Today in [*Science*, a new study] delicately uses a lot of words to tell us something that many have long suspected: we really don't know what in the world is going on.

The study, by three scholars at Oxford University's Environmental Change Institute, notes that pretty much all climate adaptation funds focus on *inputs* — how much has been devoted to a project — rather than *outputs,* i.e. has anything worked?

And even on the input front, there is a huge problem. We don't account for *that* very well, either. I nearly burst out laughing when I read their description of how Multilateral Development Banks (MDBs) try to estimate the degree of adaptation in development projects:

> MDBs assign a simple "adaptation ratio" to each project that they finance. This ratio indicates the share of the project that is considered to be climate adaptation, based on the investment's adaptation intent. Data between 2016 and 2022 show that the MDBs have increased their adaptation finance by a factor of 4 in 6 years (see the first figure, top). This is driven by the fact that more projects have been classified as incorporating some form of adaptation, while the average adaptation spend per project (see the first figure, top) and share of financing across adaptation projects (see the first figure, bottom) have remained stable. In other words, MDBs have mainly added adaptation throughout their portfolio of development projects (i.e., adaptation mainstreaming), rather than focusing more finance on projects whose primary aim is climate adaptation.

My God. This is a recipe for doing what you were going to do already and then calling it adaptation. The authors note that this basically incentivizes “box-ticking and mislabeling.” And it gets worse when they offer their policy recommendations:

> First, targeting effective adaptation actions depends upon comprehensive locally relevant climate risk information, both present-day and future risks under a range of climate and socioeconomic scenarios….
>
> Second, countries need to move toward more specific adaptation strategies based on the priority risks identified….
>
> Third, National Adaptation Plans should be supported by fiscal strategies with realistic financing plans and costs, which is rarely done in practice….
>
> Fourth, the implementation of adaptation strategies relies on robust project design that justifies the investment and its priority over those not undertaken….
>
> Fifth, structured monitoring of the benefits of adaptation ex post, in terms of avoided losses and co-benefits, is absent in almost all jurisdictions….

In other words, ***nobody knows what in the world is going on.*** Yikes. These are sort of the basic things that really any policy program needs.

If I were to offer a couple of constructive criticisms of the piece, I would basically have two of them:

First, it says that “the lack of impact is in part due to the culture in international policy and development finance that is quite disconnected from implementing adaptation.” I suppose that that is true as far as it goes, but whenever I see “culture” as an explanation for anything, it seems to me that it is a placeholder for really not knowing the real variables. That doesn’t mean culture isn’t important, but not in this way. What we need in the future is a better analysis of the incentives and disincentives both within MDBs and within recipient nations. If I were being particularly cynical, I might suspect that MDB personnel do not ask for better outcome measures because if they got them, they would not be able to justify the grants. And then who would be out of a job? Or more charitably: it is so obviously important to finance adaptation projects that they are reluctant to air the dirty laundry in recipient nations. Somehow they need to get recipients to do a better job without cutting them off. (I also suspect that the paper’s authors know a lot of this, but are refraining from saying so for diplomatic purposes).

Second, the report notes that there is a “climate investment trap,” in which most of these projects are largely debt-financed, which makes budgets unstable. It seems to me that this is where one needs to look to the private sector. In other words, is there a way to design an adaptation so that private actors can make a profit by serving public goals? Setting up these sorts of public-private partnerships requires a sort of institutional competence that recipient nations probably do not have, but MDBs should have. It is far too easy to construct a “public-private partnership” in which the corporate actor makes a lot of money and the public sector winds up holding the bag. But given the overwhelming need for climate adaptation, we need to look at more innovative financing.

It is simply too late to think that we can mitigate our way out of climate change. We will need to adapt. There is no time to waste. But unfortunately, we are wasting it. If this report serves as an alarm bell, all to the good.