

ADAPTATION

December 2009



Summary

Climate change presents a profound threat to CARE's vision of a world where poverty has been overcome and people live in dignity and security. The world's poorest people are the most vulnerable to climate change though they contribute least to its causes. Without a well-functioning international adaptation regime, they will pay the highest price.

Therefore, the post-2012 agreement must ensure that sufficient funds are available for adaptation and that those funds reach the most vulnerable people. This requires:

- Massive scale-up of funding for adaptation in line with needs
- Systematic identification of vulnerable communities, populations and people, which take into account gender considerations
- Inclusive and transparent decision-making on the design, implementation, monitoring and reporting of adaptation activities, including the active and meaningful participation of vulnerable groups
- Mechanisms to support community-based adaptation

Massive scale-up of funding for adaptation in line with needs

CARE believes:

- *Developed countries have a moral responsibility to provide funding for adaptation in vulnerable developing countries. This responsibility is in line with their historic contribution to the problem and their commitments under the UNFCCC.*
- *Existing mechanisms for adaptation funding, which rely on voluntary contributions, have failed to deliver. Commitments to date have fallen far short of what is needed.*
- *Therefore, the post-2012 agreement must establish binding commitments for historic high-emitters to provide funding for adaptation in vulnerable countries.*
- *Adaptation funds must be new and additional to existing commitments, such as those for Official Development Assistance.*
- *Innovative mechanisms for financing will be needed.*

The UN Framework Convention on Climate Change (UNFCCC) recognizes the inherent injustice of climate change – that developing countries have contributed least to causing climate change, and yet are likely to suffer most from its impacts. The Convention commits developed countries to assist developing countries that are particularly vulnerable with the costs of adaptation. Nonetheless, no concrete funding targets have been set, and developed countries have been slow to allocate resources. Clearly, a voluntary approach to committing funds for adaptation has not delivered the scale of funds that are required to meet this unprecedented challenge.

Estimates on what is needed for adaptation in developing countries vary. The World Bank suggests that

costs will run between \$75-\$100 billion per year between 2010 and 2050¹, while Oxfam estimates needs to be at least US\$ 50 billion per year², and the UNDP estimates that the costs could be up to \$86 billion per year by 2015³. Despite the variation in estimates, consensus is growing that the need is in the order of tens of billions of dollars per year, and that existing funding commitments fall dramatically short of what is needed.

In order for developing countries to be able to plan for the future and to effectively implement adaptation actions, they need access to adequate, predictable and sustainable funding streams, as indicated in the Bali Action Plan. The post-2012 agreement must set binding commitments for developed countries to allocate funds for adaptation in order to demonstrate to vulnerable countries that developed countries are taking responsibility for their contribution to climate change. This will help pave the way for consensus on a comprehensive future climate change agreement.

Adaptation commitments should be based on historic responsibility and capability to pay, and the funds should be new and additional to existing commitments, such as those for Official Development Assistance (ODA). While CARE believes that the funding for adaptation should be new and additional, we assert that the planning and implementation of adaptation measures must be integrated into existing development plans and processes.

Keeping in mind the vital importance of healthy ecosystems to local resilience and adaptive capacity, adaptation efforts should also be coordinated with initiatives and plans to protect biodiversity and the local environment.

Given the scale of the needs for adaptation funding, CARE believes that other sources of funding will also be necessary to ensure that adequate funds are available. New and innovative mechanisms that can raise significant funds for adaptation, while creating incentives for mitigation, should be an integral part of the adaptation package. Auctioning of emission allowances and levying the use of bunker fuels are key mechanisms that should be employed to close the adaptation funding gap.

Systematic identification of especially vulnerable communities, populations and people, which take into account gender considerations

CARE believes:

- *Sufficient adaptation funding, while crucial, is not enough. We must also ensure that funds are used effectively, and are channeled where they are needed most.*
- *Existing funding mechanisms for adaptation are not designed to deliver funds in a way that targets the most vulnerable.*
- *Systematic assessment of socio-economic vulnerability within high-risk geographic regions is currently not an integrated part of international and national approaches to adaptation. Proposed priority adaptation measures are therefore unlikely to reach or benefit the most vulnerable communities, populations and people who need the support the most.*
- *Vulnerable groups within countries and communities must be identified.*
- *Vulnerability assessments must incorporate analysis of economic, social and political determinants of adaptive capacity. Developing countries should be assisted in carrying out human vulnerability and climate risk assessments, which take into account gender considerations.*
- *Resources for inclusive and participatory assessments and planning must be available up front.*

¹ World Bank 2009. The Cost to Developing Countries of Adapting to Climate Change, The Global Report of the Economics of Adaptation to Climate Change Study.

² Adapting to climate change: what's needed in poor countries, and who should pay. Oxfam Briefing Paper 104, May 2007.

³ Fighting climate change: Human solidarity in a divided world. United Nations Development Program (UNDP) Human Development Report 2007/2008.

A wide range of climate change adaptation needs are already being felt in much of the world. These needs will only grow over time, with the rate of growth dependent on progress made on the mitigation front. The post-2012 agreement now being negotiated, therefore, will have to include greatly stepped-up commitments by the Parties to meet the developing world's adaptation challenges, a fact that is increasingly recognized and in the spotlight.

CARE's experience has shown that vulnerability to climate change varies not only between countries, but within countries, communities and even households. People in extreme poverty are not only more exposed to new and adverse climate conditions, but the very factors that keep them trapped in extreme poverty also make them especially vulnerable to climate change. In the poor communities where CARE works, for example, social and cultural rules and norms that govern and place limits on the lives of women, girls and other marginalized groups make them especially vulnerable to climate change.

The UNFCCC is silent on the crucial need – and obligation from a rights perspective – to identify and support the most vulnerable communities, populations and people. It is imperative that the international agreement and framework for adaptation assistance to the developing world ensure that those most at risk and least equipped to manage the consequences are receiving support, either in the form of direct adaptation assistance or broader infrastructure, service and policy reforms that facilitate community-based adaptation efforts.

Notwithstanding this oversight in the original text, Parties to the Convention are increasingly speaking out on this issue and, in the context of the Kyoto Protocol's Adaptation Fund, access to funding is contingent on special attention being given by eligible Parties to the particular needs of the most vulnerable communities. This is a key step forward.

The post-2012 agreement must channel funds to the people who need them most. This requires⁴:

Human Vulnerability and Climate Risk Assessments. Analysis of current exposure to climate shocks and stresses, and model-based analysis of future climate impacts. It also demands an understanding of the existing vulnerability of individuals, households, and communities and the institutional, political, physical and social environment in which they live. Eligible developing country governments seeking international adaptation funding should be assisted to carry out human vulnerability and climate risk assessments and show how priorities in their proposed adaptation plans and budgets derive from and respond to such assessments. Vulnerability assessments should be gender sensitive and involve local stakeholders. Results need to be disseminated widely and applied in conjunction with climate risk assessments.

Upfront Resources for Inclusive Planning. Resources for inclusive and participatory assessment and planning processes must be provided up front. Essential to such processes is as clear, accessible, timely, accurate and complete information as possible, based on the latest expert assessments of climate change impacts relevant to a given region and any promising experiences and lessons for reducing vulnerability, building resiliency, and adapting in similar environments.

Ultimately, global adaptation funding of a larger amount should only go toward national adaptation plans and strategies that demonstrate an inclusive and participatory process of planning and the prioritization of actions and investments, which is based on human vulnerability and climate risk assessments. Actions funded through these mechanisms should explicitly aim to increase the adaptive capacity of the most vulnerable groups.

⁴ See Pro-Poor Governance of Global Adaptation Funds, 2009, by CARE, Germanwatch and Bread for the World for more detailed analysis and explanation of recommendations.

Inclusive and transparent decision-making

CARE believes:

- *Adaptation actions will not be successful unless they result from an inclusive and transparent decision-making process.*
- *In order to systematically incorporate the interests and knowledge of vulnerable communities, populations and people, their active and meaningful participation in prioritising, designing and implementing adaptation activities is essential.*
- *The post-2012 agreement must establish mandatory mechanisms giving the world's most vulnerable people a voice in decision-making on adaptation, from local to the international levels.*

Decisions regarding the funding and implementation of adaptation measures have profound implications for the lives and livelihoods of poor people around the world. Yet critical decisions are being made by national governments and multilateral organizations with almost no space provided for the representatives of poor and marginalized groups.

People's vulnerability to climate change is frequently a reflection of marginalisation within their own communities and countries. For adaptation plans and activities to meet the needs of the most vulnerable, they must be guaranteed a role in decision-making processes. Many lessons can be taken from developments in the realm of development effectiveness, the experience of the Global Fund to Fight AIDS, TB and Malaria, and elements of existing adaptation funds, such as the Kyoto Protocol's Adaptation Fund. Based on these lessons, CARE recommends the following⁵:

Support for Human Vulnerability and Climate Risk Assessments. Effective adaptation requires analysis of current exposure to climate shocks and stresses and model-based analysis of future climate impacts. It also demands an understanding of the existing vulnerability of individuals, households, and communities and the institutional, political, physical, and social environment, as well as ecosystems, in which they live. Eligible developing country governments seeking international adaptation funding should be assisted to carry out human vulnerability and climate risk assessments and show how priorities in their proposed adaptation plans and budgets derive from and respond to such assessments. Vulnerability assessments should be gender responsive and involve local stakeholders. Results need to be tracked, disseminated widely, and applied in conjunction with climate risk assessments.

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Prioritization of Most Vulnerable People in National Adaptation Action Plans and Strategies. Ultimately, global adaptation funding of a larger amount should only go toward national adaptation plans and strategies that demonstrate an inclusive and participatory process of planning and the prioritization of actions and investments, which is based on human vulnerability and climate risk assessments.

Composition of Global Board. Representatives from vulnerable communities, populations and people and from civil society should be on the Board of any future international adaptation funding regime. They should have full participation and voting rights. Delegates from civil society should come in particular from organizations with strong and direct links to vulnerable communities, populations and people.

⁵ See Pro-Poor Governance of Global Adaptation Funds, 2009, by CARE, Germanwatch and Bread for the World for more detailed analysis and explanation of recommendations.

Support for Representatives from Vulnerable Groups and Civil Society. Any new international adaptation funding regime should provide support to vulnerable groups and civil society delegations on a global Board to meet basic standards and guidelines for delegate selection (or election), information sharing, constituency consultation and position development, and reporting. If direct representation proves politically unattainable in the near term, emerging standards for active civil society and affected population participation should be respected, at a minimum.

Composition of Adaptation Technical Panel. There should be assurances of representation of most affected groups directly – or, at a minimum, through civil society representatives with clear, strong links to them – on an Adaptation Technical Panel, or any similar institutional arrangement to be agreed upon. The Adaptation Technical Panel would assist in the preparation of national (and potentially regional) strategies and recommend to a Board a “financial entitlement” for countries to implement, with periodic grant installments, their approved strategies.⁶

Independent Monitoring and Evaluation. The global monitoring and evaluation system for any future adaptation funding regime must include an independent capacity that can provide external direction and support to annual monitoring processes and more occasional evaluations of the outcomes of developing country adaptation strategies and investments supported by global funding. Monitoring should include regular assessments of progress made in fulfilling basic civil and political as well as economic, social and cultural human rights through adaptation programs and policies.

Space for Civil Society Review and Comment. As proposed strategies, implementation reports, and requests for grant installments are submitted by national governments, it will be crucial for space to be provided for civil society to review and comment on the contents – via posting on the web and allowing sufficient time for concerned groups to digest and feed back – and for such comments to be taken seriously in international-level decisions on further assistance.

Establishment of Country Coordinating Mechanisms. In disbursing funding to developing countries, any future global adaptation finance regime should include the establishment of a coordinating mechanism within countries (or enhancement of comparable existing mechanisms) to represent all relevant stakeholders, build on and coordinate a range of adaptation institutions and resources in country, and spearhead national adaptation planning and monitoring and evaluation. This should not be regarded as a condition for adaptation funding, but as an instrument to facilitate the development of effective adaptation strategies, taking into account the human rights obligation of developing country governments to give special attention to their most vulnerable people.

Composition of Country Coordinating Mechanisms. Guidelines for composition and putting representatives in place should be made explicit and resourced as needed. Resources should be made available for this, specifically up-front finance for developing countries to invest in processes and institutions for sustaining planning, implementation and monitoring activities in a manner that enables and encourages the participation of all stakeholders, particularly vulnerable people.

Terms of Reference. Any future international adaptation financing regime should expect developing country governments to put in place terms of reference for their country coordinating mechanisms and support them to live up to their agreed terms of reference. These should reflect good practice related to composition, roles and responsibilities of members, including of chairs and any other leadership positions; proactive and transparent communications and information sharing; meeting formats and rules; constituency accountability; and processes and procedures for national strategy development, implementation, monitoring and evaluation.

Sub-national Coordinating Committees. Strong consideration should be given to mandating sub-national coordinating committees that can connect more easily with and represent up the local-level realities and perceptions of what can and should be done as part of an effective and appropriate

⁶ The idea for this panel comes from proposals made by many developing countries in the negotiations. It potentially could build on the Least Developed Countries Expert Group, which has gathered a lot of experience around the NAPA process.

adaptation strategy. For many developing countries, this would call for major and sustained institutional strengthening support.

Reporting. In proposals for international funding, developing countries should document 1) significant most affected population representation in country coordinating mechanisms, 2) legitimate selection or election processes for such representatives, and 3) effective access to information for affected population constituencies and their meaningful participation in planning and monitoring and evaluation of plan and budget implementation.

The post-2012 agreement must mandate the participation of vulnerable groups in decision-making on adaptation, and it must establish mechanisms to ensure that this participation is active and meaningful. Active participation implies dialogue and shared decision-making power. This requires a global framework which establishes mechanisms for accountability to those most affected by climate change.

Mechanisms to support community-based adaptation

CARE believes:

- *Properly designed top-down, scenario-driven approaches to adaptation can play a role in reducing vulnerability to climate change. However, they frequently fail to address the needs and concerns of the most vulnerable.*
- *Community-based adaptation measures, within an appropriate enabling environment, are the most effective way to facilitate adaptation by the most vulnerable groups.*
- *Existing funding mechanisms and planning processes do not prioritize community-based adaptation.*
- *The post-2012 agreement must establish mechanisms to support community-based adaptation as part of an integrated and comprehensive approach to adaptation.*

Despite the global nature of the challenge, the impacts of climate change are locally-specific. The most effective way to ensure that adaptation funds help the most vulnerable is through community-based adaptation initiatives which explicitly aim to build their adaptive capacity. Community-based adaptation is an integrated process which is grounded in analysis of vulnerability from environmental, social, economic and political perspectives. It combines traditional knowledge with innovative strategies to address evolving challenges. The process is focused on building resilience of livelihoods, protecting people and assets from climate hazards such as droughts, floods and cyclones, and engaging and building capacity of local institutions to support people in adapting. It also involves challenging the power structures and policies that shape people's vulnerability.

In CARE's view, community-based adaptation involves action not only at the local level, but also the creation of an enabling environment. This requires the engagement of a wide range of stakeholders, from vulnerable people, to local governments and civil society organizations, to national-level policymakers in vulnerable countries. The post-2012 agreement must put in place mechanisms to ensure that all of these stakeholders can play appropriate roles, and that the global adaptation effort is focused on appropriate actions to meet the needs of the world's most vulnerable people.

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For more information contact:
Ms. Christina Chan
Senior Policy Analyst
CARE USA
cchan@care.org