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Adaptation for developing countries in a post-2012 UN Climate Regime

This document reflects WWF's policy recommendations for adaptation measures in a post-2012 UN Climate Regime

It highlights:

- The importance of an ambitious, well-governed, proactive and fully-funded adaptation package;
- The five priority elements of a UNFCCC adaptation package;
- The key principles required to guide future adaptation implementation, and the need to strengthen the link between mitigation action taken now and adaptation costs in the future;
- The need to establish an Adaptation Action Framework (AAF) that addresses pro-active adaptation implementation, including risk and insurance, and compensation and rehabilitation components;
- The importance of healthy ecosystems and their vital role in increasing ecological and human resilience to the impacts of climate change.

The importance of negotiating an adaptation framework

The world has already crossed the threshold beyond which it is no longer possible to avoid negative impacts of anthropogenic climate change. Even with stringent climate action, we are locked into a trajectory of global warming that will result in an average two degree warming of global temperatures. This will cause an increased frequency and severity of climatic variability and take us dangerously close to ecological tipping points.

The future negative impacts of climate change are likely to increase in frequency and intensity. Given the current rate of growth in GHG emissions we risk heading towards a world of 4-6 degrees celsius by 2100, if we don't act now. This would lead to devastating climate impacts for the world's poorest and vulnerable populations. It is critical that a post-2012 adaptation framework is fair and equitable, and that it provides adequate support. It should also address risk management, insurance and compensation in order to deal with those climate change impacts that cannot be avoided through anticipatory adaptation measures. The adaptation framework must also include a rehabilitation mechanism to acknowledge that certain places will become unavoidably inhospitable. This mechanism should therefore deal with the future large-scale displacement of communities and populations. It is vital that adaptation is recognized as a key building block for the future global agreement.

WWF's top five priority adaptation policy asks

1 *An ambitious, science based scale of finance provision in the medium and long term*

Industrialized countries should provide at least US\$63 billion per annum in mid-term finance (2013-2017) in order to fulfill their UNFCCC commitments to support vulnerable developing countries' with climate change adaptation. In the longer term, support from industrialized countries should be scaled up to at least US\$100 billion per annum by 2020. The levels of adaptation funding should be based on regular reviews

that take into account country needs-assessments, new science on the impacts of climate change, and future mitigation scenarios. The pre-2012 adaptation financing should be of at least US\$25 billion for the period 2010 to 2012 in order to implement urgent adaptation action².

2 *Additional, legally binding and enforceable adaptation finance provision*

Adaptation funding from industrialized countries for vulnerable developing countries should come from new and innovative sources. It should be predictable, sustainable, timely and adequate, be additional to official development assistance (ODA) commitment targets of 0.7% GDP and be distributed in the form of grants not loans. Adaptation funding commitments should be measurable, reportable and verifiable (MRV). They should also be enforceable and adopted as a new protocol within the UNFCCC.

3 *Mechanisms to address risk and insurance, together with compensation and rehabilitation for vulnerable countries*

The Copenhagen protocol should establish mechanisms to address the risk, loss and damage that arise from the unavoidable adverse impacts of climate change. These mechanisms should provide a risk and insurance component that addresses the risk of climate-related extreme weather events. They should also contain a compensation and rehabilitation component for the related slow-onset events from climate change. They should prioritize the needs of vulnerable countries, communities, and ecosystems.

4 *A fair, transparent, and equitable institutional structure that is fully accountable to the Conference of Parties (COP).*

The governance of adaptation implementation and adaptation funding should be fair, effective, efficient and transparent. It should

¹ NGO Treaty document and The Real deal for Copenhagen document

have an equitable geographic representation, be under the authority and guidance of the COP. It should also be fully accountable to the COP and provide for direct access. The Kyoto Protocol Adaptation Fund Board fulfills these governance criteria and should form the basis for a future arrangement.

5 Funding provision that prioritizes the vulnerable countries

The provision of adaptation funding should prioritize to all developing countries and areas that are vulnerable to climate change, especially the Least Developed Countries (LDCs), Small Island Development States (SIDS) and those parts of Africa which are most prone to flood and drought events. These are countries and areas with the least capacity, resources and options for adaptation to the adverse impacts of climate change. These are also countries that are suffering through no prior fault of their own.

Principles for guiding adaptation support and implementation

WWF recommend four key principles already recognized under international law. These principles should guide the interpretation and implementation of the adaptation framework. These principles are critical to ensure that the UNFCCC delivers fairness and equity.

Key principles for an adaptation package must include:

- The Principle of Historical Responsibility
- The Polluters Pays Principle
- The Principle of Common But Differentiated Responsibilities and Respective Capabilities
- The Precautionary Principle

Strengthening the linkages between adaptation and mitigation

The link between mitigation activities and future adaptation costs must be given greater emphasis in the UN negotiations process. There are 'limits to adaptation' that

must be acknowledged and which should motivate ambitious mitigation action. Many atoll countries will not survive the sea level rises and storm surges caused by an increase in average global temperatures above 1.5°C (relative to preindustrial levels). Ecosystems are often highly vulnerable to climate change. Many are already experiencing negative impacts. Current levels of ambition at the climate negotiations will lock the world into a temperature increase of clearly above 2°C. If not remedied, this will lead to a future where adaptation is no longer a feasible option for many vulnerable countries, communities and ecosystems. This must be recognized and taken into consideration at the negotiation process by:

- Acknowledging the "right to survival" and adopting the Precautionary Principle;
- Providing deeper emissions cuts for the next commitment period;
- Ensuring industrialized countries invest substantial and predictable resources in urgent and immediate adaptation actions.

The Adaptation Action Framework (AAF)

WWF proposes an Adaptation Action Framework (AAF) that should be included in any future UNFCCC agreement. The AAF is comprised of three pillars key to the adaptation needs of vulnerable countries, communities and ecosystem. The first pillar deals with proactive adaptation actions using adequate, predictable and substantial funding. This funding should be delivered through well-governed, transparent and effective mechanisms. The second pillar deals with climate risk management and delivers an international insurance mechanism. The third pillar delivers a compensation and rehabilitation mechanism.

1 Adaptation Action Pillar

The AAF should ensure adaptation actions are implemented through bottom-up and country-driven approaches that enhance the resilience of communities and ecosystems to the adverse impacts of climate change:

- At the international level, easy and direct access to financial and technological support should be made available to all developing countries, especially vulnerable developing countries (SIDS, LDCs, flood and drought prone Africa countries), communities and people. This support should be provided in a way that protects, respects and fulfills fundamental human rights and promotes ecosystem-based adaptation;
- At the national level, the AAF should maximize ownership over planning, implementation and national-level disbursement of adaptation finance. The AAF should enable and encourage participatory local-level planning and implementation. It should establish or enhance regional cooperation initiatives in developing countries, especially for regional centers or networks of excellence;
- At all levels, the AAF should promote an integrated approach to adaptation aimed at reducing vulnerability, particularly amongst women, children, indigenous people, the poor and the disproportionately affected. It should be closely linked to existing development processes, institutions and mechanisms;
- The AAF should have the means to ensure all parties meet their adaptation-related commitments. It should establish an effective monitoring and evaluation system, building on existing in-country experience.

2 *Risk and Insurance Pillar*

The AAF should establish a UNFCCC insurance mechanism to insure against climate emergency situations at the local and regional levels. An international insurance mechanism is critical to address the consequences of increasingly frequent and intense hurricanes, floods and droughts that currently kill 300,000 of the world's vulnerable people every year². This figure is set to rise in the future. The UNFCCC insurance mechanism will consist of two parts, 1) a climate insurance pool that covers high-level, climate-related risks and disasters, and

2) an assistance facility that provides technical support to regional, local and public-private insurance schemes.

3 *Compensation and Rehabilitation Pillar*

The AAF should establish an international Compensation and Rehabilitation Mechanism (CRM) to deal with other climate change-related losses and damages. The CRM should provide support for those issues which are not covered by the two previous pillars of the AAF but which require extreme measures to assist affected communities such as resettlement and migration.

Scientists forecast scenarios in the near future that cannot be dealt with at the local and national level. Many of these scenarios exceed the adaptive capacity of certain countries, communities and ecosystems. The UNFCCC currently has no provision for these kinds of loss and damage. The establishment of a CRM in the new global deal is critical for climate justice, global security and humanitarian relief.

Adaptation financing under the AAF

The AAF should ensure that:

- Industrialized countries provide at least US\$63 billion annually for the 2013-2017 period, to fulfill their UNFCCC commitments (US\$56 billion for adaptation plus US\$7 billion for risk and insurance mechanisms). In the longer term, the level of funding support from industrialized countries should be scaled up to at least US\$100 billion per annum by 2020. The scale of adaptation funding should be based on a regular review that considers country needs-assessments, new science on climate change impacts, and future mitigation scenarios;
- Industrialized countries should provide urgent financial support of at least US\$25 billion for the 2010-2012 period as short term funding for the immediate implementation of urgent adaptation measures in vulnerable developing countries. These measures include the implementation of National Adaptation Programmes of Actions (NAPA)

² Global Humanitarian Forum Report 2009, "Climate change- The anatomy of a silent crisis".

and the development, revision and implementation of National Adaptation Plans (NAPs) for non-LDC countries and other urgent needs.

- Adaptation funding commitments under the UNFCCC are additional to the 0.7% GDP target pledged by industrialized countries as official development assistance (ODA);
- Adaptation financial resources are distributed in the form of grants not loans;
- Access to adaptation funds by vulnerable developing countries should be simple, direct, and demand driven;
- Adaptation funding should be sustainable and predictable, giving priority to the vulnerable developing countries as agreed in the Bali Action Plan;
- Adaptation funding should come from new and innovative sources, predominantly via the auctioning of roughly 10% of industrialized countries' emissions allocations. Additional financing will be raised through levy on international aviation and shipping emissions or fuels, through an extension of the share of proceeds from Joint Implementation (JI) and emissions trading (ET), and through accessed contributions from industrialized countries.

Governance under the AAF

The AAF should ensure that:

- The governance of adaptation funds is fair and transparent in such a way that civil society organizations have access to information;
- The composition of the governing body is equitable in its geographical representation;
- Parties have the right to choose their own implementing agencies;
- The governing body is the legally recognized authority for the disbursement of adaptation funds;
- At least 80% of adaptation financing is delivered via the governing body;
- The governing body is under the guidance and authority of the COP, to whom it is fully accountable;

- Civil Society members are recognized as observers during meetings of the adaptation governing body;
- The existing Kyoto Protocol Adaptation Fund Board fulfills these governance criteria and should form the basis of the future arrangement.

Ecosystem based adaptation

Allowing ecosystems to adapt naturally is enshrined in Article 2 of the UNFCCC. Healthy, bio-diverse environments play a vital role in increasing resilience to climate change, and in reducing climate-related risk and vulnerability. Increasing the health and resilience of ecosystems enables both people and nature to better cope with existing climate variability as well as with future climate change extremes. Incorporating ecosystem-based approaches into adaptation measures brings multiple benefits including the protection of natural resource bases for many vulnerable communities and resilience to future climate change impacts. Ecosystem-based adaptation is a cost effective and locally appropriate approach to building resilience to climate change. It must be given greater importance in NAPA construction, funding and implementation.

Adaptation Policy Asks

To work towards an effective Copenhagen treaty:

A | Principles

- 1 All parties should place greater emphasis on a recognition that early emissions cuts will greatly reduce both the severity of climate change and the rapidly rising costs of adaptation. They should do this by adopting a legally binding target that will keep global average temperatures well below 2°C and ultimately to below 1.5°C.
- 2 All parties should agree that adaptation support be guided by the principles of historical responsibility, common but differentiated responsibilities and respective capabilities, the Precautionary Principle, and the Polluter Pays Principle.

B | Finance

i Scale of provision

- 3 Industrialized countries should provide at least US\$63 billion annually during 2013-2017, to fulfill their commitments to support the vulnerable developing countries' adaptation priorities (US\$56 billion for adaptation and an additional US\$7 billion for a risk and insurance mechanism). In the longer term, the level of funding support from industrialized countries should be scaled up to at least US\$100 billion per annum by 2020. The scale of adaptation funding should be based on a regular review that considers country needs-assessments, new science on climate change impacts, and future mitigation scenarios.
- 4 Industrialized countries should provide urgent financial support of at least US\$25 billion for the 2010-2012 period as short term funding for the immediate implementation of urgent adaptation measures in vulnerable developing countries. These measures include the implementation of National Adaptation Programmes of Actions (NAPA) and the development, revision and implementation of National Adaptation Plans (NAPs) for non-LDC countries and other urgent needs
- 5 Adaptation funding is not aid but payment from industrialized countries based on their historical responsibilities and the Polluter Pays Principle. Adaptation financing from industrialized countries should be a legally binding commitment. It should be new, innovative, predictable, sustainable, adequate, and additional to existing ODA target commitments of 0.7% GDP. It should take the form of grants not loans.

ii Sources of funding

- 6 Sources of adaptation funding should include the auctioning of roughly 10% of industrialized countries' emission allocation (AAU), a levy on emissions and fuels from international aviation and shipping, the extension of a share of proceeds from Joint Implementation (JI) and Emission Trading (ET) and accessed contributions from industrialized countries.

iii Distribution of funding

- 7 The distribution of adaptation funding should give priority to all vulnerable developing countries in particular to Least Developed Countries (LDCs), Small Island Development States (SIDS) and flood and drought prone regions in Africa.

C | Compliance

- 8 Adaptation funding from industrialized countries should be a legally binding commitment, and should be measurable, reportable and verifiable (MRV), enforceable and provided in a timely and adequately manner to vulnerable developing countries.

D | Institutional Arrangements

- 9 The institutional arrangements incorporating a governing body for adaptation implementation should be fair, effective, efficient and transparent, geographically representative and under the authority and guidance of and fully accountable to the UNFCCC Conference of Parties. The existing Kyoto Protocol Adaptation Fund Board fulfills these governance criteria and should be the basis for the future arrangement.
- 10 The institutional arrangements for adaptation implementation should enhance exist-ing adaptation networks or establish new regional centers for adaptation or networks of excellence for adaptation.

E | Insurance, risk, compensation and rehabilitation

- 11 The new protocol should establish a new Climate Risk Insurance Mechanism (CRIM) under the Convention that incorporates areas of risk and insurance and delivers a compensation and rehabilitation mechanism.

F | Implementation

- 12 Ecosystem-based adaptation activities should be highlighted and recognized as a low cost, "no regret" options to increase the resilience of ecosystem and livelihoods.
- 13 Adaptation implementation should be mainstreamed into national development plans in such a way that it does not create additional burdens or conditionalities for development. The financial support for such mainstreaming activities should be provided by the adaptation fund.