Briefing

Climate change

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Addressing climate adaptation through equity concepts

Equity — fairness — is central in ongoing negotiations for a new legally binding international climate change agreement, to be adopted in 2015. But the debate focuses heavily on burden and effort sharing for mitigation. Adaptation gets very little attention. Yet adaptation needs are real, immediate, and will likely escalate unless mitigation efforts are substantially more ambitious. Adaptation costs fall hardest on vulnerable developing countries, and must be addressed for a new agreement to have global acceptance. Equity provides a strong basis for capturing all the issues pertinent to a fair and effective agreement. This briefing paper reviews current thinking on equity and adaptation, lists seven key elements of equity, and proposes seven action points that a new global agreement must take.

Policy pointers

Equity offers a strong 'normative' basis for capturing the issues in a fair and effective global climate change agreement, to be adopted in 2015.

Tackling adaptation by using equity concepts recognises the needs of the climate-vulnerable poor, demands equitable distribution of climate finance, and promotes vulnerable groups' participation in decision making.

A new climate change agreement must address adaptation needs of the most vulnerable developing countries if it is to increase global ambition and participation.

Key issues will be: assessing countries' adaptation needs; linking these to global warming scenarios; , addressing the 'public finance gap'; establishing common rules on accounting and compliance; establishing review mechanisms; recognising vulnerable countries' special needs; addressing loss and damage; and strengthening institutional linkages.

Equity in climate negotiations

Equity is defined as being just and fair. Decades of scholarship have built an established consensus that the anthropogenic nature of global climate change, its impacts, the processes for addressing the problem, and the outcomes of those processes all raise issues related to equity.

As the latest IPCC report reveals an even more daunting global climate challenge, the United Nations Framework Convention on Climate Change (UNFCCC), which provides the multilateral forum for addressing the problem, will play a pivotal role. It is expected to help move countries towards low-carbon, climate-resilient development pathways through its negotiations under the Durban Platform.

The UNFCCC assigns equity a prominent place, though it offers no definition. But both the guiding principles of the UNFCCC and the current negotiations mainly use equity concepts when apportioning the burden and effort-sharing needed to reduce emissions. Very little attention is given to equity as it relates to adaptation. Yet there is increasing evidence that economies and societies, particularly some vulnerable developing countries such as Least Developed Countries (LDCs), are already severely affected by climate change. Because of the uneven distribution of these impacts, and poorer countries' lack of capacity and resources to respond, questions of equity become extremely pertinent to the climate change adaptation debate.

Mitigation and adaptation are not an either or choice

When the UNFCCC was initially adopted in 1992, adaptation was viewed as a long-term need that should be dealt with once climate change effects had become more evident and mitigation options had been pursued. Two decades later, many still believe that the real sense of urgency behind international action should focus efforts on mitigation. Some even see the policy debate on climate change as a choice between mitigation and adaptation, and view adaptation as a distraction. Some fear discussions on adaptation could derail country commitments to mitigating greenhouse gas emissions. In fact, both have their own roles to play: mitigation to avoid future climate changes and their effects; adaptation to address current impacts, and future impacts if mitigation fails.

Few developing countries have the resources to guard themselves against climate change damage

The response to climate change mitigation so far has been inefficient and severely inadequate, removing any rationale for 'dealing with adaptation later'. Low pledges on reducing greenhouse gases (GHGs) in the atmosphere have set the world on a pathway towards 3.5 to 4°C of warming. For example, if business-as-usual practice continues, the IPCC predicts that the global mean temperature will increase above 4°C relative to pre-industrial level by 2100.[1] Others predict that even when the current emission reduction pledges and proposals are applied, the world is still heading for a global mean temperature increase of about 3.5-4°C relative to pre-industrial level by 2100.[2] Such scenarios demand a focus on both mitigation and adaptation needs.

The increasing need for adaptation, particularly by the poor and vulnerable countries, is itself a product of inequality. There are now many studies proving climate change impacts and climate change responsibility are distributed inequitably around the world.

The lack of resources and capacities of some developing countries to respond to climate change necessitates interventions that redress inequality. Few developing countries have the economic, technical and human resources to adequately guard themselves against climate change damage.

The UNFCCC status quo

The convention requires parties to "protect the climate system for the benefit of present and future generations of humankind, on the basis of equity. Accordingly, the developed country parties should take the lead in combating climate change and the adverse effects thereof"[3].

The UNFCCC indirectly attempts to establish responsibility for adaptation through Article 2, which establishes the convention's ultimate objective of stabilising GHG concentrations in the atmosphere so that dangerous anthropogenic interference with the climate system can be avoided. The article calls for stabilised levels of GHGs within a time frame that: allows ecosystems to adapt naturally to climate change; that ensures food production is not threatened; and that lets economic development proceed in a sustainable manner. But the article links parties' emission levels to adaptive capacities without actually addressing adaptation responsibility, and the timeframe for achieving such stabilisation is vague.

Furthermore, in Article 3, the convention clearly establishes responsibility for developed countries to take into account the special needs and circumstances of those countries particularly vulnerable to climate change impacts.[3] Article 4 of the convention states that "developed country Parties… of the Convention should help vulnerable developing country Parties meet the costs of adapting to climate change impacts" and emphasises the need to take into account the specific needs and special situations of the LDCs in the actions with regard to funding and transfer of technology.

These provisions essentially include equity as an operational feature in the convention. But consensus around this general principle has not been translated into actual obligations, particularly in relation to assistance to developing country parties.

The Cancun Adaptation Framework, adopted in 2010, marked an important milestone in international action on adaptation. For the first time, the international climate regime agreed an umbrella under which the UNFCCC aims to provide guidance on various aspects of international cooperation on adaptation. A new Adaptation Committee was established to harmonise the UNFCCC adaptation work streams. Parties also decided to begin a new Work Program on Loss and Damage and introduced the National Adaptation Plan (NAP) process, to enable LDCs and other developing countries to formulate and implement their medium- and long-term adaptation plans. But funding for NAP formulation and implementation is entirely voluntary.

Adaptation is underfunded

The disproportionately little attention paid to adaptation is mirrored in the low levels of financing. When compared with mitigation, adaptation financing is seriously lagging.

Estimates of adaptation costs vary across developing countries. According to UNFCCC estimates, adaptation to climate change will cost US$49–171 billion per annum globally by 2030,[4] of which a significant share of the additional investment and financial flows, US$28–67 billion, would be needed by 2030 in developing countries.[4] In 2009, IIED estimated that the real costs of adaptation are likely to be two to three times greater than estimates made by the UNFCCC.[5]

Since 2003, only 15 percent of climate finance approved for projects under the UNFCCC has gone to adaptation. From the recent US$30 billion 'fast start' financial resources, which were supposed to have a 'balanced allocation between mitigation and adaptation', only around 20 per cent was allocated for adaptation. Out of the US$5 billion required for implementing urgent and immediate adaptation priorities in 49 Least Developed Countries (as determined by the National Adaptation Programmes of Action of LDCs)[6] only around US$779.50 million has been pledged to the Least Developed Countries Fund so far.[7] Similarly, other agreed principles of climate finance, such as funds being additional, adequate, predictable, and sustainable, have not been followed through so far.

Also, none of the estimates establish a connection between differing global warming scenarios and countries' adaptation needs. In other words, the cost estimates do not match with various global warming scenarios predicted by scientific analyses based on various levels of pledges.

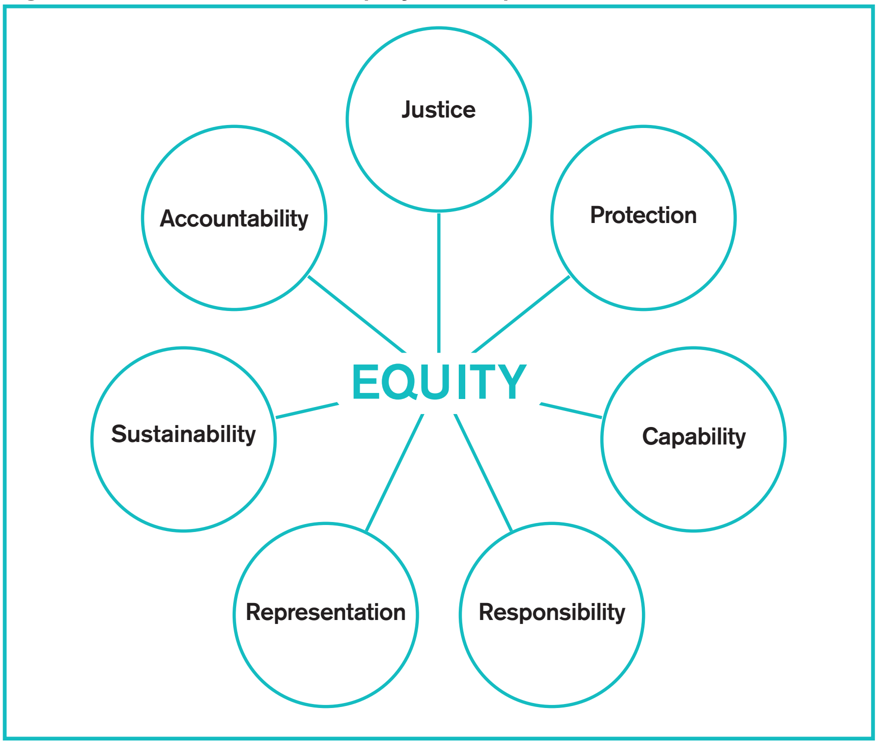
In addition, the negotiations on finance tend to focus heavily on the private sector. But the private sector has generally focused on climate mitigation, for example by reducing emissions through developing renewable energy and energy efficient technologies. So far hardly any private investors are interested in investing in adaptation. Therefore, while attracting private sector investment should be encouraged, it cannot be relied on for adaptation in poor countries. Most of the financing for adaptation must come from the fulfilment of the developed country responsibilities under the convention, through the public sector.

Beyond the status quo

A renewed drive for a stronger international response to climate change is driving efforts to adopt a new global agreement in 2015. In working towards this, the Durban Platform for Enhanced Actions (agreed in 2011) provides a unique opportunity to plan holistically on a range of important issues, including adaptation.

If the new agreement in 2015 is to be acceptable to all the countries and be sustainable, it must be based on a strong 'normative' and logical foundation — that is, one that clearly establishes how things should be, and the arguments for that vision. Equity provides a strong normative basis for capturing

Figure 1. Seven elements of equity for adaptation



all the relevant issues in a fair and effective agreement. Such a foundation should be able to address countries' different interests and represent the needs of the most vulnerable countries, resulting in a higher global ambition.

A normative equity framework could be based on seven key elements:

Justice. The principle behind equity in adaptation is justice at both distributive and procedural levels. Distributive justice concentrates on how resources should be distributed, the process for that distribution, and allocations made to the parties. Procedural justice ensures parties are treated equally during that process. Applying distributive and procedural justice lets a society correct injustice and reduce disparities.

Protection. The international agreement must devise adaptation mechanisms to protect the most vulnerable (both countries and communities). Also, there must be a system to recognise and address loss and damage related to climate change.

Sustainability. Equity has both intra- and inter-generational aspects. Adaptation mechanisms need to make life better for both present and future generations.

Representation. A new agreement only makes sense when all the parties are part of it. Representation must also extend to different sections within states — particularly poor and vulnerable communties. And 'ownership' must be promoted for countries receiving climate finance, so they can follow their own, not external, priorities.

Responsibility. Every country and its individuals have a common responsibility to protect the global climate system. All countries will inevitably contribute to their own adaptation costs, but developed countries need to lead the efforts and provide predictable public finance for adaptation.

Capability. Those more able to take responsive measures should help the less capable.

Accountability. There must be a proper system to ensure the funds are used in the most effective way.

Seven action points to ensure equity in climate adaptation efforts at global level

Seven urgently-needed action points arise from this seven-point framework:

1. Conduct an initial assessment of costs and residual damages for different emissions scenarios. A clear assessment will ensure the future agreement meets the need for equity in delivering justice and protecting the most vulnerable.
2. Introduce a system or formula to recognise how much funding is required for adaptation, and how it should be scaled up based on likely emission scenarios. This will help parties understand that the less they mitigate the more funding for adaptation is needed and that the cost of climate change is lower now than in the future. There must be adequate provisions for meeting the special needs and circumstances of the most vulnerable countries.
3. Developed country UNFCCC parties must commit to providing sustainable, predictable, new and additional public finance for adaptation. There must be agreement on common criteria for what counts as public finance, including a common baseline against which finance should be considered 'new and additional'. Innovative funding sources, such as market and other potential private sector opportunities for adaptation, should be considered, but private sector finance should not be prioritised over public sector financial commitments for adaptation.
4. Common accounting rules and a strong compliance regime are needed to ensure finance commitments are delivered in a timely manner.
5. A review mechanism must conduct regular reviews of whether commitments to tackling adaptation, particularly through financial support, are adequate, and must lead towards new commitments when existing commitments are insufficient.
6. Any new agreement must make provision to address loss and damage in sectors and areas where adaptation to climate change is projected to become unmanageable, infeasible or uneconomical under likely climate scenarios. The provisions must also establish an international mechanism to address loss and damage.
7. Linkages between institutions already addressing adaptation must be strengthened and new institutions must be created if the existing institutions are insufficient.

Taking these action points will ensure that the equity elements of adaptation are met, and will help the new agreement achieve the highest possible effectiveness, ambition and participation.

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Notes

[1] IPCC. 2013. *Working Group I Contribution to the IPCC Fifth Assessment Report Climate Change 2013: The Physical Science Basis - Summary for Policymakers.* / [2] UNEP. 2012. *The Emissions Gap Report 2012 - A UNEP Synthesis Report.* / [3] UNFCCC Article 3 http://unfccc.int/essential_background/convention/background/items/1349.php / [4] UNFCCC. 2007. Investment and Financial Flows to Address Climate Change. Executive summary. See: http://unfccc.int/cooperation_and_support/financial_mechanism/items/4053.php / [5] Note that this UNFCCC estimate has been criticised as underestimating the cost of adaptation to climate change by a factor of two or three, and omitting sectors such as tourism, mining, energy, and retail. See Parry *et al.* 2009. *Assessing the costs of adaptation to climate change: A critique of the UNFCCC estimates.* IIED, London. http://pubs.iied.org/11501IIED / [6] This includes co financing by LDCs to implement NAPA projects. Ciplet, D. *et al.* 2013. *Least Developed, Most Vulnerable: have climate finance promises been fulfilled for the LDCs?* ecbi. / [7] Figure from the Global Environment Facility status report on the Least Developed Countries Fund, October 2013.