

Adaptation in the International Climate Change Negotiations



International adaptation plays a crucial role in the global climate negotiations. Millions of lives and, in some cases, the literal survival of vulnerable nations depends on a significant and sustained financial commitment from the United States and other developed countries. Indeed, for well over 100 impoverished nations – a vast majority of those in the negotiations – adaptation is a central element, not a peripheral issue, in the adoption of a post-2012 climate agreement.

President Obama recognized the weight of the matter when he stated at the UNGA in October 2009, “any effort that fails to help the poorest nations both adapt to the problems that climate change have already wrought – and help them travel a path of clean development – simply will not work.”

The consequences of climate change reach significantly beyond direct impacts. Global stability and security will be undermined by increasing migration and refugee crises, by conflicts over ever-scarcer natural resources, and by economic and political destabilization as poverty and food insecurity grow. Reducing these threats require investments today that support vulnerable countries in their efforts to adapt and build resilience to the effects of climate change.

The Process of Negotiations

Adaptation issues are being discussed under the UNFCCC in two key tracks, or contact groups, within the Ad-Hoc Working Group on Long-Term Cooperative Action (AWG-LCA).

The adaptation contact group is developing an overarching framework for adaptation. This text, referred to as a “non-paper” in the UN process, includes principles, actions and implementation, differentiation between countries, and supportive institutional mechanisms.

The finance contact group addresses who contributes to adaptation financing, the scale of the financing, funding sources (e.g., levies, taxes, auctions), the additionality of funds over and above



The early warning system in the Bocay and Coco communities in Nicaragua allows the villagers to identify when the level of the waters is rising and what to do in case of an emergency.
Photo credit: David Vinuales/Oxfam

existing Overseas Development Assistance (ODA), and institutional arrangements.

Current State Of Play

The adaptation contact group made fairly good progress during the last two negotiating sessions in Bangkok and Barcelona in comparison to other contact groups that experienced deadlock on key issues. While a divergence of perspectives on some issues still remains, convergence is emerging around key principles and objectives, implementation elements, and institutional arrangements. The most contentious issues that have emerged in the context of adaptation are primarily playing out in the finance contact group. The issue of scale of adaptation finance has not yet been directly addressed by the U.S., leading to great frustration by developing countries.

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Key issues on the table in regards to adaptation finance:

Finance from developed to developing countries. Developing countries are seeking a commitment on finance from developed countries on an annual basis. The EU is the first to put a range on the table of between €22-50 billion (\$32-73 billion) for both adaptation and mitigation, assessing their fair share at up to €15 billion (\$22 billion). A significant portion of such funding would likely go to adaptation since mitigation efforts are expected to receive greater funding through private investments and carbon markets. The World Bank estimates that adaptation costs will range from \$75 - \$100 billion per year on average by 2010, which aligns with previous estimates.

Sources of climate finance. Options on the table include the auctioning of international and domestic allowances, international levies on shipping and aviation, and assessed contributions.

Who contributes funding? U.S. negotiators hold that all countries, except the Least Developed Countries, should pay into a global fund. The European plan is similar but specifies that 40-80% would be paid by developed countries and the rest by developing countries weighted by emission levels and GDP. Both proposals break down the established differentiation between developed and developing countries. The G77 believes that only Annex-1 countries should pay into the fund.

What Fund will oversee the financing? Developing countries are calling for a global fund that would fall under the authority of the UNFCCC rather than through an existing multilateral institution. The U.S. proposal allows for new climate finance arrangements but does not create a new institution, and like others, does not specify if the fund would be under UNFCCC authority.

International Adaptation in U.S. Domestic Legislation

The House bill (H.R. 2454) passed in June 2009 includes a robust international adaptation program that promotes the resilience of vulnerable communities within the most at-risk developing countries. The bill requires the engagement of affected communities and sets up strong monitoring and evaluation processes using performance indicators. Allowances are directed both bilaterally

and multilaterally to a fund or institution pursuant to the Convention. Not more than 10% of bilateral funds can be provided to any one country in a given year.

The Senate bill that recently passed in Committee (S. 1733) did not outline the details of an adaptation program, but it did allocate resources. Similar to the House bill, S. 1733 allocated a net percentage 1.1% of the bill's allocations in 2012, that ramp up to net 4.25% in 2027. Resources are estimated at \$725 million per year, increasing to about \$950 million by 2015. The program currently being prepared in the Senate Foreign Relations Committee is expected to be as strong, or stronger, as that in the House bill.



Loma Suarez's family in Trinidad, Bolivia have adopted an ancient technique of growing crops on raised platforms of land surrounded by water called "Camellones" to combat the problem caused by increased floods in the area. Photo credit: Mark Chilvers/Oxfam

What is needed in Copenhagen?

- The U.S. must commit to finance adaptation on the order of several billion dollars per year. At least part of that funding must be channeled through a qualifying multilateral fund that has a fair and equitable management structure.
- The most vulnerable developing countries must be prioritized in the final language with clear differentiation between the adaptation needs of developed and developing countries.
- All funding commitments must be additional to existing ODA and must be based on predictable, adequate, and sustainable sources of finance.
- Additional resources must be leveraged through innovative international mechanisms such as aviation and shipping levies.
- Immediate financial support must be provided to developing countries to design and implement National Adaptation Programs of Action (NAPAs).