



**Climate Action Network - International
Submission to UNFCCC Ad Hoc Working Group
on Long-Term Cooperative Action
Regarding An Adaptation Action Framework**

24 April 2009

The Climate Action Network International (CAN) welcomes the opportunity to provide input on discussions under the Ad Hoc Working Group on Long-Term Cooperative Action under the UNFCCC. CAN is a coalition of more than 450 environmental and development non-governmental organizations worldwide, committed to limiting human-induced climate change to ecologically sustainable levels.

An Adaptation Action Framework for the Copenhagen Agreement

The COP15 Copenhagen Agreement should include a global Adaptation Action Framework (AAF) to strengthen international activities and commitments to deal with current and future impacts of climate change in developing countries and in particular the most vulnerable, in order to massively increase support to vulnerable developing countries so they can adapt to climate change, reduce vulnerabilities and build resilience against, and manage loss and damage from, the now unavoidable impacts of climate change.

The Framework must demonstrate and implement a firm global commitment to minimise the impact of climate change upon the livelihoods of the poorest populations of the world, who have made a minimal contribution to causing climate change but face devastating and disproportionate impacts. These poor populations are already struggling to survive on the margins, whilst other existing global commitments to address poverty (such as the MDGs) are suffering from the failure of rich countries to meet their 0.7% ODA commitments. Their poverty is further compounded by the additional burdens imposed upon developing countries resulting from climate change impacts.

It is totally unacceptable that the poor and vulnerable are increasingly being subjected to additional stresses due to the actions and inactions of the world's richest nations. The global community must urgently take every possible step, in good faith, to ensure that additional climate stresses are quickly minimised and eliminated through immediate greenhouse gas emissions reductions and full support for adaptation that prioritises the interests of the poorest and most vulnerable.

1. Objectives & Scope of the Adaptation Action Framework (AAF)

The Adaptation Action Framework should:

- (i) Massively scale-up financial, technological and capacity resources for developing countries, particularly the most vulnerable, to adapt to climate change, reduce vulnerabilities and build resilience against, and cope with loss and damage from, the now unavoidable impacts of climate change.

- (ii) Prioritise the needs of the most vulnerable Parties – particularly LDCs, SIDS, and African countries prone to droughts, desertification and flooding – as well as the needs and interests of communities and people most vulnerable to climate change, in particular women, children and indigenous peoples, protecting, respecting and fulfilling their fundamental rights.
- (iii) Ensure that all Parties meet their adaptation-related commitments under the Convention and the Bali Action Plan, in particular the provision of financial support by developed countries to support developing countries, adhering to the principles of responsibility and capability in the provision of resources.
- (iv) Promote an integrated approach to adaptation which is aimed at enhanced resilience by reducing the vulnerability of the poor, in particular women, children, indigenous people, and those disproportionately impacted. Such integrated approaches should be incorporated into existing development processes, institutions and mechanisms, poverty reduction and disaster risk reduction strategies as well as natural resource management strategies; and support integrated adaptation approaches that link community and ecosystem based adaptation.
- (v) Provide easy and direct access to much-needed resources for governments and communities and people most vulnerable to climate change, to gather and generate information on the local impacts of climate change, and to take immediate measures to plan, implement and monitor measures to adapt to climate change, reduce vulnerabilities, increase resilience and cope with loss and damage from climate change.
- (vi) Strengthen international activities to facilitate and support adaptation planning and implementation, and the exchange of knowledge and experience amongst all Parties, including local and traditional knowledge.
- (vii) Establish publicly funded, global and regional risk management and insurance mechanisms to cover large-scale disaster losses; and support and assist in establishing (micro-) insurance systems for addressing medium-sized impacts.
- (viii) Establish compensation and rehabilitation mechanisms to deal with the loss and damage from the immediate and slow-onset impacts where adaptation is no longer possible and that cannot be covered through insurance.
- (ix) Establish and strengthen regional adaptation centres and initiatives for adaptation planning, forecasting and information sharing on projected climate change impacts.
- (x) Support effective monitoring and evaluation systems, building on in-country experience and processes.

2. Principles for the Adaption Action Framework

The framework, as well as the financing, planning and implementation of adaptation actions under this framework, shall adhere to the following principles:

- (i) Respect, protect and promote fundamental human rights and basic rights as outlined in the UDHR, ICESCR and ICCPR and other relevant conventions and treaties.

- (ii) Prioritise the adaptation needs of, and ensure that resources reach, the most vulnerable including marginalised groups, women and children, indigenous peoples, local communities and those disproportionately impacted, as well as vulnerable ecosystems, through enhancing adaptive capacity and reducing vulnerability.
- (iii) Recognise that climate change impacts are transboundary and vary between and within countries, and responses will have to be based on local assessment of risks, needs and circumstances and be relevant to local people and communities.
- (iv) Protect and sustainably manage the natural resource base and recognise that ecosystems and the goods and services they provide (such as water, food, soil protection and carbon capture etc.) underpin resilience and are fundamental to support human adaptation and sustainable development.
- (v) Maximise national, sub national and community level ownership over adaptation planning and implementation processes, and disbursement of adaptation finance, in order to enable and encourage participatory local-level planning and implementation.
- (vi) Plan and implement adaptation actions in a transparent and well documented way that is open to public scrutiny and discourse. Ensure the representation of key stakeholders, especially representatives of vulnerable communities, marginalised groups, women, and indigenous peoples at every stage of the process as appropriate – including in the governance and disbursement of adaptation finance, planning, implementation, monitoring and reporting.
- (vii) Support the establishment of flexible long-term processes and mechanisms for adaptation, in recognition of the long-term nature of climate change impacts, respective adaptation and climate-resilient development. Adaptation should be integrated into existing development planning and implementation processes at the national level, and consider ecosystem feedbacks to promote poverty reduction and long-term resilience.
- (viii) Ensure adaptation actions deliver no-regret and multiple-benefit measures and avoid mal-adaptation and conflict, and supports documentation and the scaling up of good practices of implementation in community and national adaptation projects.
- (ix) Ensure gender equity in planning and decision-making when implementing adaptation actions, recognising the special needs, interests and knowledge of women and their particular vulnerability to climate change, and their capacity to contribute to adaptation strategies.
- (x) Adopt a process driven learning-by-doing approach on adaptation planning and implementation, recognising the urgency to adapt in the absence of complete information and the need to develop and implement flexible plans and programmes that can be updated on the basis of new information and learning.
- (xi) Adhere to the precautionary principle, agreed upon in Principle 15 of the Rio Declaration and Article 3.3 of the UNFCCC, in adaptation planning, decision-making and implementation, with regard to the scale and nature of adaptation actions and to prevent mal-adaptation. Any lack of full scientific certainty should not be used as a reason to postpone or scale down action on adaptation.

- (xii) Build upon, and integrate adaptation actions with, existing experience from relevant processes and measures within and outside the UNFCCC, including, but not limited to, the lessons learned and outcomes from the Nairobi Work Programme, the Hyogo Framework of Action, the Convention on Biological Diversity etc., when planning and implementing adaptation actions.

3. Institutional Arrangements & the Means of Implementation

3.1. Adaptation Funding Executive Board (AFEB) and its Funding Window

An Adaptation Funding Window¹ as part of a future funding structure under the UNFCCC (“Climate Fund”) should be established (building upon the existing Adaptation Fund). The Adaptation Funding Window would:

- (i) Primarily disburse financial support to developing countries for planning and implementing adaptation, particularly LDC, SIDS and African countries prone to droughts, desertification and flooding, and other extremely poor and vulnerable countries.
- (ii) Mobilise, over the 2013-2017 period, at least €200 billion for adaptation planning and implementation in developing countries and €25 billion for the international insurance component of the Climate Insurance Mechanism (see below)².
- (iii) Be financed particularly by all developed country Parties³ to fulfil their commitments to support adaptation in developing countries, and be additional to financial resources required to reach developed countries’ 0.7% ODA commitments.
- (iv) Periodically adjust the level of finance provided to the Adaptation Funding Window, based on needs assessments and the degree of stringency and adequacy of future mitigation targets and global emission pathways.
- (v) Provide finance to developing countries for both the Adaptation Readiness and Urgent Actions Pillar and the Pro-Active and Integrated Adaptation Pillar (see below), through grants, not loans, in recognition of the limited options for private finance to cover the additional costs of adaptation.
- (vi) Reserve [a minimum of] [10%] of the finance for actions under the Adaptation Readiness and Urgent Actions Pillar (see below).
- (vii) Finance the Climate Insurance Mechanism and the Compensation and Rehabilitation Mechanism, the continuation of the Nairobi Work Programme, and regional co-operation initiatives and networks.
- (viii) Be the primary channel for providing financial support to developing countries. Support provided outside the mechanisms of the UNFCCC and the Copenhagen Agreement should only be counted towards fulfilling UNFCCC commitments only if it follows criteria and guidelines to be agreed on by the COP.

¹ It should be examined if provisions related to the Kyoto Adaptation Fund could be adjusted or expanded, enabling it to perform the functions and modalities outlined here.

² Based on preliminary adaptation cost estimates of several studies, such as Oxfam, UNFCCC, UNDP

³ Suggested key source is auctioning a share [10%] of AAUs, complemented by revenues from international bunkers and possibly other sources.

- (ix) Be governed by an Adaptation Funding Executive Board based on the governance and operational principles of the Kyoto Adaptation Fund Board (which could be expanded to take up the role of, and essentially become, the AFEB), to manage operations of the Adaptation Funding Window.

The Copenhagen Agreement should also include provisions to recognise and strengthen the existing Adaptation Fund and its Board and to incorporate it into the new institutional architecture of the Adaptation Action Framework as a foundation for future development of the AFEB as explained above.

3.2. Adaptation Technical Panel (ATP)

The Adaptation Technical Panel should be established as part of the Adaptation Action Framework and be under the authority of the [COP] [Adaptation Funding Executive Board]. The ATP would consist of expertise from government, civil society, research institutes with balanced representation from both Annex 1 and Non Annex 1 and have good geographical representation. Its tasks would be to, inter alia:

- (i) Assist in the preparation of the national strategies (see below) and recommend (to the Adaptation Funding Executive Board), a “financial entitlement” for the country submitting the strategy, entitling the country to receive periodic grant instalments from the Adaptation Window for ongoing implementation.
- (ii) Assist in the operation of the Climate Insurance Mechanism.
- (iii) Assist in the operation of the Compensation and Rehabilitation Mechanism.
- (iv) Assist in the operation of the Adaptation Technology Mechanism.
- (v) Ensure the gathering and dissemination of relevant knowledge and information produced by subsequent phases of the Nairobi Work Programme (see below).
- (vi) Provide information on, and assist in the evaluation of, the ongoing work to implement adaptation under the UNFCCC, and recommend further action to the COP.

4. Implementing Adaptation in Developing Countries

Under the Adaptation Action Framework, developing countries would receive financial support for planning and implementing adaptation under two adaptation pillars – either simultaneously or in a staged approach, e.g. starting with the first pillar and phasing in the second pillar, as nationally appropriate.

4.1. Adaptation Readiness and Urgent Actions Pillar

Under the first pillar, the Adaptation Readiness and Urgent Actions Pillar, developing countries would receive upfront finance, as well as technological and capacity-building support to:

- (i) Plan and implement urgent adaptation action to minimise climate impacts upon the poorest and most vulnerable and contributing to sustainable development, and where appropriate by building and expanding on, where

- appropriate, NAPA experiences or comparable in-country processes, including local processes and activities by non-governmental institutions.
- (ii) Generate information, including to guide funding allocation, on local impacts, vulnerabilities, and demographic analyses, risk assessments (with reference to basic human rights standards such as those from the ICESCR), by supporting existing scientific and institutional capacity where it exists and investing in it where it does not.
 - (iii) Investing in setting up sustainable systems for the dissemination of the information of climate impacts, to ensure that stakeholders are sufficiently informed to fully participate effectively in adaptation planning.
 - (iv) Investing in the processes and institutions needed for sustaining planning, implementation and monitoring activities, in a manner that enables and encourages the participation of all stakeholders, particularly vulnerable communities and their ability to access funding, laying the foundation for more comprehensive and larger scales of investment for longer term strategic adaptation planning and implementation.

The Copenhagen Agreement should also include COP decisions to a) fill the NAPA funding gap, and a work programme to remove other barriers for full NAPA implementation; and b) a work programme to bring the provisions of the above-mentioned pillar into operation as early as 2010, to graduate into the full Adaptation Readiness and Urgent Actions Level of the Copenhagen treaty by the date it enters into force.

4.2. Pro-Active and Integrated Adaptation Pillar

Under the second pillar, the Pro-Active and Integrated Adaptation Pillar, developing countries would receive periodic and predictable finance to:

- (i) Set up new, or enhance existing, institutions or processes to take the role of a nationally appropriate In-Country Coordinating Mechanism (ICM), including identifying the most appropriate form of such a mechanism. The ICM would:
 - a. Be a country-driven process, representing all relevant stakeholders, particularly most vulnerable communities and civil society, ensuring a bottom-up approach to identify adaptation needs on local, sub-national and national levels.
 - b. Coordinate a range of national level adaptation institutions and actors including national government agencies, local government, private sector and civil society maximising the use of existing institutions and resources.
 - c. Develop, adopt and regularly review and update national adaptation planning, linking to cross-sectoral planning processes, feeding into the National Adaptation Action Strategies (see below) as well as conduct effective monitoring and evaluation system, building on in-country experience.

- (ii) Develop and fully implement National Adaptation Action Strategies (NAAS) with the active and sustained participation of all relevant stakeholders, through the ICM process described above.
 - a. Rather than static documents, the NAAS would be an iterative process to maintain a constantly updated compilation of sub-national adaptation plans under a national goal and vision, including actions to benefit from synergies with the operation of a potential technology and REDD mechanisms (of the Copenhagen Agreement) where they link to adaptation. The NAAS would aim for the co-ordinated integration of adaptation activities with national sustainable development, poverty reduction and disaster management strategies and existing development processes in all sectors (water, land use, agriculture, health, infrastructure etc.), ensuring the sustainability of the process, while recognising the needs for stand-alone adaptation and urgent adaptation actions, contributing to sustainable development.
 - b. Implementation of the NAAS would take place through nationally appropriate institutions and processes as identified by the ICM and the National Adaptation Trust (see below).
 - c. Upon submission of the initial NAAS, a country would receive a “finance entitlement” by the Adaptation Funding Executive Board, following recommendation by the Adaptation Technical Panel. Once this entitlement has been given, the country would receive periodic grant instalments (e.g. every [1][3][5] years) from the Adaptation Funding Window of the future funding structure of the Copenhagen Agreement, following periodic updating and evaluation of the NAAS as guided by the ICM.
- (iii) Develop and implement regional co-operation initiatives, including establishing new, or enhancing or reforming existing, regional adaptation centres or networks. The Adaptation Funding Window would provide adequate finance for the enhancement or establishment of such centres, networks or initiatives, following the request to do so by several countries in a given region to jointly operate such centres, networks or initiatives, inter alia through identification in their NAAS.

4.3. National Adaptation Trusts

National Adaptation Trusts (NAT) would be set up by the recipient Party (e.g. as part of a coherent National Climate Funding Facility), possibly by enhancing the scope and function of existing institutions and processes, and operated under the guidance of the ICM, ensuring participation of stakeholders, particularly the most vulnerable. Its tasks would include to:

- (i) Receive regular grant instalments from the Adaptation Window for ongoing planning and implementation processes under both Pillars as per above.
- (ii) Nationally disburse finance guided by the ICM and the NAAS.
- (iii) Co-ordinate, as appropriate, other bilateral or multilateral funds and co-operation mechanisms that are made available outside of the UNFCCC

Adaptation Action Framework and serve the needs identified through the in-country processes.

- (iv) Take fiduciary responsibility for the use of finance.

5. Nairobi Work Programme

The Nairobi Work Programme on Impacts, Adaptation and Vulnerability shall be continued, and where necessary, advanced and scaled-up, with a view to strengthen understanding of the adaptation challenge, and informing the work of the Adaptation Technical Panel and adaptation planning and implementation in developing countries. This should include gathering information and statistical, gender-disaggregated data on impacts and vulnerabilities, the role and value of ecosystems in adaptation and other areas related to knowledge sharing in all sectors relevant for adaptation including the use of traditional and low-tech solutions (ensuring prior informed consent for any traditional or indigenous knowledge use or transfer). A particular role of the continued NWP would be to make relevant information available to regional centres and initiatives.

6. Climate Risk Insurance Mechanism (CRIM)

A Climate Risk Insurance Mechanism (CRIM) should be set up under the Framework, consisting of two tiers:

- (i) Firstly a Climate Insurance Pool (CIP), financed by the Adaptation Funding Window, to cover a pre-defined proportion of high-level, climate-related risks or disaster losses. Within the scope of the CIP insurance options for slow-onset impacts such as rising sea-levels should also be explored.
- (ii) Secondly, a Climate Insurance Assistance Facility (CIAF) to provide needs-based technical support to countries and other forms of assistance, based on needs, including those identified in the national strategies (see below) on regional, national or sub-national level, for setting up and operating private and public-private medium-risk insurance schemes, such as micro insurance focused on the needs of the most vulnerable communities, for medium-sized climate-related risks.

Developing countries would be eligible for benefiting from the CIM if they plan or implement risk reduction and risk management activities supported by the Adaptation Action Framework in alignment with guidance from the In-Country Co-ordination Mechanism (see below) and under the two pillars described above (see section 4 above) . This will ensure that insurance solutions are embedded in, and linked to, national and local risk reduction strategies and measures.

7. Compensation and Rehabilitation Mechanism

The AAF should also include clear provisions for establishing a process to develop modalities for an international Compensation and Rehabilitation Mechanism (CRM). The CRM should have the objective to adequately deal with loss and damage from adverse impacts of climate

change that cannot be avoided through pro-active adaptation and cannot be covered by the Climate Risk Insurance Mechanism but require extreme responses for affected communities, such as resettlement and migration. The CRM would cover specifically those areas dealing with loss and damage that cannot be sufficiently dealt with through national adaptation strategies alone but require international co-operation and solutions. The CRM should also take into account the implications of failing to reach the ultimate objective of the UNFCCC, and of Parties' failure to meet their commitments under the UNFCCC and subsequent agreements such as the Kyoto Protocol.

Developing countries would be eligible for benefiting from the CRM if they plan or implement adaptation activities supported by the Adaptation Action Framework, to the degree that the opportunity to implement such actions is still available.

8. Adaptation Technology Mechanism

The Copenhagen Agreement should include an Adaptation Technology Mechanism, either as a separate mechanism or, preferably, as part of a wider climate technology mechanism under the UNFCCC. The mechanism would:

- (i) Assist in identifying priority technologies to assist adaptation and enabling activities to overcome relevant barriers for technology development, deployment and diffusion.
- (ii) Develop and implement specific international Adaptation Technology Action Programmes (ATAPs) for key technologies that require international or regional co-operation for their effective development, deployment and diffusion, remove barriers and facilitate, and provide finance for, access to these technologies; countries would identify their need to participate in, and benefit from, these ATAPs in their in-country NAAS process (see above); such ATAPs should:
 - a. Facilitate, and provide support for, the rapid transfer of key adaptation of technologies, including necessary financial resources to overcome IPR barriers – particularly in cases where the lives and livelihoods of people and communities depend on these technologies.
 - b. Provide support for capacity building and transfer of know-how to use, maintain, and expand on, key technologies, where lack of such capacity is seen as a barrier for their successful deployment and diffusion; provide support to enhance national and local capacities, including public sector and civil society institutional capacity, knowledge and know-how for locally appropriate sustainable adaptation technologies.
 - c. Remove policy barriers where they prevent the diffusion of existing and future adaptation technologies, such as IPR barriers.
 - d. Remove financial barriers where they prevent the diffusion of high-tech adaptation technologies, such as sophisticated information and communication technology, early warning systems, geographic information systems and new crop varieties.
 - e. Enable global, as well as national and local level, R&D into priority technologies where gaps are perceived, particularly to address the technological needs of the poor and specific local-level needs.
 - f. Foster innovation, research, development and demonstration of new high-tech technologies for adaptation, based on the identification of needs by national processes (such as NAPAs and NAAS), guided also

by other relevant processes such as the work of the EGTT, the NWP, regional co-operation initiatives, disaster risk reduction activities in the context of the Hyogo Framework, and other information- and knowledge-sharing platforms.

- g. Address technology needs identified within regional initiatives, processes and the work of regional adaptation centres and networks.
- (iii) Provide technical assistance to Parties' In-Country Co-ordination Mechanisms (see above) in identifying technology needs and technology strategies both with regard to technologies addressed internationally through the ATAPs, as well as technologies that can be locally or nationally sourced through NAAS implementation, including assistance to prepare national (and local) technology needs assessments.
- (iv) Provide technical assistance for where local collaboration (especially South-South technology sharing) is appropriate, e.g. where the adjustment of proven endogenous technologies (and/or their diffusion) to different local contexts in response to local vulnerabilities and needs assessments has been identified as the best option.

9. Monitoring and Feedback

Activities supported through this framework shall be subject to reporting and monitoring, including external, independent monitoring, including through the use of independent local level monitoring frameworks, to ensure transparency and accountability, with the objective to:

- (i) Support Parties in assessing progress towards developing effective adaptation strategies.
- (ii) Facilitate exchange and learning from each other's experience in implementing adaptation, including information on unintended feedbacks and mal-adaptation.
- (iii) Measure the effectiveness of activities carried out under this Framework, ensure effective spending of resources provided through the [Adaptation Funding Window] [Financial Mechanism of the UNFCCC], and ensure adherence to principles and objectives of this Framework.

Existing experience with reporting in the Initial National Communications should be built upon. The [COP] [COP/MOP] shall establish the modalities and procedures of the reporting and monitoring at a subsequent session, ensuring effectiveness and efficiency and that they minimise conflicts of interests on whatever level.

The costs for review and monitoring shall be covered by the general operational budget of the Adaptation Funding Window, and not by the individual countries' allocations to avoid conflict of interests.

The AFEB, with the assistance of the Adaptation Technical Panel, shall draft criteria for, and criteria and procedures for the certification of, independent monitoring entities to be registered by the AFEB that would report on, monitor, and evaluate implementation of, activities undertaken within the Adaptation Action Framework.