

**Durban Platform for Enhanced Action
(ADP)
Workstream 1**

**Submission by AILAC
(Independent Alliance of Latin America and the Caribbean)**

Following the invitation from the ADP for Parties to make submissions to further explore and elaborate specific ideas and proposals, AILAC presents this contribution in order to advance the discussions on the 2015 legally binding agreement, in particular with regard to its overall structure, and on the issues of adaptation and means of implementation.

1. Structure of the agreement

AILAC is of the view that the overall structure of the new legally binding agreement shall include the following elements:

1. Mitigation (including REDD+)
2. Adaptation and Loss and Damage
3. Means of Implementation
4. Transparency of action and support
5. Compliance mechanism

AILAC considers that COP 19 shall agree on a structure for the new legally binding agreement, including a specific outline for its text, in order to lay the basis for the negotiations during 2014, to meet the May 2015 deadline for having a complete draft negotiating text.

2. Adaptation

The ultimate objective of the UNFCCC as defined under article 2, includes the need to stabilize greenhouse gas emissions within a time frame that allows ecosystems to adapt naturally to climate change, in order to promote sustainable development. Under article 4.1 the definition of commitments to be undertaken by all Parties to the Convention includes the establishment of national and even regional programmes to facilitate adaptation (art. 4.1. (b)) and the need for cooperation on this (art. 4.1. (e)). Also under UNFCCC, Parties included in Annex II to the Convention shall assist developing country parties that are particularly vulnerable to climate change to meet the costs of adaptation (art. 4.4).

Despite the fact that the need for adaptation action and support are included in UNFCCC, the issue only recently gained relevance in the negotiations of the Convention. The Cancun Adaptation Framework (CAF), adopted during COP16, was the first attempt to fully capture the complexity of adaptation under the Convention, whereby the COP explicitly recognized that

enhanced action and international cooperation on adaptation is an urgent need that must be addressed by parties to the Convention (Decision 1/CP.16, paras. 11-35).

During COP16, Parties agreed to establish an Adaptation Committee to promote the implementation of enhanced action on adaptation under the Convention, and also agreed to establish the Green Climate Fund (GCF). It was moreover agreed that a significant share of multilateral funding should be channeled through the GCF, with a balanced allocation between adaptation and mitigation actions. The CAF also established the National Adaptation Plans (NAPs) process that seeks to enable Parties to identify adaptation needs and develop strategies to address them. The new legally binding agreement to be adopted should build upon these agreements.

Adaptation, however, poses a challenge for the negotiation process. Whereas the need for, and benefits of, mitigation actions can be readily understood at a global level, adaptation takes place basically at national and sub-national levels. Therefore support given and action undertaken to address specific adaptation needs directly benefits the country in which such action takes place, and the global benefits of local adaptation actions are generally difficult to track and not so clearly visible. This poses a major challenge on defining how the Convention and the international community can commit to and deliver on adaptation. This challenge however, cannot be interpreted to mean that the UNFCCC need not assign highest priority to adaptation actions. Adaptation is central to the Convention because we have so far failed to effectively address anthropogenic climate change, and the impacts are already being felt around the world. Future scenarios pose daunting threats to development gains everywhere.

Although the CAF was a key step in the negotiations under the UNFCCC and finally focused attention on adaptation, it remains a very general framework that needs to be further developed. The new agreement must build upon the CAF, establishing the central elements around which the commitments, resources and support from Parties to the Convention will focus on, while allowing Parties to assess, plan and implement adaptation action taking into account national circumstances, priorities and specific needs.

Concrete action on adaptation under the new legally binding agreement should include the following elements:

First, an *adaptation assessment framework* is to be established under the Convention, which must enhance the evidence-base that enables Parties to accurately assess and quantify levels of vulnerability and exposure, adaptation options, and the costs of adaptation actions with a view to identifying the most cost-effective, no-regret or win-win alternatives. Therefore the Convention should provide guidance on common methodologies to undertake such assessments (and include scientific, technical, and socio-economic data) as well as to monitor the effectiveness of a representative range of adaptation measures. This information made visible under the Convention will guide public policy and investment decisions at national and sub-national level, and cooperation on adaptation measures at international and regional levels.

In this regard, National Communications should include a robust section on adaptation needs and actions at the national and sub-national level, as these will require significant investments, public policy decisions, and other actions that should be reflected in the work under the Convention. Adaptation actions cover a broad range of interventions, and it is important that guidance be provided by a Party-driven process under the Convention to enable a degree of coherence and comparability in the reporting under a common format. If adaptation is expected to reach an equally important status as mitigation under the Convention, it is fundamental that the needs, impacts and responses by Parties are duly assessed, reported and noted.

Second, the new legally binding agreement shall include enhanced financial, technical and scientific support for countries to undertake these assessments.

Third, the NAPs provide the essential basis for *all* countries to undertake necessary steps to identify and assess vulnerabilities and exposures within and across sectors, identify options, and define both soft and hard adaptation responses. Therefore, under the new legally binding agreement, all Parties shall develop NAPs. Support should be provided, as required, according to the different conditions and situations of each country. NAPs will provide a basis for progressive understanding of the impacts of adaptation, response options, best and worst practices, and the costs of both inaction, and implementation of adaptation measures. This will be a basic tool for the Convention to assist countries in addressing existing and emerging climate-driven impacts.

Fourth, as clearly agreed in COP 18 in Doha, there is a need to identify within the UNFCCC framework, and to establish in the new agreement, more permanent and solid structures that support adaptation processes of non-LDC parties, without undermining the existing ones in place for LDCs. Specifically, support for non-LDC developing country parties for implementation of adaptation plans is a major issue that will need to be addressed in the new agreement, and for which there is still no specific mechanism, fund, or body in place under the Convention.

Sufficient funding is and will be needed for all phases of adaptation actions and efforts. Funding, and more generally means of implementation including technology transfer and capacity building, will need to be provided by Parties who are able to do so. Particularly vulnerable countries will need greater access to international resources. Also, new and additional international non-refundable cooperation should be allocated to assess vulnerability and enhance capacity of countries to adapt to climate change. Funding for adaptation cannot be solely based on sources that are subject to market speculation such as the monetization of CERs in the carbon market. Specific sources, especially public ones, need to be identified in order to exponentially rise the available funding for adaptation measures. Inaction will be very costly and thus the support needed from Parties to the most vulnerable and affected ones shall increase significantly.

In addition, innovative approaches to address loss and damage must be assessed, and particular attention shall be given to those generated by slow-onset events. Enhanced action to strengthen capacity to cope with non-economic losses shall be evaluated via an inter-governmental expert group established within the structures of the new legally binding agreement.

A variety of studies and research have been undertaken on the costs of adaptation, the benefit of timely action and the costs of inaction that should be taken into account. According to the World Bank, “the price tag between 2010 and 2050 for adapting to an approximately 2°C warmer world by 2050 will be in the range of \$70 billion to \$100 billion a year”.¹ The study also suggests that costs could be even high if cross-sectoral impacts were taken into account.² As an example, another study on the costs of impact of climate change suggests that the mean impacts by 2060 are about 1.5 trillion dollars, but increase to 2.4 trillion without adaptation measures.³ Downing and Butterfield⁴ show that 1m of sea level rise could generate costs of about 67 billion dollars only for the Latin America region, equivalent to 3% of the world’s GDP. That is to say that aggregated possible climate change effects worldwide could have a cost similar to 10% of world production. On the other hand, in 2010 the World Bank⁵ suggested that costs of adaptation worldwide vary between 70 and 100 billion dollars annually, of which Latin America’s annual cost could reach 21.3 billion dollars⁶. However, according to estimates by Agrawala et al⁷, the cost for only this region could reach 98.4 billion dollars.

AILAC expects that these and all the other recent reports made by scientists and practitioners of the adaptation area are taken into account in the technical paper on the assessment costs and benefits of adaptation that the Secretariat will prepare for the resumed second session of the ADP.

3. Means of Implementation

The UNFCCC makes a reference to means of implementation in its articles 4.1, 4.3, 4.4, 4.5, 4.7 and 11. In practice, the UNFCCC regime includes the concept of means of implementation as a tool that serves two purposes: on the one hand, means of implementation must serve to implement actions that would lead to the achievement of the ultimate objective of the Convention (prevent dangerous climate change and allow for adaptation, UNFCCC Art. 2); on the other, they are required to fulfill the obligations set by the convention, (such as the reporting obligations established in Art. 12).

In this regime two spheres interact: the international level, where the Convention lies, and the national level, where most of the action is implemented and where the requirements and specific circumstances are set for Parties to define what action can be undertaken in the future. These two spheres are expected to be based on the central platform of the regime: science. Consequently, all the obligations deriving from the Convention, including those on means of implementation, must be informed and derive from scientific observations.

The new legally binding agreement is to be adopted under the Convention, and thus must address the issue of means of implementation from a perspective that takes into account the roles of the two spheres, national and international, as well as their intersection and interaction. The agreement must be an international legal instrument, which takes into consideration national circumstances and capacities, and is based on science. These general characteristics of the agreement must be applicable to the way in which it addresses the means of implementing action.

The Convention itself includes commitments on the provision of means of implementing action in the form of finance, technology transfer, and capacity building. The new legally binding agreement must also include, as one of its integral parts, *specific commitments* on the provision of means of implementation that shall ensure that adaptation and mitigation action actually happen on the ground in order to achieve the Convention's ultimate objective. It shall also include the necessary arrangements to ensure transparency in the provision of this support.

The new agreement must be forward-looking, and significantly enhance the UNFCCC regime in order to produce transformational results on the ground. As such, it must take into account the lessons we have learned from the first two decades of implementing the Convention and the system that we have built on that basis. All the shortcomings in the current system must be addressed in the future agreement, so that the commitments undertaken in the area of means of implementation can in fact contribute to the achievement of the Convention's ultimate objective.

The current patterns of carbon-intensive investment trends must transit to low-carbon and climate resilient ones. The new legally binding agreement must ensure predictability in the medium and long term for the provision of the means of implementation, on the one hand, and on the other, provide all that is required for a transformation at scale in the way in which both public and private investments are made. *Predictability* and *scale* in the means of implementation are a fundamental requirement for this transition.

In fact, the investments necessary for this sort of transformational change are in the order of the trillions of dollars. To match this challenge, the numbers in both public and private resources that are provided for climate change action and climate-friendly investment need to increase exponentially. Given that the required investments include every sector and source, public and private, the system must ensure that all of them grow: increasingly higher private investment must be mobilized by a growing amount of public resources. The GCF shall continue to play a key role in delivering climate finance post 2020.

In this light, the current commitment of developed countries to mobilize USD 100 billion per year by 2020 from a variety of sources and in the context of meaningful action and transparency of implementation, represents a minimum portion of the necessary resources for the major transformation of the world's economy towards a low-carbon and resilient path. This challenge must be acknowledged and addressed by the new legally binding agreement.

The new legally binding agreement will be based in the principles of equity and common but differentiated responsibilities and respective capabilities. Hence the commitments on the provision of means of implementation, including the provision of finance, technology development and transfer, and capacity building, must be designed in such a way that they reflect each country's specific circumstances, priorities, development needs, capabilities, responsibilities (including historical, present and future), and vulnerability to the impacts of climate change.

Given the demanding timeline that has been set under the ADP for the definition of the new legally binding agreement and its contents, the commitments on the provision of means of implementation need also to be defined as soon as possible; their timeline must be the same as the one that will be agreed for the definition of commitments on mitigation, allowing for enough time in order to review them and raise ambition.

¹ THE WORLD BANK, ECONOMICS OF ADAPTATION TO CLIMATE CHANGE: SYNTHESIS REPORT xv, xvi 2010, at http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/06/27/000425970_20120627163039/Rendered/PDF/702670ESW0P10800EACCSThesisReport.pdf

² Id.

³ CHRIS HOPE, THE COSTS AND BENEFITS OF ADAPTATION *IN* IIED, ASSESSING THE COSTS OF ADAPTATION TO CLIMATE CHANGE: A REVIEW OF THE UNFCCC AND OTHER RECENT ESTIMATES 103,104 2009, at <http://pubs.iied.org/pdfs/11501IIED.pdf> *see also* WORLD BANK, 4th TURN DOWN THE HEAT 2013, at http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/06/14/000445729_20130614145941/Rendered/PDF/784240WP0Full00DOCONF0to0June19090L.pdf [although the report doesn't assess the potential of adaptation, it does provide an overview of the potential challenges that will need to be faced in a warmer world]; UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE [UNFCCC], ASSESSING THE COSTS AND BENEFITS OF ADAPTATION OPTIONS: AN OVERVIEW OF APPROACHES 2011, at http://unfccc.int/resource/docs/publications/pub_nwp_costs_benefits_adaptation.pdf; EUROPEAN ENVIRONMENT AGENCY, CLIMATE CHANGE: THE COST OF INACTION AND THE COST OF ADAPTATION 2007, at http://www.eea.europa.eu/publications/technical_report_2007_13; IPCC, CONTRIBUTION OF WORKING GROUP II TO THE FOURTH ASSESSMENT REPORT OF THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE 2007, at http://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch9s9-5-2.html; UNITED NATIONS ENVIRONMENT PROGRAMME [UNEP], CLIMATE CHANGE IN THE CARIBBEAN AND THE CHALLENGE OF ADAPTATION 2008, at http://www.pnuma.org/deat1/pdf/Climate_Change_in_the_Caribbean_Final_LOW20oct.pdf; OECD, ECONOMIC ASPECTS OF ADAPTATION TO CLIMATE CHANGE: COSTS, BENEFITS AND POLICY INSTRUMENTS 2008, at <http://www.oecd.org/env/cc/economicaspectsofadaptationtoclimatechangecostsbenefitsandpolicyinstruments.htm>; OECD, ENVIRONMENT WORKING PAPERS NO. 54: NATIONAL ADAPTATION PLANNING 2013, at http://www.oecd-ilibrary.org/environment/national-adaptation-planning_5k483jpfpsq1-en; OECD, ADAPTATION TO CLIMATE CHANGE: INTERNATIONAL AGREEMENTS FOR LOCAL NEEDS 2007, at <http://www.oecd.org/env/cc/39725521.pdf>; GLOBAL LEADERSHIP FOR CLIMATE ACTION, FACILITATING AN INTERNATIONAL AGREEMENT ON CLIMATE CHANGE: ADAPTATION TO CLIMATE CHANGE 2009, at http://www.unfoundation.org/assets/pdf/adaptation_to_climate_change.pdf

⁴ THOMAS DOWNING & RUTH BUTTERFIELD, OXFORD, EXTREME OUTCOMES: PROSPECTS FOR MAJOR TIPPING AND SOCIALLY CONTINGENT EVENTS AND ASSOCIATED ECONOMIC AND SOCIAL COSTS. TECHNICAL POLICY BRIEFING 10 2012, at <http://www.sei-international.org/mediamanager/documents/Publications/SEI-PolicyBriefingNote-ExtremeOutcomes-2012.pdf>

⁵ *Supra note 1.*

⁶ WORLD BANK, THE COST TO DEVELOPING COUNTRIES OF ADAPTING TO CLIMATE CHANGE: NEW METHODS AND ESTIMATES 2010, at <http://siteresources.worldbank.org/EXTCC/Resources/EACC-june2010.pdf>

⁷ SHARDUL AGRAWALA, ET AL, OECD, PLAN OR REACT? ANALYSIS OF ADAPTATION COSTS AND BENEFITS USING INTEGRATED ASSESSMENT MODELS, ENVIRONMENT WORKING PAPER NO. 23, 2010, at http://www.oecd-ilibrary.org/environment/plan-or-react_5km975m3d5hb-en