlighted that even more critical than vulnerability, is partner countries input and illustration of strong initiative (Ja-DA1). It has been suggested that *country ownership and initiative* are perceived as indicators of recipients' accountability and seriousness.

Corresponding to recipient need substantiation, it has been highlighted that availability of credible data together with the *availability of scientific evidence* supports the case of recipients. Although there have been extensive international efforts in developing frameworks and methodologies to measure vulnerability, providing solid scientific evidence for vulnerability on the national level requires substantial research and sufficient investments. As evidence of the predominance of the recipient merit model in allocations, respondents highlighted that they often see both multilateral and bilateral having the same type of projects in the same type of region or country. According to (IA-2), the focus on specific regions or countries stems from these countries' ability to substantiate their needs and identify areas of intervention concretely. Specific to Sudan, the lack of substantial competitive merits such as political instability and shifting powers have been highlighted as hinders that set back the allocation of adaptation finance— "*The political instability in Sudan, together with the shifting powers, makes it quite difficult to finance long-terms adaptation projects or programs*" (JA-DA1). Further, (UK-DA1) adds that "*While the Sudanese revolution in 2018 has greatly boosted the appetite of bilateral donors to invest more in Sudan, however, with the military coup in 2021, all financing dialogues have stopped*".

While opinions corresponding to recipient related models were more or less homogenous, rationales related to **donor-related models** differed significantly across bilateral donors according to their strategic priorities and policies. For the UK, it has been noted that the horn of Africa is a region of interest to the UK. Moreover, Sudan has explicitly been pointed out as of more importance as of its geopolitical influence in the continent and as a key immigration transit route— "*The climate fragility in the region as a whole, and in Sudan in specific, can be a driving force for greater security instability, which can easily agitate a humanitarian crisis. Also, Sudan presents a crucial migration gateway that needs to carefully and strategically be dealt with*" (UK-DA1).

Two opposing explanations were deduced in concluding an understanding of this particular interest in Sudan. Firstly, the rationale related to Sudan's geopolitical influence can be correlated to an altruistic motive of genuinely wanting to mitigate a humanitarian crisis. Alternatively, this interest can be rather correlated to the UK's concern about the emergence of a future humanitarian crisis, which would require substantial humanitarian assistance spending. When looking at the UK's humanitarian assistance spending, it has been steadily increasing from 484,464 thousand £ in 2009 to 1,531,009 thousands£ in 2020 (FCDO, 2021, p. 10). This suggests that the second explanation is more probable but not conclusive. Along a similar line, migration was identified as potentially influencing adaptation finance allocation from Sweden— "*Some migration is indeed inevitable, irrespective of whether there is finance. However, for example, in the Middle East and North Africa (MENA), Sweden aims at providing support to migrants or internally displaced people – when conditions allow- to improve their living conditions before they even think of moving towards Europe*". (Swe-DA1). The surfacing of factors related to a potential humanitarian crisis fueled by climate change and concerns related to migration suggests a new model that explains donors' rationales of allocation, hereafter categorized as the **donor concern model**.

Related to the **donor interest** model, specific to Japan, it has been highlighted that allocation decisions are defined following Japan's own priorities. Although JICA plays a substantial role in reflecting recipient-related needs and merits, these reflections are ultimately subject to a higher level of policy decision-making— "*We believe JICA is the champion of information related to partner countries. As such, we try to persuade the government, which sometimes goes well, but sometimes cannot. However, all in all, as JICA, we have so much respect for our government's national priorities*" (JA-DA1). Additionally, it was highlighted that while Japan allocates more finance to neighbouring countries, it is not for the sole reason *of geographical proximity*. However, it was linked to information availability and *familiarity with local contexts*.

Factors shaping allocation decisions from the recipient perspective

Corresponding to the **recipient need** model, respondents referred to vulnerability as a perceived determinant of allocation. It has been noted that how vulnerability is understood and framed matters. Much emphasis was placed on the need to consider the *non-climatic factors* that generate and reproduce vulnerability. (SUD-GOV1) noted that "*the non-climatic factors are the most responsible factors for making a particular community more vulnerable than others*". However, it has been pointed out that during projects approvals, the non-climatic factors can be identified as adaptation or development depending on **donors' willingness and interests**. Related to the **donor interest** model, and beyond bilateral allocations, it was pointed out that contributing countries interest, such as political priority, are deeply entrenched and reflected in the multilateral processes— "*…during replenishment processes, donors already negotiate their policies, priorities, and requirements, which largely reflects on the operational policy of the fund*" (SUD-N1). It was added that "*Politics always come. Donors' national policies always come in multilaterals, through the members representing their countries*" (SUD-N1).

Corresponding to the **recipient merit** model, respondents highlighted that while the absorptive capacity of some African countries is often discussed as the primary constraint, in reality, the limited capacity to design and apply for projects presents an even more predominant constraint— "*The real problem is not the absorptive capacities. The real constraint to the country's limited access to climate finance is the lack to capacity to apply and develop projects that can be funded*" (SUD_IA1). Similarly, (SUD-IA2) reiterated that "*the capacity is very weak to access finance, both in government institutions and in Civil Society Organizations".* Additionally, political instability has been noted to be having cascading effects over institutional stability and the country's priorities. (SUD-CSO2) noted that "*the political instability results in institutional instability, leading to fluctuating institutional priorities over time*". Similarly (SUD-IA2) added, "*After the revolution, access to finance has flourished. However, the situation went below square zero after the military coup*".

Related to the **recipient interest** model, respondents highlighted the role of recipient countries in the negotiations as a determinantal factor for lessening the access requirements, however not so much in influencing allocation decisions. (SUD-GOV1) noted, "*During discussions of the least developed countries fund, we have been clear that the least developed countries should not be burdened with requirements and indeed as a result of how the fund was negotiated, the requirements were not over burdening*".

4.2.2 Manifestation of allocation rationales in access procedures

The manifestations of allocation rationales on access procedures have been synthesized in correspondence to the analytical framework introduced in Chapter 2.6 and are presented corresponding to the two levels identified in the framework.

Principles level

From the donors' perspective, it has been highlighted that *additionality* was pushed forward by developing countries to ensure that development finance does not eliminate adaptation finance and as a way to avoid *double-counting* from the donors' side (IDO-1). This suggests that from the donor perspective, additionality is incorporated in response to **recipients' interests**. However, when looking at the recipient perspective, additionality is thought of as a condition that is often used to *deny countries access.* (SUD-N1) indicated that "*the discussion of adaptation versus development is not fair*". (SUD-N1) added that "*the conversation around additionality does not really make any sense, as it is often used to deny countries finance and reject adaptation projects*". The respondents pointed out that many outstanding quality projects were rejected because of this discussion.

Amongst interviewees from the recipient side, opinions ranged from perceiving additionality as a disassociated concept to the uselessness of additionality as an access condition. (SUD-GOV1) noted, "*The reason behind the additionality dilemma is that developed countries members have difficulty understanding the context in developing countries, and their need for adaptation support.*". Contrastingly, (SUD-IA2) referred to the discussion around additionality as 'jargon' and highlighted the importance of shifting the dialogue towards climatic factors and non-climatic factors— "*For the most vulnerable communities, lack of development, is a cause of vulnerability. For example, lack of water infrastructure is a cause of vulnerability*". This implies that decoupling adaptation from development is not entirely beneficial for recipient countries, as it has been indicated by (IDO-1). Further, it suggests that when vulnerability is narrowly looked at only through the lens of climatic factors, donors' motives for allocation would not be responding to actual recipient needs and is rather selective in perceiving needs.

Furthermore, it has been pointed out that donors shy away from the additionality conversation when their financial reporting is on the table. However, donors bring forward the same conversation only during project approvals— *"In reporting, they don't like to differentiate between development finance and climate finance. But when you come to project approval, they want to differentiate, which is not fair*" (SUD-GOV1). Compared to access to mitigation finance, adaptation finance is considered far more inaccessible. (SUD-GOV1) noted that "*the same conversation of additionality is applicable to mitigation; however, it never takes place. Because adaptation is a local problem, but if we reduce emissions, it will benefit others and provide security for their future*". (SUD-IA1) added, "*Even the 50-50 for adaptation and mitigation goal is only captured for a certain period of time and not really mainstreamed*". These opinions suggest that while additionality safeguards against double-counting, it can be manoeuvred in access procedures in accordance with donors' interests and in selectively framing the recipient's needs.

The opinions around *country ownership* revolved around two main themes: alignment with national priorities and the effects of the channelling options. In aligning adaptation finance with recipient countries' priorities, it has been indicated that recipients need to first be proactive in setting their priorities and communicating these priorities. Through a national finance coordination mechanism, the recipient can ensure that donors are providing support that is actually needed and safeguarding against overlapping projects. (IA-2) highlighted, "*Some countries came up with national coordination mechanisms, where they put forward their priorities and direct donors to where they can contribute, and how to contribute. This way, developing countries can be in the driver seat*".

Along the same line and specific to Sudan, it has been indicated that back in the 1980s, both the planning and development ministry and the ministry of foreign cooperation had a cooperation mechanism. This mechanism indicated the development needs, national sectorial and geographical priorities, and clearly specified areas where donors can contribute. However, this mechanism was dismantled during the National Congress Party regime. (SUD-CSO2) noted that "*Currently, the only overseeing level is limited to security concerns and the acquisition of security permits. Beyond security, foreign organizations are now implementing their own priorities, which is evident in the duplication of projects, and the unclarity regarding outcomes and impacts of projects*". Corresponding to the **recipient interest** model, this suggests that proactiveness and claiming control over a country's priorities reflect an increased level of ownership of accessed finance. However, is not conclusive in terms of how country ownership is reflected in allocation decisions in terms of finance size.

All respondents indicated that country ownership is an important element to ensure longstanding partnerships from the donors' perspective. (UK-DA1) indicated that country ownership is the cornerstone of development cooperation from the UK— "*For example, during the transitional government, the projects were designed around the government's priorities.*" Also, much emphasis is placed on bottom-up community needs rather than prescribing thematic focus areas on the community level. However, it has not been indicated how the UK aims at ensuring country ownership in the absence of the democratic transition. Which alarms that country ownership is conditional on the UK's approval of Sudan's political situation.

For Japan, it was indicated that "*country ownership is ensured through communication with key stakeholders such as prime ministers and other relevant ministers*" (JA-DA1). While communication is indeed crucial in ensuring country ownership, this top-down approach can limit and lock country ownership from being mainstreamed throughout other levels of governance. According to Sweden, the maintenance of country ownership depends on recipients' ability to sustain programs after completion. These perspectives suggest different perceptions on country ownership, where it can be viewed through the **donors' interest** for the case of the UK and can be viewed as **recipient merit** for Sweden.

Recipient respondents indicated that direct access is the best option to maintain country ownership in terms of *channelling*. However, there are two main roadblocks to acquiring finance through direct access. Firstly, direct access necessitates getting internationally accredited, and according to (SUD-GOV1, SUD-N1, and SUD-IA2), the accreditation process is perceived as highly complex. As an alternate avenue to access adaptation finance, recipients with no accreditation rely on internationally accredited agencies. (SUD-N1) highlighted that "*We are forced to work with internationally accredited agencies because otherwise, we will access nothing*". Nevertheless, it has been pointed out that agencies with national offices are preferred over others among international agencies. This was mainly attributed to their comprehension and appreciation of the local context (SUD-GOV1).

On limitations to country ownership, (SUD-GOV1) highlighted that "*Working with internationally accredited agencies eliminates the possibility of building capacities within national institutions to be able to manage future projects*". Further, it has been highlighted that accessing finance through international agencies creates a sense of dependency, and with time the dependency becomes entrenched. (IA-2) noted, "*Countries would then be at the mercy of these agencies. This pathway of channelling should be thought of as a transitionary status and never a permanent one*". Secondly, even when direct access is provided in the absence of accreditation, it has been indicated that caps hinder direct access. (SUD-IA2) noted that "*Through direct access, we only get a very slight proportion of finance flows, while through international agencies we can access relatively more finance*".

Based on the mentioned above, it is concluded that perspectives on additionality are mismatched between donors and recipients. For country ownership, various opinions have surfaced. While all donors indicated that they support country ownership, the reasons behind this support differed. They ranged from conditionally supporting country ownership; to viewing country ownership as a way for recipients to act independently and sustain projects on their own. Notably, all respondents noted that the responsibility of claiming country ownership lies in recipient countries framing of priorities and willingness to self-shape their development pathway. However, on a subtler level, the conditionality on country ownership in the case of the UK reflects the rationale of donor interest. Additionally, the complexity of the accreditation process bounds countries from potentially claiming their ownership.

Access

Opinions pertinent to the access to adaptation finance highlighted three overarching themes that enable or hinder access: political stability, capacity to develop projects and proposals, and institutional capacity to absorb finance. (UK-DA1) pointed out that after the revolution in Sudan, the UK has started exploring avenues to jointly increase access to finance— "*direct access through the Transitional Government of Sudan was preferred and welcomed. However, after the military coup, all deals with the government have been cancelled*" (UK-DA1). This suggests a correlation to the **recipient interest model**, where donors are willing to align with recipients' priorities; however, conditional on the existence of democratic transitions. (Swe-DA1) highlighted that specific to Sweden, a particular interest is in enhancing access to adaptation finance. However, they are also keen on providing access to partner countries that can sustain projects— "*We are interested in developing partnerships with institutions that could continue the work after we leave*". This is consistent with the **recipient merit model**, according to which recipients with limited capacity for project development, and lower absorption capacities, are less attractive to receive adaptation finance.

In terms of capacity, it can be best described as a 'chicken or egg first' situation. (IDO-1) indicated that "*for access to be fair and equitable, recipients need to be on relatively similar capacity levels*" However, even for adaptation finance designed to enhance countries' readiness to access finance, those with existing capacities are most eligible for the finance (IDO-1). Related to the design of capacity building projects, it was emphasized that readiness projects must be designed in a way that increases existing capacity to be equipped with the tools and knowledge that serve two purposes— "*It's not like you need to build their capacities from scratch because they are already experts. You just need to give them the confidence to improve their understanding and show them how to take the idea forward*" (IDO-1).

Whereas (IA-2) indicated, "*Every year developing countries complain about access, but they are not particular about their capacity gap. From our side, the gap is in the quality of project design and proposals. But are they putting forward that they have difficulty developing proposals? No*". Related to the **recipient merit** model, these perspectives suggest unclarity regarding the current level of readiness in terms of capacities and unclarity around the merits gap. In turn, this can result in non-informed allocation decisions when recipient merits are used as proxies for allocation.

Specific to Sudan, (SUD-GOV1) noted that access to adaptation finance is a unique case. This was mainly due to the *unilateral sanctions* that lasted for over two decades, which limited the country's ability to access finance. (SUD-GOV1) indicated that through the Higher Council of Environment and Natural Resources (HCENR)— "*We acquired almost no bilateral adaptation finance; the only funds we got came indirectly from DFID through UNEP and some funds from Italy*". A further point made is that there are no *formal channels* for accessing bilateral adaptation financing, primarily based on connections and networks between individuals.

Along the same line, respondents praised the *role of the individuals* working in HCENR in enhancing access to adaptation finance. (SUD-CSO1) indicated that "*irrespective of internal political pressures, the majority of the acquired adaptation finance resulted from continuous individual efforts*". While the role of individuals is acknowledged, this alarms against the emergence of closed clusters of experts, limiting the diffusion of knowledge and skills across wider scopes, consequently limiting recipient merits.

Beyond bilateral sources, it has been indicated in terms of amounts that most of the resources acquired through national institutions were received through multilateral sources. Most notably, it was pointed out that Sudan was able to access all of the allocated resources in the LDCF. This was related to the *increased equity* and *flexibility* found in multilateral sources. However, (SUD-GOV1) noted that "*while more resources can be accessed through multi-laterals, and the process is more equitable, contributing nations' own interests are still highly reflected*". On the same line, (SUD-N1) *said, "There are some difficulties with the GEF council because the US, for example, have congressional directions not to support Sudan*". This suggests that while multi-laterals are perceived to be more accommodative of recipient needs, donors' interests are perceived to be negatively reflected in access procedures.

On *access requirements,* respondents indicated that access for adaptation is very hard. (SUD-GOV1) indicated, "*The access process, in general, is extremely complicated. For instance, just to develop a concept note, the requirements are too many*". In terms of capacity to develop proposals (SUD-N1) added, "*Although there have been several capacity-building activities to improve the capacities of developing concept notes and proposals, the number of people who can actually develop quality proposals is minimal.*" It has also been noted that the capacity gap is partially driven by the lack of follow-up and the constant reliance on external consultants for developing capacity-building workshops.

Further, it has been noted that recipient countries are challenged by the constantly changing requirements and the vagueness of some of the requirements. According to (SUD-N1) "*Access requirements are everyday increasing and changing. We acknowledge that some of these requirements are essential in safeguarding finance. However, some requirements such as 'paradigm-shitting' and 'transformational change' are not clearly defined and present very delicate concepts that are hard to operationalize*".

On an internal level, it was indicated that there are access challenges related to the *consistency, timeliness,* and *transparency* in regard to receiving and reviewing comments, especially for multilateral sources— "*the approval of readiness projects can take from 3 months and up to 3 years. As a result of the long approval period, we sometimes need to do the base line again because the context changes*" (SUD-GOV1). On the challenges pertaining to access, (SUD-IA2) added for both bilateral and multilateral sources, "*the higher the amounts, the more stringent safeguards, and the more stringent the safeguards, the more it would be difficult for countries to respond to those requests requirements*". Related to **requirements**, (SUD-GOV1) noted that "*donors indeed want to ensure that whatever being provided, is spent in an efficient way. However, sometimes the same requirements are used to deny some countries access to finance, mainly due to donors' own political agenda*". These perspectives indicate that *donor interests* are noticeably reflected in access requirements to ensure efficient use of adaptation finance but can also be used as plausible reasons to deny countries allocations.

For *finance conditions,* while 100% of the adaptation finance to Sudan has been provided as grants, donors put forward that while grants are essential, grants' financial flows are limited. (IDO-1) indicated that "*Developing countries believe that climate change is not caused by them, so they should not take a loan to address it. But there is no money for grants for all*". Similarly, (JA-DA1) said, "*For capacity building and technical cooperation, we provide finance through grants. However, it is not big enough for everyone*". As a general rule for big size projects, donors limit the grant to be 30% of the total amount, while the rest is to be provided through loans— "*we do not want to overburden recipient countries with loans, and henceforth lean towards providing concessional loans which gives more flexibility*" (IDO-1).

From the recipients' perspective, the proposition of loans for adaptation finance is perceived as inexplicable. (SUD-GOV1) noted that "*adaptation is a completely different story because, for most adaptation projects, there are no profit generating streams*". (SUD-N1) added, "*Indeed, concessional loans provide a level of flexibility, but at the end of the story, they are loans*". These perspectives suggest concessional loans are marketed 'as the way to tap into big money', together with an inclination from donors towards normalizing loans as a way to provide adaptation finance, which largely corresponds to donors' interest and surpasses recipients' interests.

4.3 Policy and Procedural Documents

The section below details the findings from documents concerning the determinants of adaptation finance allocation and the manifestation of these determinants on access procedures. Due to the information's particularity in this section, the findings will be presented in a way that distinguishes between the different cases.

4.3.1 Determinants of allocation

The sources of information for this section were obtained from a total of 28 documents. The sources are indicated in the text; however, for full references, refer to Appendix E: Information on Documents for GEF Appendix F: Information on Documents for The UK, Appendix G: Information on Documents for Sweden and Appendix H: Information on Documents for Japan unless otherwise referenced in the text.

In the case of the UK, climate change is stated to be one of the government's top international priorities. According to the Climate Finance Results report for 2021, the UK has committed to doubling climate finance to USD 14.2 billion between April 2021 and March 2026, compared to USD 4.6 billion between March 2016 and March 2021. Notably, the same report stated that climate change had been integrated and addressed in the review of Security, Defence, and Foreign Policies for 2021. This level of integration suggests that the UK identifies climate change as a threat and the effects of climate change to be a source of concern.

The allocations profile presented in Table 4-1 shows that all 10 top allocations are directed towards countries previously colonized by the British and where the UK has an already existing extensive presence. In UK's biennial climate finance communication for 2020, it has been highlighted that the UK shall utilize its extensive country presence to provide the support that encourages ambitious climate action. This suggests that adaptation finance allocation is influenced by *colonial histories* and seeking to *capitalize on already existing donor presence* in recipient countries.

In terms of the pledges, it has been highlighted in the Foreign, Commonwealth and Development Office (FCDO) Programme Operating Framework that living up to the pledges will show the UK's global leadership and credibility regarding climate change. The emphasis on the reputational risks, together with wanting to show leadership, suggest a dimension of ostentatiousness, as well as the importance of positive public perception of the UK when addressing climate finance, which largely corresponds to the **donor interest** model.

On the projects level, the FCDO policy framework for 2018 indicates that the UK emphasises the need to live up to the pledges made toward climate finance. The FCDO programs are assessed annually with a specific focus on justifying results versus *good value for money for UK taxpayers*. In conducting these assessments, a particular focus is given to *accurate reporting and evaluation*. To obtain accurate assessments, recipient countries need to possess a certain level of competency in delivering accurate results and reports, which directly correlates to **the recipient merit model**. The FCDO policy framework also indicated that more stringent project approvals are required, particularly for projects carrying diplomatic weight or reputational risks.

In the case of Sweden, according to Policy Framework for Swedish Development Cooperation and Humanitarian Assistance (Government Communication 2016), it has been stated that Swedish development cooperation is grounded on the principles of effective development cooperation, such as ownership and mutual accountability. It has been said that Sweden aims to build and strengthen the foundations for effective bilateral cooperation, where relations should be built on trust and common interests. In the Swedish International Development Agency (SIDA) policy framework, it is acknowledged that climate change often affects those living in poverty hardest and depending on vulnerability levels, individuals and communities are affected differently. Nevertheless, it has not been established that the most vulnerable countries are particularly prioritized in adaptation finance allocation.

Outstandingly, Sweden was the only reviewed source of adaptation finance that tackled climate finance in relation to *migration*. It is indicated in the Policy Framework for Swedish Development Cooperation and Humanitarian Assistance that the Swedish development cooperation is to increase the positive development effects of migration and increase the resilience of societies in reducing the need for humanitarian assistance.

Although Sweden foresees the positive development effects of migration, it has also been highlighted that Sweden works to eradicate the fundamental drivers of forced migration internationally and within the EU. When contrasted to climate finance allocation models, the explanation of these notions can be double-faceted. First, the allocation of adaptation finance can be seen as support provided to promote peace altruistically and eliminate the triggers of forced migration. On the other hand, and in light of the refugee crisis in 2015, the allocation can also be seen as support stemming from Sweden's concerns of having uncontrolled migration rates.

In the case of Japan, during COP21 for climate change, Japan pledged over USD 10 billion of public and private climate finances to developing countries in 2020. According to Japan's Updated Strategies and Approaches for Scaling-up Climate Finance (2014-2020), it has been explicitly outlined that the breakdown of this commitment will be allocated based on the requests from or **needs of recipient countries**. In the same document, it has been indicated that in 2014, Prime Minister Abe announced a contribution of USD 1.5 billion to the Green Climate Fund (GCF). While the GCF is praised for its prioritization of the most vulnerable countries, there is not a direct correlation between Japan's bilateral finance allocation and the *use of vulnerability as a proxy for finance allocation.*

According to the Japanese International Cooperation Agency (JICA) Climate Change Cooperation Strategy, it has been indicated that it is critically important to ensure low-carbon urban development in developing countries. As a result, a particular focus is on infrastructure-based development, where Japan put forward the willingness to share the know-how and technologies that can be deployed for climate-resilient development. This suggests two things first, the particular focus on *mitigation* as a priority area, and second the inclination towards allocating finance in accordance with the *donors' existing know-how;* both suggestions correspond to the **donor interest** model.

Further, when looking at Japan's profile of allocations presented in Table 4-1, the most significant ten allocations are not directed towards the most vulnerable countries. The allocations from Japan mainly focus on the Asia-Pacific region, suggesting a dominance of the *geographical proximity* rationale for allocation. Beyond the Asian pacific region, adaptation finance is also relatively largely allocated to Kenya and Democratic Congo Republic (DRC). A long-standing relationship is rooted in international trade, access to resources, and diplomatic ties between these two countries and Japan (Morikawa, 2012; Alubengo J, 1995).

Among all the analyzed sources of finance, country ownership and tailoring finance towards recipients' priorities have been emphasized in several ways. However, operationalizing this aim differed among the four analyzed sources of finance. For example, ranging from consulting with local authorities and agencies in the case of the UK; Aiming at self-reliant development in the case of Japan; and relying on local partners to define priorities and take responsibility for the implementation of the activities and management of the allocated funds in the case of Sweden.

4.3.2 Manifestation of factors underlying allocation decisions

As indicated in the analytical framework in Chapter 2.5, the manifestations of the factors underlying allocation decisions were realized through four dimensions: access, perception of responsibility, predictability, and additionality. The following sections detail these dimensions from policy and procedural documents for GEF, Sweden, Japan, and the United Kingdom.

Given the entrenched variation between the procedural steps in bilateral and multilateral finance sources, it should be noted that these factors were manifested differently. Further, in terms of comprehensiveness of information obtained, there is an observable discrepancy in the availability of information between bilateral and multilateral, further reflected in Chapter 5.3.

GEF

This section details the manifestations of allocation motives of GEF on adaptation finance access procedures following the dimensions presented in the analytical framework. The sources of information for GEF are indicated in Appendix E: Information on Documents for GEF unless otherwise referenced in the text.

For the **principles level**, for the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), the GEF identifies the principle of Equitable Access as a compass that leads the direction of adaptation finance allocation. As a result, the Least Developed Countries (LDCs) are given *priority* to develop and implement national adaptation programs of action. The principle also grants LDCs the assurance of *availability of funding* regardless of when they decide to initiate programs or projects. As such, funding is not granted on a first-come, first-served basis. This suggests that **recipient needs and interests** are prioritized in finance allocation.

From the Operational Guidelines for the Application of the Incremental Cost Principal executive summary, the GEF Instrument indicates that the GEF shall operate for the purpose of providing new and additional grants and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits. In substantiating *additionality*, GEF bounds additionality by determining the environmental problem and asking, "What would happen without the GEF?". This framing of additionality would result in a significantly narrow scope that would not necessarily consider the non-climatic factors. While the association is weak in this case, this framing of additionality could be limiting in reflecting *actual recipient needs*.

In terms of *predictability*, particular to LDCF, it is mentioned that future amounts of finance cannot be accurately predicted for any given country since it is replenished voluntarily. However, there is a possibility for forecasting potential resource availability according to new pledges and previously accessed finance. Information regarding the predictability of SCCF future amounts has not been addressed. However, given the proximity between LDCF and SCCF and the similar nature of governance, the same level of predictability can be assumed. As shown in Table 4-2, the difference between pledges and actual cash receipts is minimal. Henceforth, based on annual pledges, finance amounts can be reasonably predicted. However, since the pledges are short-term and time-bound, the long-term amounts cannot be highly predicted. In terms of *timeliness*, GEF clearly states the number of days to be expected for project review. It is set at 10 days for the Secretariat review and 4 weeks for Council review of Project Identification Forms (PIFs). Yet, with the unbounded rounds of requesting more information or deferring decisions to succeeding council review meetings, agencies and governments cannot truly predict when finance will start flowing. While the insights on predictability are useful in concluding how the principles are operationalized, no linkages have been traced regarding the underlying allocation rationale. Similarly, regarding the perception of responsibility, this dimension of analysis has been deemed irrelevant, reasoned by the fact that the GEF is a multilateral arrangement created specifically for tackling environmental threats. As such, responsibility is assumed to be inherently entrenched in the mission of GEF.

Table 4-2: The LDCF and SCCF at a Glance, as of March 31, 2021. Source (GEF, 2021)

	LDCF	**SCCF**
Total cumulative pledges (USD eq million)	1,772.26	356.09
Cash receipts (USD million)	1,580.01	349.44
Difference between pledges and receipts	192.25	6.65
Total investment income (USD million)	88.72	23.61
Total cumulative funding decisions, including projects, fees, and admin budgets	1,592.86	361.93

On the *access processes level*, the GEF launched the direct access modality at the beginning of GEF-5, which allows for direct transfer of finance between the Trustee of the GEF and the Government of the recipient LDC. However, according to the LDCF guidelines, the *direct access* modality is limited to projects that involve preparing or updating the National Adaptation Programme of Action (NAPA). This implies that **recipient interest** is considered in allocation, however, only to a limited extent since direct access is limited only to NAPAs preparation and updating.

In terms of *eligibility*, all non-Annex 1 countries that are Parties to the UNFCCC are eligible for project funding from both the LDCF and the SCCF. Specific to the LDCF, an initial resource access cap was introduced in 2018. Each LDC can draw up to USD10 million in LDCF resources toward the USD 50 million cumulative ceiling during the GEF-7 period. The rationale behind the introduction of the cap is to ensure more timely access to resources by as many LDCs as possible while also maintaining the practice of equitable access. As such, cumulatively, each LDC is eligible to access up to USD 50 million from the LDCF. This implies more reliance on **recipients' needs** rather than **recipients' merit** in terms of allocation rationales.

Related to *processes underlying access*, the procedures differ for different activities depending on the size and scale of projects and programs. According to GEF guidelines on the project and program cycle policy (2020), for all sorts of projects and programs, the general rule for access is that a GEF Agency[4] acts as the focal point supporting eligible national and regional institutions in developing countries and implementing activities. For an organization to become a GEF agency, it has to comply with the fiduciary standards of GEF. These standards revolve around

[4] GEF Agencies create project proposals and then manage these projects on the ground. In so doing, they help eligible governments and non-governmental organizations (NGOs) to develop, implement and execute their projects. Often, the Agencies work together on GEF projects, pooling expertise (GEF, n.d.).

5 core principles: professional standards, independence, transparency, monitoring and response, and value for money provisions. Complying with these standards is quite rigorous; however, it limits the chances of having many compliant agencies.
For Full-Size Projects (FSPs), the application process should commence with the GEF Agency preparing a concept note at the request of the relevant country institution and should be in line with nationally driven consultations. This reflects that GEF Agency plays a role of a facilitator of the application process, considering **recipient needs and interests**. However, the typicality of having a GEF Agency suggests that processes put in place are designed to create dependency, which limits mainstreaming *of country ownership*.

After this, the project concept is submitted to the GEF Secretariat on a rolling basis through a Project Identification Form (PIF). The Secretariat reviews each eligible PIF against GEF strategies, policies and guidelines. Upon submission, the PIF is open for comments from the GEF, other Convention Secretariats and other agencies. In case of not meeting the requirements, the Secretariat reserves the right to reject the project or request supplementary information. The agency is granted the right to provide responses, clarifications, or submit a revised PIF based on the received comments. In a second round of approval, The Scientific and Technical Advisory Panel (STAP) screens PIFs. The CEO further decides whether to include it in the Work Program for Council reviews, depending on resource availability.
If the PIF makes it to the Work Program, the PIF and other requested financial amounts are circulated for the Council review, which is posted 4 weeks ahead of the Council meeting. Council members are expected to submit their comments or concerns to the CEO within four weeks. If at least four Council Members request that a project be reviewed due to a lack of consistency with the GEF policies and procedures, the CEO submits the project to the next Council meeting.
During Council meetings, if any council member objects, PIFs and entire Work Programs are subject to being removed from the Intersessional Work Programs and deferred to the next Council meetings. Two weeks after each council meeting and between Council meetings, decisions are made on a no-objection basis. Once comments are sufficiently addressed, the CEO informs the Council accordingly and endorses the project. After CEO Endorsement, the Agency approves the project following its own internal procedures and begins project implementation.

For Medium Size Projects (MSPs), the initial steps are similar to FSPs, wherein the projects are assessed to fulfil the requirements and comply with GEF policies and procedures. However, the major difference in terms of the access process is that the CEO has a delegated authority to approve or decline projects without going through council members. On the one hand, this exemption makes MSP finance more *accessible* and *timelier*, and on the other hand, the process becomes less stringent.

The GEF has set two access modalities for Enabling activities, either through a GEF Agency or through Direct Access. For access through a GEF Agency, the process is similar to MSPs; however, the only difference is in the document format that should be prepared and submitted to the Secretariat. The required information is less in the case of the EA approval request form. Notably, the size for an EA requested through a GEF agency is capped at 1 million USD. For direct access, the cap is reduced for the same type of activity to 500,000 USD. In terms of assessment, the process for direct access is similar to that subject at a GEF Agency. However, unique to direct access, the recipient country submits an EA approval request that should comply with Operational Policies and Procedure and the Anti-corruption guidelines that apply to the World Bank (IBRD) and International Development Association (IDA) financing. The discrepancy in the cap is particularly controversial in the case of EAs. Mainly because if recipients comply with the guidelines and policies mentioned above, the possibility of finance misuse is limited. Hence, the different caps for GEF Agency, as opposed to direct access, strongly suggest that *direct access* is not preferred nor mainstreamed by donors.

In terms of *financing instruments*, in the eighth GEF replenishment financial structure note (2021, P. 1), it is stated that "GEF is a partnership designed to provide primarily grant resources (although it has the capacity to provide concessional financing in forms other than grants under the Non-Grants Instrument program)". For the non-grant instruments, GEF highlights that it provides attractive financial terms for both the public and private sectors. Ranging from flexible concessional rates and flexible exit dates for equity investments for the private sector to interest rates of 0.25%-0.75% and a grace period of 10 years for the public sector (*Non-Grant Instruments*, n.d.). The Non-Grants Instrument program has not been specified in terms of environmental focus, which can be justified for environmental projects generating revenues; however, even concessional loans can undermine *recipient needs and interests.*

In conclusion, the manifestations of allocation rationales varied across the different dimensions. As summarized in Table 4-3, strong emphasis is observed on additionality, mainstreaming of country ownership is limited, adaptation finance amounts can be reasonably predictable, and low timeliness. For access, the procedure is well defined, the main instruments are grants, and the size of finance depends on the project size and the access modality.

Table 4-3: Summary of analytical framework dimensions on access process for GEF. Source: Document review

Access: *a)* Eligibility *b)* Application process *c)* Finance conditions *d)* *Channeling options*	***Eligibility**: All non-annex one countries ratified to UNFCCC* **Application process:** Clearly defined, and differs significantly for different types of activities Finance conditions: **Instrument:** Mainly grants, but a push forward for having a mix of grants and non-grant instruments **Size**: ranges from 50,000 – 10 million USD (Capped at USD 50 million for LDCF) **Channeling options:** GEF Agency and direct access
Predictability	Amounts: moderately predictable Time: low predictability
Country ownership	Limited
Perception of responsibility	NA
Additionality	Strong emphasis on additionality

The United Kingdom (UK)

This section details the manifestations of allocation motives of the UK on adaptation finance access procedures following the dimensions presented in the analytical framework. The sources of information for the UK are indicated in Appendix F: Information on Documents for The UK unless otherwise referenced in the text.

Through the main climate finance arm of the UK, the International Climate Finance (ICF), the ministers agreed upon three broad priorities. These priorities include demonstrating that low carbon growth is feasible and desirable, supporting a more effective international negotiation process, and driving innovation for action. In addition, recognising that some climate effects are inevitable and that adaptation is comparatively under-funded, the UK aims for an even balance between our adaptation and mitigation financing. Consequently, there has been an agreement upon a thematic split of finance spending, where 50% should be an allocation for adaptation, 30% for low carbon development, and 20% for forestry.

The UK also recognizes its role as a leader in mobilizing and delivering climate finance in terms of *perceived responsibility*. In the biennial UK finance communication for 2020, the UK recognized the cruciality of finance *predictability* and stressed the importance of early and long-term certainty on climate finance. It was indicated that the announced commitments were the way to indicate the predictability of finance. The 2021 UK climate finance results highlighted that the UK has an indicator that measures the volume of finance directed towards climate purposes. However, the exact approach for accounting for the *new and additional* finance has not been outlined in the reviewed documents. Nevertheless, it has been indicated that the UK has a 'robust approach for accounting climate finance', where contributions to multilateral development banks are excluded from the counting.

Related to *access*, it has been stated in the UK's climate fund initiative that all projects and programs must have a UK Government sponsor. As such, there is no current route through which organizations or governments outside the UK government can independently develop or access finance to be considered by the ICF board. However, it has been stated that UK government officials shall work closely with recipient governments or organizations in developing concept notes or business cases.

In terms of *access processes*, the UK climate fund initiative document indicated that projects and programs would be designed and delivered in line with the recipient country's needs to drive *transformational change* and offer value for money. A particular thematic focus for ICF adaptation finance is on capacity building programs. Where the UK is to provide support to develop recipients' capacity to develop and deliver an ambitious climate, further, it has been indicated that the UK aims at supporting recipient countries in developing climate policies and strategies. "Through our overseas networks, we also provide support to develop countries' climate change policies and strategies and provide tailored and expert technical assistance".

For *eligibility of projects* from the ICF, four broad criteria guidelines were outlined, including:

1. **Alignment, value, and results:** Alignment with ICF objectives, strategy and priorities. Must deliver results both in terms of poverty reduction and climate impact. Must demonstrate value for money for taxpayers.
2. **ODA:** Must qualify as official development assistance and must also comply with the International Development Act 2002.

3. **Fair competition**: Any flows of finance must not distort competition or give an unfair advantage that would affect trade in the European Union.

For the *application process*, although there is a robust process in place that is outlined in the FCDO Programme operating framework, however, it is internal to the UK government officials since access is only provided through internal channels. Henceforth, it was considered irrelevant for the purpose of this analysis. For *finance instruments*, the most widely used instrument for climate finance is grants. Evidently, between 2016-2019, 89% of the climate finance was delivered on a grant basis.

Table 4-4: Summary of analytical framework dimensions on access process for the UK. Source: Document review

Access: *a)* Eligibility *b)* Application process *c)* Finance conditions *d)* *Channeling options*	***Eligibility**: Not specified*
	Application process: Subject to internal government officials, with an increased emphasis on projects carrying transformational potential, diplomatic or reputational risks
	Finance conditions: **Instrument:** 89% grants **Size**: Not specified
	Channeling: Decided by Government Sponsor
Predictability	**Amounts**: moderately predictable **Time:** low predictability
Country ownership	Conditional
Perception of responsibility	Recognition of singular and joint responsibility
Additionality	Addressed but not specified

As summarized in Table 4-4, it is observed that the *recipient need,* and *donor interest* are predominantly manifested in access procedures. The predictability of adaptation finance is suggested to be moderate since it only depends on announced commitments. No conclusive suggestions have been made related to additionality due to limited information. The focus is largely on results and fair competition for eligibility. For finance instruments conditions, finance is provided mainly in grants. Notably, for access, the UK does not have direct routes to adaptation finance, where each programme needs to have a Government Sponsor.

Sweden

This section details the manifestations of allocation motives of Sweden on adaptation finance access procedures following the dimensions presented in the analytical framework. The sources of information for the UK are indicated in Appendix G: Information on Documents for Sweden unless otherwise referenced in the text.

In Sweden's Policy framework for development cooperation, Sweden recognizes its role and perceived position as a powerful voice in international development policy. The policy framework outlined two international agendas that set the direction for the policy course, namely Agenda 2030 on sustainable development and the Paris Agreement. Amongst eight thematic directions for development cooperation of Sweden, environmental and climate sustainable development is positioned as a central theme in the policy agenda. "The

Government views climate change as the key issue of our age". In the same document, Sweden explicitly recognizes the responsibility toward low- and middle-income countries "We must seize this opportunity because we have a responsibility and valuable skills and experiences to share". Specific to climate change, Sweden straightforwardly recognized that the actions of developing countries negatively affect the lives in other parts of the globe. While also highlights that embarking on a new sustainable pathway is a *shared responsibility* of all of us.

In spite of how *Sweden perceives responsibility*, it has been highlighted that Sweden as a singular actor cannot and must not act upon everything, and the sorts of actions are expected to be affected by other donors and the projections of how Sweden can best contribute. Although Sweden acknowledges its share of the responsibility, it has been forefronted that the primary responsibility for any country's development rests upon its government and national actors. In operationalizing this perceived responsibility, development finance coming from Sweden aims primarily to enhance national responsibility and ownership of development.

In terms of access through the Swedish International Development Agency (SIDA), acquiring finance entails a number of steps and is subject to several factors. Mainly, the process is focused on assessments of the partner organization's operational capacity, track record, quality, and relevance of the projects. This implies a strong emphasis on the *recipient merits*. Generally, it is recognized that different contexts require different levels of stringency and involvement regarding the details of the activities. Where partner organizations are to be supported in delivering their own identified activities, and funding is to be granted based on the organisations' own needs and priorities. This also suggests an emphasis on *recipient needs*.

In terms of *additionality*, the policy framework for development and humanitarian aid for SIDA indicates that the interaction between humanitarian aid and development finance is necessary to maintain coherence amongst parties working towards reducing risks and vulnerabilities. As it has been indicated in Chapter 1.1.1, there are several ways to account for additionality. For the case of Sweden, the new and additional nature of finance is outlined as 0.7 % of ODA.

Related to the *eligibility of projects* through SIDA, applications are evaluated based on regional objectives, the theory of change, development efficiency, capacity to implement activities and realize objectives, the internal governance structure, the project's budget, risk management efforts and relevance of activity. More specifically, SIDA assesses partner organisations' internal processes and quality assurance measures by inspecting the previous, ongoing, and internal change procedures within the organization, the direction of the organization, policies, and the lessons learned from previous engagement periods.

To ensure *timely reviewal* of applications, SIDA states that applications must be received no later than the 1st of September of each year. Specific to finance directed towards humanitarian purposes, Sweden recognizes that finance must be in line with the principles of Good Humanitarian Donorship, where Sweden's finance should be *predictable and fast*. It has been highlighted that multi-annual finance can be accessed when needs are predictable. However, it has not been mentioned how finance amounts are being made more predictable. This suggests that SIDA recognizes the importance of timely response to *recipient needs*.

Related to *finance conditions*, Development cooperation and climate finance from SIDA are majorly in the form of grants that can cover operational costs, administrative costs, and costs for forwarding to a Swedish organization. These grants do not cover costs related to first and business class travel, debts, construction, currency exchange losses, potential future losses and the build-up of reserves.

It has been reiterated that finance must be more innovative and less stringent in terms of *funding conditions and requirements*. Further, the Swedish Government highlighted that it is of utmost importance to consider *debt sustainability* for low-income countries for non-grant-based finance. Recognizing that development finance reforms should be holistic and maintain the financial stability of recipient countries. Additionally, it has been highlighted that Sweden emphasises non-earmarked[5] funding, as it allows recipients to act upon sudden and unanticipated crises.

Table 4-5: Summary of analytical framework dimensions on access process for Sweden. Source: Document review

Access: *a)* Eligibility *b)* Application process *c)* Finance conditions *d)* *Channeling options*	***Eligibility**: projects are assessed for their regional objectives, theory of change, and capacity to implement projects*
	Application process: Not specified
	Finance conditions: **Instrument:** 100% grants from SIDA **Size**: Not specified
	Channeling: Civil society organizations (CSOs)
Predictability	**Amounts**: moderately predictable **Time:** high predictability
Country ownership	Considered
Perception of responsibility	Recognition of singular and joint responsibility
Additionality	0.7% from Sweden's ODA

As summarized in Table 4-5, it is observed that the *recipient merit* and *recipient need* are predominant as manifestations of rationales for access procedures. The finance is considerably predictable and responds to recipient needs. Related to eligibility, the focus is largely on capacities to implement projects efficiently and accountably. In terms of additionality, no direct manifestations were observed. Lastly, for access conditions, finance is provided mainly in grants, while debt sustainability is taken into consideration.

Japan

This section details the manifestations of allocation motives of Sweden on adaptation finance access procedures following the dimensions presented in the analytical framework. The sources of information for the UK are indicated in Appendix H: Information on Documents for Japan unless otherwise referenced in the text.

In the renewed commitments for climate finance, Japan has committed to making the short-term finance amounts *predictable and timelier* for recipient countries. The focus of climate finance

[5] When funds are set aside for a specific purpose or project, they are known as "earmarked". This prevents the funds from being spent in other areas (Go to GoCardless, n.d.)

allocated towards adaptation is indicated to support damage prevention and reduction, especially for *vulnerable countries*. Related to responsibility, Japan recognizes its role within climate policy and emphasizes the vitality of supporting developing countries in their efforts toward Paris Agreement implementation. It has been indicated that Japan will continue to mobilize and provide *additional* support through Offical Development Assistance (ODA), Other Official Flows (OOF) and private finance towards the Action for Cool Earth 2.0.

In terms of *financial instruments*, ODA is provided through grants, loans, technical cooperation, and contributions to international organizations. OOF is mainly provided by Japan Bank for International Cooperation (JBIC), a policy-based financial institution, and Nippon Export and Investment Insurance (NEXI), a governmental agency which provides trade and investment insurance.

According to Japan's strategy for climate finance, much emphasis is placed on Japan's advanced technology and know-how, where these two aspects can be transferred and built on in other countries. "Japan will incorporate the needs of each country with the seeds of technology and know-how acquired by Japanese private companies and local governments, and promote the specific projects, which can trigger co-innovation both in Japan and partner countries". In light of the adaptation finance gap report, Japan's strategy indicated a substantial market opportunity that can be generated in the effective management of adaptation requirements. Moreover, it has been highlighted that "Despite adaptation finance gap projections, there is still a lack of support needed to invigorate the adaptation market and encourage corporate investments". As a solution, the strategy proposed that in overcoming this gap, there needs to be more promotion of the business opportunities in adaptation, implying that Japan has a particular *interest in market opportunities* in relation to adaptation.

Table 4-6: Summary of analytical framework dimensions on access process for Japan. Source: Document review

Access: *a)* Eligibility *b)* Application process *c)* Finance conditions *d)* *Channelling options*	***Eligibility**: Developing countries* **Application process:** Not specified Finance conditions: **Instrument:** Grants and loans **Size**: Not specified **Channelling**: International organizations, development agencies and banks
Predictability	**Amounts**: moderately predictable **Time:** moderately predictability
Country ownership	Note specified
Perception of responsibility	Recognition of singular and joint responsibility
Additionality	Addressed but not specified

As summarized in Table 4-6, factors related to *recipient need, and donor interest* have been observed to be manifested in access procedures. Climate finance is indicated to be additional; however, the reviewed documents did not show how additionality is accounted for. For access procedures, no clearly identified processes have been found. Related to finance conditions, Japan has shown the flexibility of providing finance through different instruments and showed a particular interest in business opportunities related to adaptation.

4.4 Summary of Findings

From the findings, it is evident that allocation of adaptation finance is indeed a complex process. Underlying allocation decisions, there is a mix of interests, merits, priorities, and concerns, with potential tradeoffs between them. Based on findings from interviews and documents, five main allocation models have been identified: recipient need, recipient merit, donor interest, recipient interest, and donor concern. In addition, the donor concern model has been identified as an additional model that explains the allocation of adaptation finance. Underlying this model, three main factors were identified: migration, increase in humanitarian aid needs, and the geopolitical influence of recipients.

As illustrated in Figure 4-1, several factors have been identified under each allocation model. Most notably, dependencies between the different models have been strongly observed. These dependencies have been observed between almost all models; however, the recipient merit model has been identified as a central model that plays an important role in facilitating or hindering the actualization of other models' factors. For example, as indicated in Figure 4-1, in substantiating need, recipients need to have merits related to research, scientific evidence and capacity to develop and apply for projects. Similarly, recipients need to have merits related to initiative and proactiveness in mainstreaming country ownership. Also, donor concern from geopolitical influence has been observed to be associated with a lack of merits in relation to political stability in recipient counties. Along a similar line, donors interested in maintaining accountable and reputable public adaptation finance are more inclined to allocate to recipients with higher absorptive capacities.

Other dependencies have also been observed between the other models as well. For instance, recipients' interest in avoiding double-counting correlates with donors interested in maintaining higher credibility. Similarly, an association has been observed in recipients' needs related to the non-climatic factors that agitate vulnerability, and the donors' concern about migration.

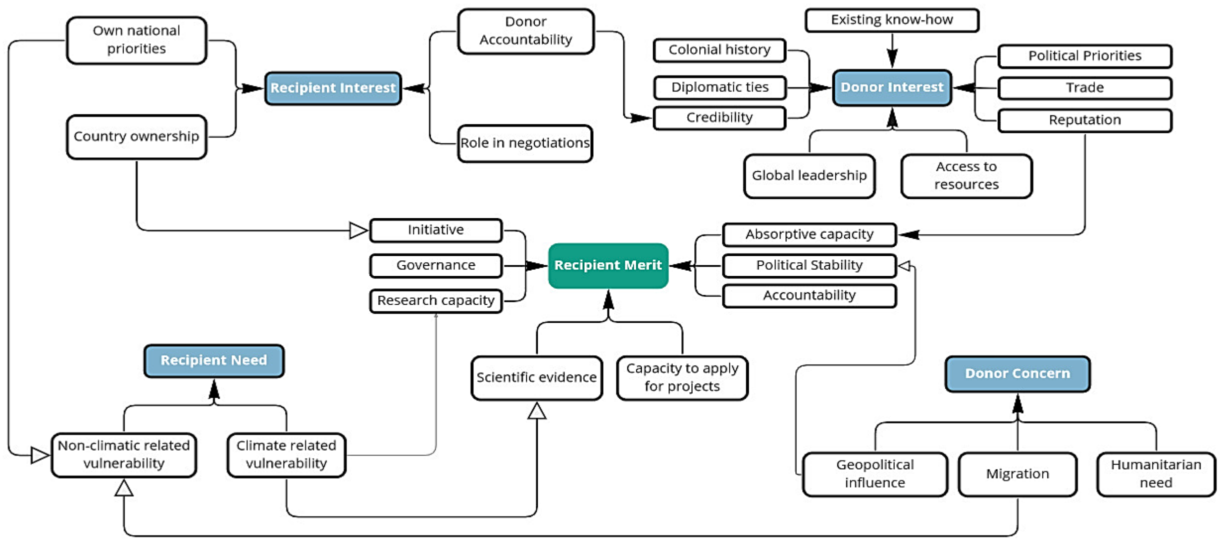

Figure 4-1: Summary of adaptation finance allocation models, underlying factors, and interdependencies. Source: Own findings and illustration

Related to the manifestations of allocation rationales on access procedures, the findings varied across the different dimensions of the analytical framework and the different perspectives. First, in relation to additionality, the interviews suggested contradictory perspectives, where donors perceive additionality as a response to donors' interests, and recipients perceive additionality as a loose principle used to deny them access to finance. Second, country ownership was perceived as an essential prerequisite to ensure fit-for-purpose allocations. However, opinions from both donors and recipients did not surface enough evidence sufficing to draw clear inferences related to country ownership as a stand-alone dimension and its effects on allocations. Similar conclusions have been drawn from the document review. Nevertheless, a unique insight has been observed specific to the case of the UK, where donor interests can contradict recipients' country ownership, which will be discussed further in Chapter 5.1.2. Further, when country ownership was brought up in conjunction to access modalities, it was pointed out that when international agencies are used as channelling options, they limit mainstreaming of country ownership.

In relation to practical access processes, opinions from interviews highlighted three overarching themes that enable or hinder access: political stability, capacity to develop projects and proposals, and institutional capacity to absorb finance. Further, it has been noted that recipient countries are challenged by the constantly changing requirements and by the vagueness of some of the requirements. These were attributed to donors' interests. From documents, access manifestation varied significantly across cases. For GEF, adaptation finance amounts can be fairly predictable, while the timeliness is suggested to be low due to the lengthy review. Access processes are well defined, with grants being the main instruments of provision, and the size of finance depends on the project size and the access modality.

For the UK, it is observed that the *recipient need,* and *donor interest* are predominantly manifested in access procedures. The predictability of adaptation finance is suggested to be moderate since it only depends on announced commitments. For eligibility, the focus is largely on results, and fair competition. For finance instruments, finance is provided primarily on grants. Notably, for access, the UK does not have direct routes to adaptation finance, where each programme needs to have a Government Sponsor. For Sweden, rationales related to *recipient merit and recipient need* were observed to be predominantly manifested as on access procedures. The finance is considerably predictable and responds to recipient needs. Related to eligibility, the focus is largely on capacities to implement projects efficiently and accountably. Lastly, for access conditions, finance is provided mostly in grants, with debt sustainability taken into consideration. For Japan, factors related to *recipient need, and donor interest* have been observed to be manifested in access procedures. For access procedures, no clearly identified processes have been found. Related to finance conditions, Japan has shown the flexibility of providing finance through different instruments and showed a particular interest in business opportunities of domestic industry related to adaptation.

5 Discussion

The following sections discuss the findings by assessing their empirical and conceptual relevance and their practical contribution to the topic under investigation. The discussion is structured corresponding to the two posed research questions and ends with a critical reflection on the strengths and limitations of the deployed analytical framework and methodology.

5.1.1 Factors shaping allocation decisions of adaptation finance

In hindsight, it became evident that the factors that shape allocation decision are a mix of rationales rather than a singular factor that push forward or restrict decisions. To start picking up the discussion from the first aim of this thesis, the obtained findings contribute to the understanding of adaptation finance allocation in two ways. First, the rationales underlying adaptation finance allocation that were identified in the literature were tested for their validity, and four donors' allocations to Sudan were analyzed. Secondly, the explorative nature of the research strategy allowed for the emergence of additional factors that influence allocation decisions. The empirical contribution of the findings is rooted in the scoping of this study, as it looked at the case of Sudan as one of the most vulnerable countries, which presents a particularly unique case with limited existing research. The conceptual contribution is on expanding the models that explain the motive of adaptation finance allocation, where an additional model was suggested, and actionable recommendations for future research were pinpointed.

Drawing on the findings from the interviews and documents, a wide mix of factors were identified, which were summarized under five different models as illustrated in Figure 4-1. Similar to findings found in the literature, the findings in this study did not concretely establish that donors particularly prioritize the most vulnerable countries in their allocation decisions. Vulnerability is predominantly perceived as a pre-condition that can support the case of recipient countries rather than a stand-alone determinant. Besides vulnerability, no other factors were identified by donors as indicators of the recipients' need. The absence of other factors such as the economic, political, and social needs brings forward the conceptual dilemma underlying the framing and understanding of vulnerability. The absence of these factors does not necessarily diminish the possibility of their consideration in allocation decisions; nevertheless, recipients indicated that donors discount non-climatic factors and do not consider them equally important drivers and amplifiers of vulnerability. The IPCC (2022) reported with high confidence that there would be multiple climate hazards concurrent with other climatic and non-climatic risks, resulting in compounded overall risks that cascade across sectors and regions. With these strong scientific warnings, it becomes evident that the exclusion of the non-climatic factors in the processes of adaptation finance allocation is a result of the misapprehension of vulnerability in its broader sense.

Furthermore, the findings indicate a strong dependency and intertwinement between the different rationales underlying allocation decisions. Out of the five identified allocation models, the recipient merit model stands out as a prevalent model that can pave the way for other allocation rationales to be realized. For instance, recipient countries with adequate research capacity and project proposal development capacities are better equipped to substantiate their adaptation finance needs and, therefore, have better chances of acquiring finance. Similarly, donors are more willing to consider adaption financing for a recipient country with high political stability and well-established governance structures, as it advances their interests in maintaining legitimate and sustainable use of public spending. Along the same line, recipient countries with coherent and consistent priorities have higher chances to uphold their interests and direct adaptation finance to where it is actually needed.

Drawing on findings from both the interviews and documents, an additional emergent model specific to adaptation finance allocation arised, which is the donor concern model. The underlying factors include the potential increase in humanitarian aid needs and climate-driven migration. While the concern of increased humanitarian needs is a straightforward rationale for allocation, climate-induced migration is relatively nascent. Although, as early 1990, the IPCC indicated that human migration could be the greatest single impact of climate change, it was only recently that climate-induced migration was recognized as an imminent risk. International Organization for Migration (2008) pointed out that temporary migration has already been observed as an adaptive response to climate stress in various areas. In its latest assessment report, the IPCC (2022, Chapter 9) indicated that by 2030, approximately 250 million people shall experience high water stress in Africa, resulting in the displacement of up to 700 million people. To put the number into perspective, 700 million people would account for more than half the entire continent's population. The International Organization for Migration (2008) noted that the ability to migrate is a function of both mobility and resources. To get a nuanced picture, the people who are most likely to migrate are not necessarily the most vulnerable to migrate (International Organization for Migration, 2008). As such, depending on where the motivations of the donors lie, whether the allocation of adaptation of finance is based on altruistic motives or self-interest; different courses of action are to be pursued.

5.1.2 Manifestation of allocation rationales

Seeking to realize the manifestation of allocation motives in access procedures, the proposed analytical framework considered both relevant principles identified in the literature and the practical access processes. Previous literature mainly focused on identifying the rationales without explicitly investigating their practical implications. The empirical contribution of the findings related to the manifestations is grounded on taking the research further by exploring and tracing the implications of allocation rationales through a novel practical angle. Conceptually, the study contributes by suggesting overarching elements of an analytical framework through which allocation implications can be analyzed.

Perspectives were a central part of the analysis of these manifestations. As such, comparisons of the recipient and donor perspectives allowed for the surfacing of the conceptual deviations and areas of mutual understanding between the two perspectives. Notably, the findings specific to additionality from the interviews revealed an apparent mismatch in how the principle is perceived. The donors perceive additionality as a condition that responds to recipient needs as it is stipulated to safeguard against double-counting. However, the recipients see additionality as a barrier that prevents them from accessing adaptation finance and is manoeuvred in accordance with donors' interests. Although the focus of this study was exclusively on adaptation finance, the discussion of mitigation finance in regard to additionality brought forward valuable insights. Substantiating additionality for mitigation is considered far less demanding in accounting for impacts than it is for the case adaptation. The very fact that there are 'clear methodologies' to account for mitigation impacts raises the fundamental question of why these methodologies emerged only for mitigation and not for adaptation. There are several potential justifications for this absence, such as the universality of mitigation, the ability to quantitatively account for GHG emissions, and prevention rather than intervention. Nevertheless, Smith (2012, p. 230) put forward that "We have a different epistemological tradition which frames the way we see the world, the way we organize ourselves in it, the questions we ask and the solutions we seek". As such, the absence of methodologies to account for adaptation impacts also suggests that it is an outcome of the type of questions raised together with the solutions sought.

As for the second principle in the analytical framework, it appeared that both donors and recipients supported the notion that recipients' proactiveness and initiative play a crucial role in mainstreaming ownership. A close link has been observed between country ownership and channel options, as stipulated in the problem definition outlined in Chapter 1.1.3). Firstly, recipients indicated that direct access is the best mode of channels; however, it is hindered by finance caps and complex accreditation procedures. As opposed to what has been indicated in the problem definition, while the flaws of the UN systems have been acknowledged, recipients showed a particular appreciation for UN agencies with country offices as an alternative mode of channelling. While these channelling options were not stipulated to broadly undermine country ownership, they indeed create a sense of dependency and obstruct the diffusion of skills and knowledge across national institutions. Particular to the case of the UK, while country ownership was praised, allocation of finance, in general, was conditional to the UK's acceptability of the political regime. According to Besson (2009), country ownership is an inherently political concept, where both donors and recipients exercise power over defining directions and prioritizing interests. However, it is argued that this relationship is not equal. Thomas et al. (2016, p. 8) pointed out that "The social and political interests of both parties are often different, and power tends to be controlled by the party that is the source of resources". Currently, the stance of the UK and other donors is understood and justified as a consequence of the military coup, which was vigorously protested by the Sudanese public (Waal, 2021). However, the notion of political acceptability from donors' side can be two-fold, as it would be pending on donors' subjective acceptability. Further, a prevailing focus on political stability as a source as a criterion for allocation raises issues concerning climate justice since climate change does not wait for political rest.

For dimensions related to the perception of responsibility and predictability, the author of this study did not conclude strong associations between allocation rationales and access procedures. This is reasoned to the framing of the analytical framework and the delicacy of these principles. These limitations are further discussed in Chapter 5.2.

In terms of access, the recipient merit and donor interest models have been predominantly manifested in access procedures, mainly in relation to capacities to design and develop project proposals. A causality dilemma has been observed related to the recipient merit model and specific to recipients' capacity. For instance, for adaptation finance aimed at capacity building, it is those countries with existing capacities that can comply with the finance requirements. For the donor interest model, recipients indicated that some requirements are indeed necessary to ensure accountability and effectiveness of finance. Nevertheless, some of these requirements were too delicate and aspirational to operationalize. Finnemore & Jurkovich (2020) characterize aspiration as an important pervasive political tool. As such, it can be stipulated that these aspirational requirements such as 'paradigm shifting' are ways through which donors use these goals to appeal to taxpayers. However, this comes at the expense of recipients' inability to realize these goals.

5.2 Reflections on Analytical Framework

The deployed analytical framework was built around two blocks corresponding to RQ1 and RQ2. However, unlike how analytical frameworks are traditionally used, the sole purpose of the analytical framework in this thesis was to provide an overarching umbrella to address the posed research questions systematically.

The first block of the analytical framework corresponding to allocation was built around allocation rationale models found in development aid literature together with more recent models specific to adaptation finance. While these models were useful in guiding and structuring the deduction of the identified themes, it has become apparent that these models are not particularly tailored for analyzing adaptation finance allocations. It is mainly because motives drive allocations, and the overarching principles that shape motives for climate finance allocation differ from those shaping development aid motives. For the second block of the analytical framework, it was built around two levels. The first block was defined around the principles that were identified as relevant to adaptation finance. The second block was framed around the practical procedural aspects of access. This framing was indeed also useful in tracing the complexity of the manifestations of allocation on access aspects. However, the heterogeneity amongst the different dimensions of the analytical framework limited the comprehensiveness of the analysis of each dimension. Further, the framing of the different dimensions only allowed for confirming or rejecting the manifestation of the allocation rationales in each of the identified dimensions and did not provide the possibility of measuring the extent to which rationales are manifested.

The aforementioned challenges are largely reflexive of the complex nature of the topic addressed together with the currently available knowledge on adaptation finance. As such, the limitations of this framework are openly addressed; however, the framework in itself is not questioned. Suggestions for other perspectives which could have enriched or changed the analytical process are brought up in Chapter 6.2.

5.3 Reflections on Methodology

Grounded in the critical realist stance, the methodology of this thesis was composed in a way that capitalized on three main aspects unique to critical research. These aspects include avoiding the partiality of perspectives, moving beyond reductionist or non-reductionist stances, and finally, flexibly tailoring the methodology according to the nature of the research (Bhaskar & Danermark, 2006). As such, multiple perspectives were incorporated and triangulated with different data sources, which allowed for an extended level of inclusivity and robustness of findings. Similarly, the framing and selection of the cases fit the purpose, and the data analysis was both inductive and deductive. The qualitative and explorative nature of the research allowed for the surfacing of both implicit and explicit rationales of adaptation finance allocation together with their different manifestations. Through this research design, the findings confirmed and complemented findings found in previous research conducted through quantitative methods.

While the pursued research design is deemed appropriate and even necessary, some aspects could potentially be improved on. First, relying only on qualitative data was limiting in corroborating and contrasting opinions from interviews and information found in documents to actual adaptation quantitative flows. In hindsight, triangulating data collection methods by deploying a mixed-method approach could have concluded a more holistic understanding of both allocation and access.

Second, in sampling the interviewees, the focus was on reaching individuals who are involved in adaptation finance and with a considerable level of experience. After concluding the findings, it became apparent that the rationales of finance allocation and their manifestations can be quite subtle and not necessarily only traced in high-level conversations. Hence, a wider array of respondents involved in projects' implementation and direct beneficiaries of adaptation are predicted to emerge further insights. Furthermore, very subtle contradictions were observed between data obtained from interviews and documents. This is an expected limitation due to the small sample size of the interviewees, where one interviewee per perspective cannot recall and bring forward all of the opinions pertaining to the topic. Also, it should be noted that for each donor a limited number of respondents (1-2) were interviewed. For some donors, the decision-making processes are quite complex and stretched across various institutions, hence the limitedness here presents an another limitation in terms of interviewees representation.

Third, related to data collected from documents, it became apparent that the number of publicly available documents is significantly different for different donors. For instance, documents identified as relevant for GEF were relatively more than those found for bilateral sources. Also, it has been noticed that while parts of the sought information were found, the information was not complete. While this discrepancy does not jeopardize the accuracy of the findings in this study, it reflects the lack of thorough detail in the findings obtained from documents in relation to bilateral donors, which limited the comparability potential across the different donors. Further, in sampling documents, the unavailability of documents from the recipient side limited the possibility of incorporating the recipients' perspective in relation to information obtained from documents. However, it should be noted that there are available documents related to adaptation finance, such as the National Adaptation Plan and the GCF Sudan country profile; however, these documents do not contain enough substantive and relevant evidence.

Finally, while case study research designs are often contested for their limited generalizability, several measures were taken to achieve a certain level of generalizability, as mentioned in Chapter 3.1.1. Some of the findings related to the donors can be fairly generalized to other donors, particularly in relation to the dimensions underlying the recipient merit model. This is reasoned to the similarity of the findings from the different sources and the absence of refutes. However, findings related to donor interest and donor concern are suggested to be unique to each donor and to the corresponding recipients. As such, while the concluded models can be tested for other donors, the specificity of the underlying factors should be carefully noted. Findings related to the recipients are limited in their ultimate generalizability to other recipients, again due to the uniqueness of each recipient.

However, for recipients with relatively similar situations to Sudan, for example, for African LDCs, factors related to political instability, governance structures, and vulnerability can be fairly applicable.

In conclusion, while the author of this study was reflexive on the assumptions and selections made throughout the entire research design, some choices were inevitably made without the benefit of substantive evidence to support these choices. This is particularly reasoned to the relative novelty of this study in a relatively immature research field. The research design was transparently presented in much detail to allow for comparability and potentially be built on for future research.

6 Recommendations

This section addresses some of the practical implications for the non-academic audiences and proposes practical recommendations and suggestions for future research.

6.1 Practical implications and recommendations for non-academic audiences

According to the IPCC (2022, p. 13), "Global warming, reaching 1.5°C in the near-term, would cause unavoidable increases in multiple climate hazards and present multiple risks to ecosystems and humans". Further, across sectors and regions, the most vulnerable people and systems are disproportionately affected (Doshi & Garschagen, 2020). Adaptation finance proves to be crucial in acclimatizing to the effects of climate change; however, it is important to note that adaptation finance is one amongst various other actions that would collectively lead to successful adaptation.

This study's practical implications and recommendations are aimed at both recipient and donor public and private organizations. For donors, it is apparent that there is a mismatch between the announced ambitions and the courses of action taken to actualize these ambitions. This mismatch is a direct manifestation of how adaptation finance is perceived together with a 'non-urgent' sentiment towards adaptation. To practically alter this state, donors need to first reimagine adaptation finance beyond traditional development cooperation mindset and systems because the two are inherently different. While there have been considerable improvements related to adaptation finance mobilization, the devil is indeed in the process. Stepping up the conversation into what should happen beyond the mobilization is just as equally important because beyond the mobilization is where values related to responsibility and justice are mostly materialized. Further, while aspirational goals are important, the actualization of these goals can be problematic. Hence, prior to setting goals, it is important to consider the repercussions of 'too aspirational' goals. Finally, in terms of responding to context-specific challenges, donors need to have the humility to meaningfully understand the local specificity of vulnerability and the sorts of actions that generate, reproduce, and amplify vulnerability.

The findings of this study can, similarly, provide recipients with insight into the factors that lead to increased or decreased allocation of adaptation finance. While not all factors can be acted up upon, some of the factors can be viewed as low-hanging fruits that can be capitalized on to influence allocation decisions. Related to the recipient merit model, it is evident that some of the underlying factors such as the capacity to design project proposals, research capacities, accountability and transparency are areas that greatly stir allocation decisions and with potential clear-cut improvements. Further, related to recipient interest, while it has not been established that increased levels of country ownership would result in more allocations, establishing clear priorities will result in targeted actions aligned with recipients' actual needs.

Specific to Sudan, while the case is particularly unique due to the various paradoxes and tradeoffs, three main actionable areas have been concluded in light of the findings of this study. First, while the ambiguity surrounding the political state is considerable, recipient organizations need to rethink and articulate the national adaptation finance strategies under the assumptions of the worst-case scenario because, again, climate change does not wait for political rest. Second, to increase the effectiveness of the acquired finance, national recipient organizations should claim more agency and consider the effects of international organizations on the outcomes of adaptation in the long term. The findings related to access strongly suggest that knowledge and skills related adaptation finance are limited to a niche of individuals. This warns against both the sustainability and the mainstreaming of adaptation. Hence, there is a dire need for diffusing knowledge and skills across different institutions and amongst a wider array of individuals.

6.2 Recommendations for future research

This study presents a thorough investigation of the factors underlying adaptation finance and a novel approach to tracing the manifestations of rationales in access procedures. However, several gaps and limitations exist that future research could augment.

The models developed to identify the motives underlying adaptation finance have predominantly been grounded on development aid theories, which do not reflect adaptation finance's particularity. This brings forwards the first area of potential research, which is the dichotomy of adaptation finance and development aid, and the implications of emulating the development aid models into adaptation finance, both from practical and empirical perspectives. Secondly, in relation to the manifestations of allocation rationales on access procedures, the deployed analytical framework lays a basic foundation for future research. There is a substantial research gap in terms of theoretical and analytical framework in tracing the manifestations. Suggestions include building on and improving the analytical framework deployed in this study by considering more homogenous dimensions and tracing the manifestations in areas beyond access, such as implementation activities.

Furthermore, two areas that emerged with particularly interesting insights include the effects of channelling options on adaptation outcomes and the ethical implications of allocating or not allocating adaptation finance to fragile states. For the first area, international organizations have been contested for being appreciated on one side and thought to undermine country ownership on the other side. While there is an abundance of research on best-channelling options found in development literature, less research is on channelling options for adaptation finance. For the second area, the state of fragile states raises fundamental questions regarding their entitlement to adaptation finance and their limited ability to use finance effectively. Similarly, as important as the topic is, a considerable empirical gap exists.

Drawing on the limitations found in the research design of this thesis, the findings can be tested for their validity and viability with a different set of cases, using both quantitative and qualitative methods. Finally, while choices related to the language used in this thesis were reflected in Chapter 1.3, terms such as 'Least developed Countries' and 'Donors' are incredibly normalized. In hindsight, it became apparent that language choices play an essential role in shaping perceptions, and perceptions are pivotal in shaping discourses. Terms such as 'Least developed Countries' and 'Donors' are incredibly normalized. Even more importantly, topics as sensitive as adaptation finance encompass complex power dynamics, responsibilities, and entitlements. As such, a balance between realism and political correctness is highly suggested in choosing linguistic terms when conducting future research on adaptation finance.

7 Conclusions

Two research questions have been posed at the outset of this thesis. Based on the findings of this study, the following conclusions can be drawn in response to the two questions:

1) *What are the rationales shaping adaptation finance allocation decisions for the case of Sudan?*

Four allocation models have been identified as overarching models that collide together in shaping adaptation finance allocation decisions. First, the recipient need model encompasses the level of perceived vulnerability of the recipient country. Second, the recipient merit model has been identified as a central model that can both motivate or restrict adaptation finance allocations. Underlying the recipient merit model, factors related to research capacity, political stability, ability to design and apply for projects, and absorptive capacity have been highlighted as the most prominent factors that motivate donors to allocate finance. The third is the donor interest model, which encompasses donors' political and diplomatic interests, the interest in showcasing leadership, and donors existing know-how. Lastly, the donor concern model which encompasses factors related to migration, geopolitical influence, and the potential increase in humanitarian aid needs. While the recipient interest model has been identified in the literature as an additional model that explains the rationales of allocation, no definitive conclusion has been deduced for the case of Sudan for the recipient interest model. Amongst and across these rationales, it is concluded that while there are areas of convergence between the different models, inherent tradeoffs also prominently exit depending on the perspective. Hence, each factor cannot be considered in isolation from the other factors. To put this into perspective, from an international policy level, the emergence and dominance of these models raise the vexing question of what has happened to the normative and political agreement on the need to prioritize the most vulnerable countries in allocations. The findings of this study strongly indicate that vulnerability is merely a box to be ticked and is not mainstreamed into the thinking behind allocation decisions.

2) *How are the motives underlying allocation reflected in the access procedures of adaptation finance in the case of Sudan?*

The findings related to RQ2 first suggest that the rationales underlying allocation of adaptation finance are not just abstract motives; however, are found to prevail in access procedures. Consequent to the unique motives of each donor, these motives are manifested differently. Motives stemming donors' interest have been found to be manifested in conditional country ownership, exploring domestic business opportunities in relation to adaptation, and the aspirational access requirements. Whereas motives responding to recipient need and interest have been found to be prevalent in access modalities, predictable flows of adaptation finance, and in the financial instruments. Further, the findings related to the eligibility of recipients to receive finance strongly correlates with recipients' merits to manage and absorb adaptation finance. Putting this into perspective, these findings conclude that while all motives to a certain degree can be justified, both recipients and donors need to find 'that sweet spot', where the implications of motives do not undermine accountability, common growth interests, and most importantly the goal of leaving no one behind.

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Appendix A: Information on expert interviews

Recipient perspective	Donor perspective
Involvement: Official party delegation in climate negotiations for Sudan Interviewee code: Sud_N1	**Involvement:** Swedish International Development Agency (SIDA) Interviewee code: Swe-DA1
Involvement: Higher Council of Environment and Natural Resources Interviewee code: Sud_GOV1	**Involvement:** UKAID Interviewee code: UK-DA 1
Involvement: International agency in Sudan Interviewee codes: Sud_IA1	**Involvement:** Japan International Cooperation Agency (JICA) Interviewee code: Ja-DA 1
Involvement: international agency in Sudan Interviewee codes: Sud_IA2	**Involvement**: GEF and GCF consultancy Interviewee code: IA-1
Involvement: National Civil Society Organization in Sudan Interviewee code: Sud_CSO1	Involvement: UNFCCC Interviewee code: IA-2
Involvement: International Civil Society Organization in Sudan Interviewee code: Sud_CSO2	**Involvement:** African Development Bank (AFDB) Interviewee code: IDO-1 D1
Codes: N- Negotiator GOV- Government Official IA- International Agency CSO- Civil Society Organization ICSO- International Civil Society Organization DA: National Development Agency IDO- International Development Organization	

Appendix B: Interview guide for donors

Introduction: Firstly, thank you for joining me today for this interview. I would like to give a short introduction about the conditions under which we will do the interview. The interview is deigned to last for no more than 45 minutes. However, depending on the flow it could be a bit shorter or longer. In any case, I will be keeping time and will inform you if we exceed 45 minutes, should you have other commitments. While you are answering, I will be muting my microphone to allow you time to fully answer the questions. As you know, we will be discussing adaptation finance allocation and access. The obtained information will be used only for the purpose of My MSc thesis. With this being said, do you consent to this interview being recorded?

Introductory questions:

- The professional role of the respondent
- Tell me briefly about your organization and its role in climate change adaptation

Intro: The first emergence of discussions around adaptation finance occurs during the negotiations and pre-negotiation sessions, henceforth:

- What are the factors that makes some countries more attractive than others to receive adaptation finance? Why do you find these factors important?
- Tell me about the presence of your organization/party delegation during the last COPs for climate change. What were some of the strong positions you had as an organization/party delegation in regard to adaptation finance? What role do you think recipient countries play during the negotiations that might result in more adaptation finance for their counties?
- **Common but differentiated responsibility**: In terms of responsibility, do you think your organization/development agency is responsible for providing adaptation finance for countries that are less attractive? (By less attractive, I am referring to the institutional capacities, political stability, banking system, and economic state)
- **New and additional**: For bilateral donors: Do you differentiate internally between development aid and adaptation finance? If yes, how do you differentiate? If no, do you see any necessity to do so?
- <u>For GEF respondents only:</u> Recently the world bank has frozen all of its operations with Sudan as a response for the military coup, how does that impact the allocation of adaptation finance from GEF?
- What is the rough standard process for acquiring adaptation finance from (your organization)? Preferred institutions, instrument of funding, and nature of projects
- Do you think the channeling of adaptation finance through (channel) has any positive or negative impacts on the outcomes of adaptation? What value to you see from channeling adaptation finance through (the channel of the donor)?
- **Country ownership**: What are the measures that you take to ensure country ownership of adaptation projects?

Conclusion: With this we conclude the interview, that was it from my side. Do you have any questions or additional comments you like to share? Thank you!

Appendix C: Interview guide for recipients

Interviews for recipients were conducted both in English and Arabic. This interview guide is the English version of it.

Introduction: Firstly, thank you for joining me today for this interview. I would like to give a short introduction about the conditions under which we will do the interview. The interview is deigned to last for no more than 45 minutes. However, depending on the flow it could be a bit shorter or longer. In any case, I will be keeping time and will inform you if we exceed 45 minutes, should you have other commitments. While you are answering, I will be muting my microphone to allow you time to fully answer the questions. As you know, we will be discussing adaptation finance allocation and access. The obtained information will be used only for the purpose of My MSc thesis. With this being said, do you consent to this interview being recorded?

Introductory questions:

- The professional role of the respondent
- Tell me briefly about your organization and its role in climate change adaptation

Allocation

- What do you think are the factors that lead donors to allocate adaptation finance to Sudan? Both bilateral and multilateral
- What do you think of the current amounts channeled for adaptation finance?
- **Responsibility**: In terms of responsibility, do you think bilateral and multilateral donors are obligated to provide adaptation finance to Sudan?
- From your perspective as a recipient, what are the roadblocks of receiving more adaptation finance?
- In terms of readiness, Sudan is listed amongst one of the least ready countries to receive adaptation finance, what can be practically done to change this? Do you see a necessity in changing the current state of readiness?

Access

- **Additionality:** From your experience, what procedural differences do you see between adaptation finance and development aid? Do you see any significance for having different procedures for the two?
- What are your thoughts on the current processes in place to acquire adaptation finance from both multilateral and bilateral sources?
- Do you see a necessity from accessing adaptation finance through national institutions? Why?
- What are the roadblocks that prevent national institutions from accessing adaptation finance?
- Country ownership: How can donors align their finance to substantiate a higher level of country ownership?
- What are your thoughts on the performance of development agencies in channeling finance?

Conclusion: With this we conclude the interview, that was it from my side. Do you have any questions or additional comments you like to share? Thank you!

Appendix D: Initial Contact with interviewees

The following email was sent to individuals who were selected as potential interviewees for the thesis.

Dear (XX),

I hope this email finds you well.

I am writing to request your participation in an interview on the topic of climate change adaptation finance allocation and channeling. I am now a final year MSc student studying Environmental Management and Policy (EMP Programme) provided at IIIEE at Lund University, Sweden.

As part of my thesis, I am reaching out to experts and practitioners in the field of climate change adaptation finance to explore their perspectives and views on the processes underlying finance allocation and access. More specifically, I will be investigating and analyzing the complex landscape of the rationales underlying allocation decisions for the most vulnerable countries, and the the current modes of finance accessing I will be looking at both bilateral and multilateral sources, namely GEF, Sweden, the United Kingdom, and Japan. The research is focused on Sudan, wherein the country is used as an instrumental case for a recipient country.

I would love to schedule an interview with you to discuss your experience in with (name of organization) in relation to adaptation finance. Given your long and rich years of experience, I think your perspective would be quite invaluable and would add a lot to the dialogue.

Please let me know if you have any availability ***between Monday 21st March*** *and* ***Friday 8th April*** for a short 45-minute virtual interview.

Note: The data obtained for this interview will only be used for purposes related to my Master thesis in Environmental Management and Policy at Lund University.

Kindly find attached a letter of support from my supervisor, Naoko Tojo. Your input would be much appreciated.

Kindest regards,

Lina Adil

Appendix E: Information on Documents for GEF

Document name	Link
1.Updated Operational Procedures for the expedited financing of national communications from non-Annex 1 Parties (2007)	https://www.thegef.org/council-meeting-documents/updated-operational-procedures-expedited-financing-national
2. GEF Guidelines on the project and program cycle policy update (2020)	https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update
3. How Projects Work (GEF)	https://www.thegef.org/projects-operations/how-projects-work
4. GEF Guidelines on the project and program cycle policy update (2018)	https://www.thegef.org/documents/project-and-program-cycle
5.Updated information note on least developed countries fund support for graduating least developed countries (2019)	https://www.thegef.org/council-meeting-documents/updated-information-note-least-developed-countries-fund-support
6.Accessing resources under the LDCF	https://www.thegef.org/publications/accessing-resources-under-ldcf
7. Accessing resources under the SCCF	https://www.thegef.org/publications/accessing-resources-under-sccf
8.Operational guidelines for the application of the incremental cost principle (2007)	https://www.thegef.org/council-meeting-documents/operational-guidelines-application-incremental-cost-principle

9. Policy on minimum fiduciary standards (2019)	https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.57.04.Rev_.02_Update_GEF_Minimum_Fiduciary_Standards.pdf
10. GEF-7 non-grant instrument program (2018)	https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.12_NGI.pdf
11. Clarifying the roles and responsibilities of the GEF entities (2002)	https://www.thegef.org/council-meeting-documents/clarifying-roles-and-responsibilities-gef-entities-0

Appendix F: Information on Documents for The UK

12. UK Climate finance results (2021) GOV.UK	https://www.gov.uk/government/publications/uk-climate-finance-results-2021/2021-uk-climate-finance-results
13. International Climate Finance (ICF) brochure 2021	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1029990/icf-brochure-2021.pdf
14. FCDO programme and operating framework	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/997874/Programme-Operating-Framework-June21.pdf
15. The UK's international climate fund and capital markets initiative	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/48409/5539-uk-international-climate-fund-cmci.pdf
16. United Kingdom Biennial Finance Communication (2020)	https://unfccc.int/sites/default/files/resource/UK%20Biennial%20Finance%20Communication%202020%20-%20publication%20version%20%281%29.pdf
17. UK international Climate Finance Booklet	https://reliefweb.int/sites/reliefweb.int/files/resources/BEIS-UK_International_Climate_Finance_Booklet.pdf

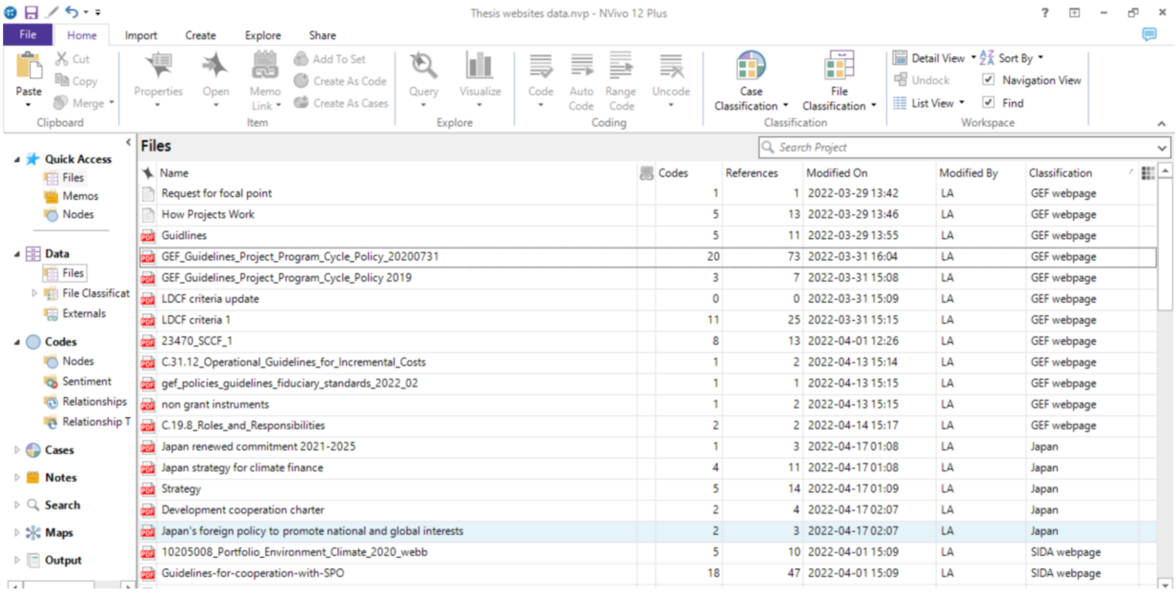
Appendix G: Information on Documents for Sweden

18. SIDA environment and climate change, portfolio (2020)	https://cdn.sida.se/app/uploads/2021/07/05111345/10205008_Portfolio_Environment_Climate_2020_webb.pdf
19. SIDA guidelines for cooperation with SPOs	https://cdn.sida.se/app/uploads/2020/11/30120117/Guidelines-for-cooperation-with-SPO.pdf
20. Policy framework for Swedish development aid	https://www.government.se/49a184/contentassets/43972c7f81c34d51a82e6a7502860895/skr-60-engelsk-version_web.pdf
21. SIDA guide on supporting access to finance for climate action	https://cdn.sida.se/publications/files/sida62080en-guide-supporting-access-to-finance-for-climate-action.pdf

Appendix H: Information on Documents for Japan

22. Japan renewed commitment for climate finance 2021-2025	https://www.mofa.go.jp/files/100200521.pdf
23. JICA Climate Change Cooperation Strategy	https://www.jica.go.jp/english/our_work/climate_change/c8h0vm0000bv8djl-att/strategy_01.pdf
24. Japan's foreign policy to promote national and global interest	https://www.mofa.go.jp/files/000055802.pdf
25. Japan's Updated Strategies and Approaches for Scaling-up Climate Finance from 2014 to 2020	https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201811261945---20181119_JAPANSSTRATEGIES%20AND%20APPROACHES.PDF
26. Japan Development Cooperation Charter	https://www.env.go.jp/earth/cop/cop22/common/pdf/event/10/01_presentation1-rev.pdf

Appendix J: Files Classifications



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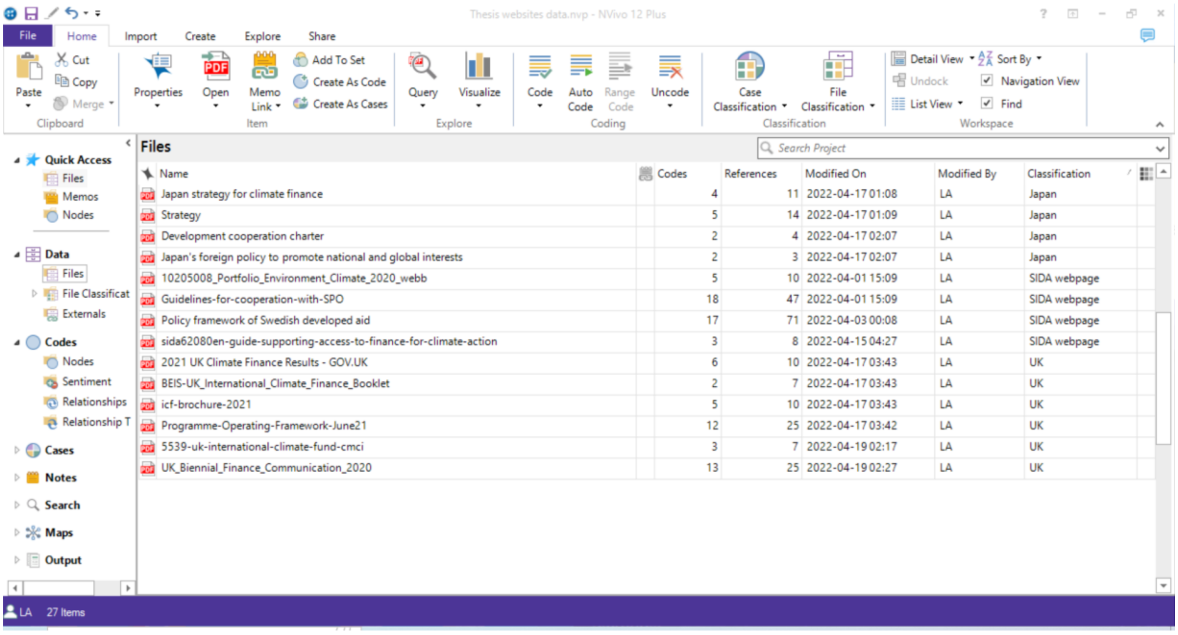
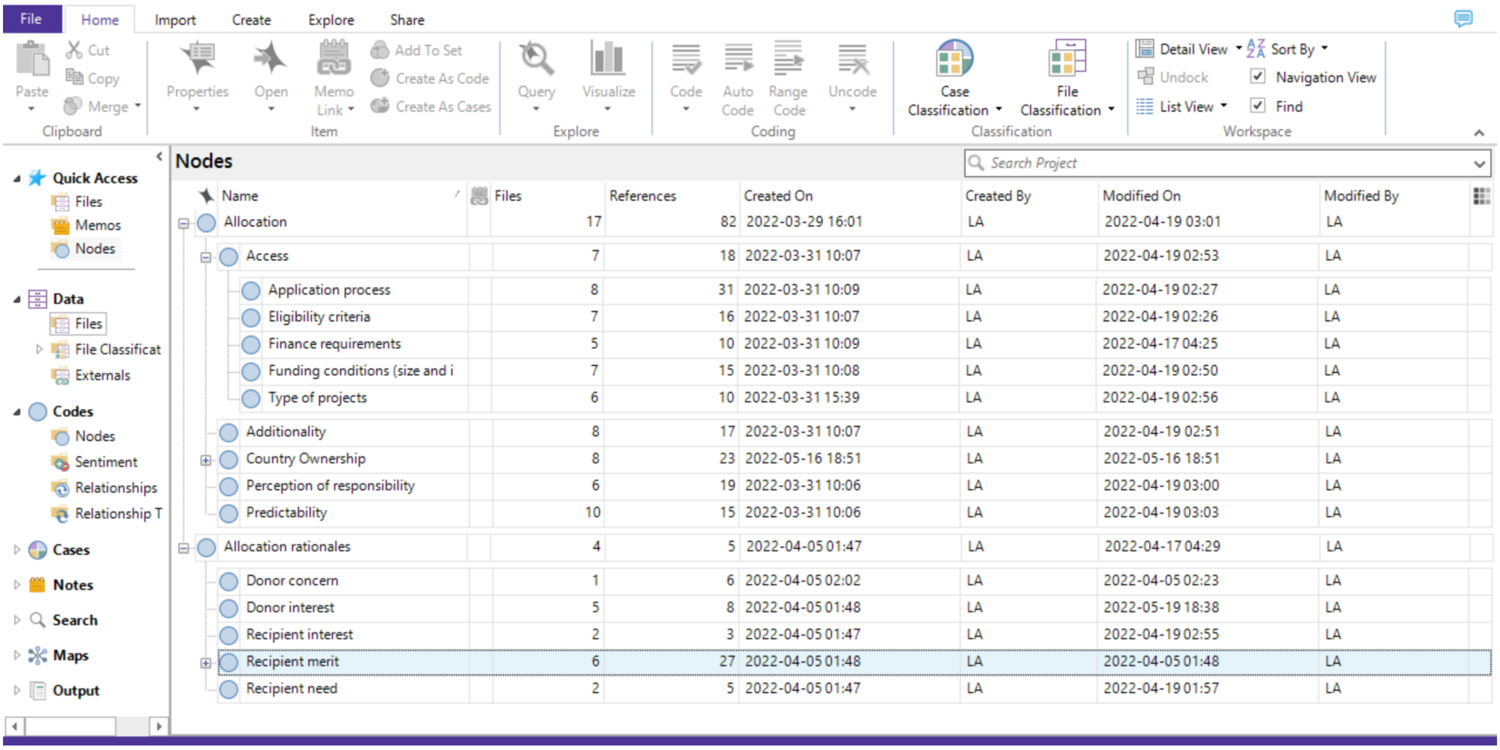
Request for focal point	1	1	2022-03-29 13:42	LA	GEF webpage
How Projects Work	5	13	2022-03-29 13:46	LA	GEF webpage
Guidlines	5	11	2022-03-29 13:55	LA	GEF webpage
GEF_Guidelines_Project_Program_Cycle_Policy_20200731	20	73	2022-03-31 16:04	LA	GEF webpage
GEF_Guidelines_Project_Program_Cycle_Policy 2019	3	7	2022-03-31 15:08	LA	GEF webpage
LDCF criteria update	0	0	2022-03-31 15:09	LA	GEF webpage
LDCF criteria 1	11	25	2022-03-31 15:15	LA	GEF webpage
23470_SCCF_1	8	13	2022-04-01 12:26	LA	GEF webpage
C.31.12_Operational_Guidelines_for_Incremental_Costs	1	2	2022-04-13 15:14	LA	GEF webpage
gef_policies_guidelines_fiduciary_standards_2022_02	1	1	2022-04-13 15:15	LA	GEF webpage
non grant instruments	1	2	2022-04-13 15:15	LA	GEF webpage
C.19.8_Roles_and_Responsibilities	2	2	2022-04-14 15:17	LA	GEF webpage
Japan renewed commitment 2021-2025	1	3	2022-04-17 01:08	LA	Japan
Japan strategy for climate finance	4	11	2022-04-17 01:08	LA	Japan
Strategy	5	14	2022-04-17 01:09	LA	Japan
Development cooperation charter	2	4	2022-04-17 02:07	LA	Japan
Japan's foreign policy to promote national and global interests	2	3	2022-04-17 02:07	LA	Japan
10205008_Portfolio_Environment_Climate_2020_webb	5	10	2022-04-01 15:09	LA	SIDA webpage
Guidelines-for-cooperation-with-SPO	18	47	2022-04-01 15:09	LA	SIDA webpage



Name	Codes	References	Modified On	Modified By	Classification
Japan strategy for climate finance	4	11	2022-04-17 01:08	LA	Japan
Strategy	5	14	2022-04-17 01:09	LA	Japan
Development cooperation charter	2	4	2022-04-17 02:07	LA	Japan
Japan's foreign policy to promote national and global interests	2	3	2022-04-17 02:07	LA	Japan
10205008_Portfolio_Environment_Climate_2020_webb	5	10	2022-04-01 15:09	LA	SIDA webpage
Guidelines-for-cooperation-with-SPO	18	47	2022-04-01 15:09	LA	SIDA webpage
Policy framework of Swedish developed aid	17	71	2022-04-03 00:08	LA	SIDA webpage
sida62080en-guide-supporting-access-to-finance-for-climate-action	3	8	2022-04-15 04:27	LA	SIDA webpage
2021 UK Climate Finance Results - GOV.UK	6	10	2022-04-17 03:43	LA	UK
BEIS-UK_International_Climate_Finance_Booklet	2	7	2022-04-17 03:43	LA	UK
icf-brochure-2021	5	10	2022-04-17 03:43	LA	UK
Programme-Operating-Framework-June21	12	25	2022-04-17 03:42	LA	UK
5539-uk-international-climate-fund-cmci	3	7	2022-04-19 02:17	LA	UK
UK_Biennial_Finance_Communication_2020	13	25	2022-04-19 02:27	LA	UK

Appendix K: Analysis codes



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Application process	8	31	2022-03-31 10:09	LA	2022-04-19 02:27	LA
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Finance requirements	5	10	2022-03-31 10:09	LA	2022-04-17 04:25	LA
Funding conditions (size and i	7	15	2022-03-31 10:08	LA	2022-04-19 02:50	LA
Type of projects	6	10	2022-03-31 15:39	LA	2022-04-19 02:56	LA
Additionality	8	17	2022-03-31 10:07	LA	2022-04-19 02:51	LA
Country Ownership	8	23	2022-05-16 18:51	LA	2022-05-16 18:51	LA
Perception of responsibility	6	19	2022-03-31 10:06	LA	2022-04-19 03:00	LA
Predictability	10	15	2022-03-31 10:06	LA	2022-04-19 03:03	LA
Allocation rationales	4	5	2022-04-05 01:47	LA	2022-04-17 04:29	LA
Donor concern	1	6	2022-04-05 02:02	LA	2022-04-05 02:23	LA
Donor interest	5	8	2022-04-05 01:48	LA	2022-05-19 18:38	LA
Recipient interest	2	3	2022-04-05 01:47	LA	2022-04-19 02:55	LA
Recipient merit	6	27	2022-04-05 01:48	LA	2022-04-05 01:48	LA
Recipient need	2	5	2022-04-05 01:47	LA	2022-04-19 01:57	LA