

# scaling-up action

Last December, the world took a significant, yet fledgling first step towards helping developing countries adapt to climate change. Meeting in Bali, governments decided to operationalise the Kyoto Protocol's Adaptation Fund that will finance adaptation projects in its developing country Parties. Yet the its modalities still need attention, and the actual scale of financing and action needed for adaptation is far greater than is currently envisaged under the Fund. The key concern is whether the consensus achieved at Bali — at the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and Meeting of the Parties to the Protocol — will result in sustained, collaborative action that will improve, rather than worsen, the well-being of millions of poor and vulnerable communities facing the worst impacts of climate change.

Adaptation practices are by definition, locally specific, context dependent and dynamic. These factors — coupled with financing, technological and capacity limitations — make adaptation a difficult challenge for the vast majority of developing countries. But there is clearly little benefit and large costs in avoiding or delaying its implementation. Without adaptation, the annual costs of climate change impacts are estimated to range from several percent to tens of percent of gross domestic product in exposed developing countries; more significantly, much of the costs will be in the form of severe economic shocks.

There is also ample evidence that the adverse effects of climate change will fall disproportionately upon the least developing countries (LDCs) and small island developing states (SIDS) — and on the poor and vulnerable within all countries. The recent cyclonic devastation wrought upon low-lying coastal communities in Bangladesh provides tragic evidence of this. The Stern Review cautions that: "Climate change poses a real threat to the developing world. Unchecked it will become a major obstacle to continued poverty reduction." The 2007/2008 Human Development Report goes even further: "International cooperation on adaptation can be thought of as an insurance mechanism for the world's poor...For governments concerned with achieving progress toward the Millennium Development Goals (MDGs) over the next decade, and building on that progress afterwards, adaptation is the only option for limiting the damage caused by existing climate change."

Intergovernmental financing for adaptation is not currently seen as part of the broader global financing effort for the MDGs or poverty reduction. Two intergovernmental mechanisms for adaptation have been developed under the guidance of the UNFCCC for implementation by the Global Environmental Facility — the Least Developed Countries Fund (LDCF) and the Special ClimateChangeFund (SCCF).

The first was established to help LDCs achieve climate — resilient development by increasing their adaptive capacity and reducing their vulnerability. Countries first prepare National Adaptation Plans of Action (NAPAs), which identify activities where further delay could increase vulnerability, or lead to increased costs at a later stage. To date, 44 NAPA preparation proposals and two global support projects have been approved for funding by the GEF, and of these, 22 NAPAs have been submitted to the UNFCCC. The second was designed to finance activities complementary to those funded by GEF in: adaptation to climate change (which has top priority); technology transfer; energy, transport, industry, agriculture, forestry and waste management; and economic diversification. The GEF also operates a pilot programme the Strategic Priority on Adaptation.

From a developing country perspective, climate change adaptation and sustainable development cannot be seen as separate or competing issues — and thus financing for climate change cannot be seen in isolation from financing for development. The challenge of adaptation will be particularly acute in LDCs and SIDS where the greatest vulnerability to climate change impacts coincides with the greatest resource and capacity constraints. Consequently, there is an urgent need to increase support for immediately developing and implementing NAPAs.

The existing literature reveals a substantial and serious lack of accurate and reliable methodologies and tools for estimating adaptation costs and climate related risks, with serious implications for the effective funding and operationalization of any proposed intergovernmental or global mechanism, including the Adaptation Fund.

The key analytical limitations in estimating adaptation costs are especially troubling as is the lack of reliable and accessible national costing tools and methodologies on relevant adaptation practices. The UNFCCC has highlighted four estimation methods in a Background Paper, noting key uncertainties associated with all of them:

- A complete bottom-up approach which involves estimating the costs of specific adaptations: but only partial information is available, based on the NAPAs and national communications, and this approach is "far from being comprehensive and complete."
- Extrapolating estimated

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adaptation costs drawn from NAPAs to the rest of the developing world using population, income and land. Oxfam America estimates that adaptation costs will be more than USD 50 billion per year, but the UNFCCC notes this the extrapolation “is based on a limited number of NAPAs” that are only focused on “urgent needs”.

- Analyses which use current global expenditures on agriculture, forestry and fisheries to apply a rule of thumb for estimating additional costs for meeting development and adaptation needs. But assumptions have to be made about additional costs which could yield large differences in estimates when applied to a large base.
- Top-down quantitative analyses which can give a rough estimate of total costs, but typically do not capture site-specific differences. Furthermore, the UNFCCC points out, these may not be comprehensive and the use of different assumptions for models can result in different estimates of magnitude.

So rather than wasting valuable time and limited resources on global extrapolations and estimations of adaptation costs, developing countries will be better served by country-level methodologies and tools that are context specific and allow for adaptation practices to be linked to national sustainable development goals and benefits. Developing countries urgently need country-specific tools and methodologies for estimating adaptation practices that are relevant and responsive to specific needs and conditions. They need access to relevant technologies and policy mechanisms to enable implementing and sharing best practices. Vulnerable countries also urgently need access to reliable forecasting mechanisms and tools for climate change risk management to enable them to protect low-lying coastal communities.

The lack of adequate financing focused on addressing the policy and programmatic nexus between global climate change and sustainable development objectives has — and will continue to have — profound implications for developing countries’

engagement with global climate change, and for achieving national sustainable development goals including poverty reduction. In light of the 2015 deadline for attaining the MDGs, the inequitable and disproportional impacts of climate change on the world’s poor and vulnerable communities should be the immediate frame of reference guiding the development of post-2012 adaptation.

Despite the creation of intergovernmental efforts for financing adaptation, the national delivery of services, resources and tools has remained fragmented and ad hoc. Sustained global efforts to integrate adaptation with sustainable development should therefore focus on:

- Scaled-up financing for national delivery of services aimed at costing and implementing relevant country driven adaptation practices.
- Scaled-up support for comprehensive national actions that link the policy and programmatic nexus between climate change adaptation and broader national sustainable development goals with a view to building resilience and reducing vulnerabilities amongst poor and vulnerable communities.

The global community should commit to building and strengthening technical, policy and institutional capacity and to ensuring increased access to existing and new sources of finance for implementing country driven adaptation practices explicitly linked to sustainable development objectives — including adopting measures closely integrated with national action to reduce poverty, improve human health and food security, promote sustainable energy services, and address biodiversity loss and desertification. 

