

Improving access to climate financing in the Pacific islands

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Community-based adaptation initiatives

“The priority of Pacific Small Island Developing States is securing sustainable financing for immediate and effective implementation of concrete adaptation programmes on the ground.”

*Forum communiqué,
Pacific Islands Forum,
Niue, August 2008.*

Funding for adaptation

The UNFCCC commits 31 developed country signatories to provide assistance to “developing country parties that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation.”

Article 4(4), UNFCCC, 1771 UNTS 107

"Some of our partners are burying us in red tape"

"Small Island Developing States like Tuvalu need direct access and expeditious disbursement of funding for real adaptation urgently, because we are suffering already from the effects of climate change. How else can we say it more clearly! It seems however that some key industrialised states are trying to make the Adaptation Fund inaccessible to those most in need. I am compelled to say we are deeply disappointed with the manner some of our partners are burying us in red tape. This is totally unacceptable."

Former Tuvalu Prime Minister Apisai Ielemia, Poznan, December 2008

Copenhagen / Cancun Agreements

Short- and long-term financial support for developing countries to respond to climate change:

- **'fast-start' funding approaching US\$30 billion in 2010-12**
- **a goal of US\$100 billion a year by 2020**

Access to climate finance?

“Kiribati was one of the countries which did not sign the Copenhagen Accord because of what we saw as its serious shortcomings, but were subsequently persuaded to associate ourselves with it on the premise that doing so would trigger the flow of much needed adaptation funds which had been pledged.

“We continue to await these funds.”

Kiribati President Anote Tong, 23 September 2011

Climate financing debates

- a) **Adequacy of adaptation funds**
- b) **Balance between adaptation and mitigation**
- c) **New and additional**
- d) **Grants not loans**
- e) **Special vulnerability of SIDS and LDCs**
- f) **Differing perspectives over REDD+**
- g) **Complexity of funding systems**

UN study on climate financing

- "The Advisory Group emphasised the importance of a carbon price in the range of US\$20 - US\$25 per ton of CO2 equivalent in 2020 as a key element of reaching the US\$100 billion per year....**
- "Based on a carbon price of US\$20 - US\$25 per ton of CO2 equivalent, auctions of emission allowances and domestic carbon taxes in developed countries with up to 10 per cent of total revenues allocated for international climate action could potentially mobilise around US\$30 billion annually."**

**Report of the UN Secretary-General's High-level Advisory Group
on Climate Change Financing (November 2010)**

Australia's climate financing

- South Pacific Sea Level and Climate Monitoring project (SPSLCMP)
- Pacific Islands Global Ocean Observing system (PI-GOOS) and Global Climate Observing system (PI-GCOS)
- Global Sea Level Observing System (GLOSS)
- International Climate Change Adaptation Initiative (ICCAI)
- International Forest Carbon Initiative (IFCI)
- **Australia's fast start funding: A\$599 for 2010-13**
- **Needs tenfold increase to A\$2 billion+ by 2020, as fair share of global target**

Australia's Fast Start Package 2010-2013

total \$599m



25% of FSF will benefit LDCs, a third SIDS

about 48% mitigation \$290m
\$146m REDD
\$144m support low emissions growth

about 52% adaptation
\$309m

\$83 m allocated /\$61m remains

- \$38 m for GEF
- \$25m Clean Technology Fund
- \$10m Partnership for Market Readiness
- \$10m CIF program for scaling up renewable energy in LICs



ICCAI	IFCI	Multilateral	Bilateral	GEF
2011-13: \$178.2m	2011-13: \$56m	2011-13: \$106.2m	2011-13: \$15m	2011-13: \$38m
<i>total in FSF period: \$248m</i>	<i>total in FSF period: \$146m</i>	<i>total in FSF period: \$131m</i>	<i>total in FSF period: \$36m</i>	



\$169 of new funds allocated/ \$9.2m remains
categorised as adaptation funding

- \$80m Pacific
- \$44m SE Asia (of which \$15 m Indonesia)
- \$25m Africa
- \$20m S Asia (of which substantial to Bangladesh)
- \$16.5m allocated to Caribbean mainly adaptation and DRR
- All to be distributed in 11/12 and 12/13.

\$99m allocated /\$47m remains
categorised as mitigation funding, REDD

- \$30m Sumatra Forest Carbon p/ship
- \$17m Kalimantan Forest and Climate p/ship
- \$8 m Indonesia National Carbon Accounting System
- \$1m support for international REDD+ p/ship



\$69m allocations announced (indicates categorisation as mitigation funding, support low emissions growth):**

- \$9m LDC Fund (in adaptation bucket)
- \$25m clean technology fund**
- \$15m Adaptation Fund
- \$10m Partnership for Market Readiness**
- \$10m CIF program for scaling up renewable energy in LICs**

Multilateral bucket is split as follows: \$66m for mitigation and \$40m for adaptation. Unallocated money in both buckets (\$21m and \$16m respectively) – likely to go to new Fund.

No allocations announced yet, how does it relate to region specific adaptation money? Following Cancun, China, India and Brazil are out as they specifically indicated not seeing themselves as recipients of FSF.

\$285m allocated/\$24m remains

- \$134m Pacific
- \$48m SE Asia
- \$25m Africa
- \$23m S Asia
- \$15m Adaptation Fund
- \$9 m LDC Fund

New and additional?

“Using aid budgets to finance climate change spending is often opposed by developing countries on the grounds it should be ‘additional’. Australia has argued that, with a growing aid budget, aid funding for climate change is additional.

“In any case, the objections raised by developing countries have not stopped donors relying on aid for their climate financing. On the contrary, all public sector climate funding is counted as ODA.”

S. Hollway et al: *Independent Review of Aid Effectiveness*
(Commonwealth of Australia, April 2011), p158

Over forty international and regional funding mechanisms

- **Global Environment Facility (GEF)**
 - Least Developed Countries Fund (LDCF)
 - Special Climate Change Fund (SCCF)
- **Kyoto Protocol Adaptation Fund**
- **World Bank Climate Investment Funds (CIFs)**
- **Green Climate Fund (proposed)**

Bilateral initiatives:

- **Japan's Hatoyama Initiative (formerly Cool Earth Partnership)**
- **EU Global Climate Change Alliance (GCCA)**
- **Australia:**
 - International Climate Change Adaptation Initiative (ICCAI)**
 - International Forest Carbon Initiative (IFCI).**

Complexity of systems

“Countries have tried to build their capacity to understand and influence these funds, but the challenges faced in accessing these funding mechanisms, and in many instances the process itself, has diverted capacity from sound management and implementation of climate change priorities.”

Briefing paper for Forum Economic Ministers Meeting (FEMM) 2010.

Options to improve Pacific climate financing

- Donor co-ordination
- SIDS windows in global mechanisms
- National Trust Funds
- Pacific Regional Climate Change Fund
- NGO windows in financing mechanisms
- Robin Hood Tax

Donor co-ordination?

"On January 28, DCM Ted Osius discussed post-Copenhagen engagement with ambassadors and deputy ambassadors from resident missions of Australia, the EU, UK, the Netherlands and Norway....

"These mission representatives noted that their *countries had climate funds for Indonesia, but lacked functional and coordinated mechanisms through which to spend those funds effectively. Activities to date had been uncoordinated, isolated and disparate.*

"The solution, they agreed, would be a key group of supporting nations to jointly approach the GOI to work out coordinated arrangements of support for climate mitigation and adaptation actions."

Diplomatic cable from US Embassy in Jakarta, 29 January 2010,
released by Wikileaks, 24 August 2011.

Robin Hood Tax

“A financial transactions tax (FTT) of between 0.005% and 0.05% on trading of currencies, stocks, bonds, derivatives and interest rate securities would have a very small impact on each transaction, yet could raise billions of dollars annually.”

Jubilee Australia, 2010

Options to develop national institutions

- *Developing national plans of action*
- *Improving national collaboration on climate change (such as climate taskforces and roundtables)*
- *Improving capacity for reporting and monitoring*
- *Linking disasters and climate change*
- *Strengthening climate finance planning*
- *Documenting and sharing experiences with financing mechanisms*

Prioritising community initiatives

- **Expand dedicated funding windows for community-based organisations**
- **improve mechanisms for communication between donors, governments, NGOs and affected communities**
- **document and promote positive examples of community resilience initiatives**
- **prioritise projects with tangible benefits for communities, with improved water supply, forest management or reef protection.**

Sharing information on best practice on adaptation

- **Monitoring, evaluation and documentation of successful community adaptation initiatives**
- **research on the use of traditional knowledge in responses to climate change**
- **linking academic and active research**

Linking gender and climate finance

- **Integrate gender analysis into climate adaptation funding systems**
- **disaggregate statistics that take account of gender and age;**
- **increase gender analysis in project and program design;**
- **promote systems of gender budgeting, monitoring, evaluation and auditing**
- **adapt education and information on climate change for various audiences**