

Integrity Dialogue on Climate Change Adaptation Finance; Transparency on Adaptation after COP21

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(AFN)**

29.03.16

Transparency Framework on Adaptation

- Establish “**global goal on adaptation**” of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal. (Art 7 para 1)

Purposes

- The framework shall aim to promote transparency, accuracy, completeness, consistency and comparability (Paragraph 93, Decision 1/CP.21).
- The purpose of enhancing a transparency framework for adaptation action is “to provide a clear understanding of climate change action in the light of the objective of the Convention as set out in its Article 2, and to enable tracking of progress towards achieving Parties’ adaptation actions under Article 7,
 -including good practices, priorities, needs and gaps, to inform the global stocktake under Article 14” (Article 13.5).

Principles:

- **shall** be implemented in a facilitative, non-intrusive, non-punitive manner, respectful of national sovereignty. (13.3)
- **shall** avoid placing undue burden on Parties. (13.3)
- Mandate given to the different bodies under the Convention
 - **LDC Expert Group** to develop methodologies and recommendations for ways in which needs for adaptation, and adequacy and effectiveness of adaptation and support, will be assessed
 - **Adaptation Committee** in frame of its work plan 2016-2018 inter alia to work on a better use of monitoring and evaluation as a means to monitor, evaluate and learn from actions taken and support provided and received

Global Stocktake on Adaptation

Issues relevant to communication	Observation
Timeframes	Timescales vary: half of them set the period 2015-2030 as a timeline for their adaptation action. Some have multiple timeframes. About one-third of the adaptation INDCs do not mention timeframes
Monitoring and Evaluation	Nearly half of the adaptation INDCs mention monitoring and evaluation systems, but most of them indicate that these systems are still being developed.
Indicators to measure progress	About 70% of the adaptation INDCs includes qualitative indicators. Fewer countries have quantitative indicators that can be used to assess progress.
Linkages with national adaptation plans	About 20% of the adaptation INDCs mention linkages between their adaptation components and their future national adaptation plan processes.
Need for support	Half of the adaptation INDCs indicate a need for international support to undertake (some of) their actions. Some INDC support needs are quantified while others are not. It is often not clear how costs were calculated or what they include.

Global Stocktake on Adaptation

- be a comprehensive and facilitative mechanism whereby the CMA will assess the **collective progress towards achieving the purpose and the long-term goals of the Paris Agreement**, including adaptation as well as mitigation action and support (Article 14.1)
- Global stocktake (detailed in Article 14) shall:
 - **recognise the adaptation efforts** of developing country Parties;
 - take into account the adaptation communication in order to **enhance the adaptation action**;
 - **review the adequacy and effectiveness** of adaptation and support; and
 - review the **collective progress made towards the global adaptation goal**.
(7.14)

Way forward on Transparency for Adaptation

- **Communicating Information**

- Identification of adaptation priorities and actions should be country driven
- Issues to consider: Is there a need to standardized the method/channel or should the design focus on types of things that can be reported in adaptation communication

- **Assessing results: M&E**

- There is no one size fits all M&E >>>Need to clarify the purpose, audience and time line before developing/strengthening M&E
- Understanding what works and what not?

- **Global stocktake**

- Information needed for stocktake –balance between reducing reporting burden of Parties and provisions of information to help track progress made in both national and international level
- Issue for further discussion: What are the different expectations fto the global stocktake?

- **Why LDCs such as Bangladesh should harness the transparency under Paris Agreement**

- the benefits of identifying and collating adaptation-related information can be closely related to filling knowledge gaps in order to enhance domestic actions and co-ordination, and attracting international support for such actions.
- Information on what progress is being made towards a country's adaptation-related goals will help countries identify if they are on track to meet previously-stated aims, and thus if their adaptation plans or actions need to be adjusted

Merci pour votre attention

Scope and Challenges in Adaptation Finance – Sustained Flow of Fund After the Paris Agreement

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Financial Mechanism under UNFCCC

- A mechanism for the provision of financial resources on a grant or concessional basis, including for the transfer of technology-----
----. (Article 11.1 of UNFCCC)
- The developed country Parties may also provide and developing country Parties avail themselves of, financial resources related to the implementation of the Convention through bilateral, regional and other multilateral channels. (Article 11.5 of UNFCCC)

Climate Finance under UNFCCC

- The developed country Parties ----- shall provide **new and additional** financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations ----- . ----- . The implementation of these commitments shall take into account the need for **adequacy and predictability** in the flow of funds and the importance of appropriate burden sharing among the developed country Parties. (Article 4.3 of UNFCCC)
 - The developed country Parties ----- shall also assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change **in meeting costs of adaptation to those adverse effects**. (Article 4.4 of UNFCCC)
-

Climate Finance under UNFCCC

- The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology and will take fully into account that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties. (Article 4.7 of UNFCCC)
- The Parties shall take full account of the specific needs and special situations of the least developed countries (LDCs) in their actions with regard to funding and transfer of technology. (Article 4.9 of UNFCCC)

Finance under Paris Agreement

- Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention. (Article 9.1)
- The provision of scaled-up financial resources should aim to achieve a balance between adaptation and mitigation (Article 9.1).
- Taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation. (Article 9.4)

Finance under Paris Agreement

- Developed country Parties shall provide **transparent and consistent information** on support for developing country Parties provided and mobilized through public interventions biennially in accordance with the modalities, procedures and guidelines to be adopted by the Conference of the Parties serving as the meeting of the Parties to this Agreement, at its -----(Article 9.7)
- The institutions serving this Agreement, including the operating entities of the Financial Mechanism of the Convention, shall aim to ensure efficient access to financial resources through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans. (Article 9.9)

Adaptation under Paris Agreement (Article 7)

- Parties agreed to “establish the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2.” (Article 7.1)
- Developing countries had been pushing for a long term goal or vision on adaptation to ensure that there is parity between adaptation and mitigation and to avoid having only a mitigation centric-goal linked to the temperature goal. This goal also links the adaptation response to the temperature goal.

Adaptation under Paris Decision

- In relation to the global goal on adaptation, developing countries had during the negotiations proposed “an assessment of the adequacy of support” from developed countries to developing countries as well as the “recognition of increased adaptation needs and associated costs in the light of mitigation efforts...”
- Stocktake - “shall” “review the adequacy and effectiveness of adaptation and support provided for adaptation” as well as “review the overall progress made in achieving progress made in achieving the global goal on adaptation...”

Other Important COP Decision on Finance

- Recognizes that developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries; (COP 16, paragraph 98)
- Agrees that, ----- funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources; (COP 16, paragraph 99)
- Decides that a significant share of new multilateral funding for adaptation should flow through the Green Climate Fund (COP 16, paragraph 100)
- Developed countries intend to continue their existing collective mobilization goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 ----- shall set a new collective quantified goal from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries; (Paris decision, paragraph 53)

Some Facts on Fast Start Financing

- The financial flow from 2010-2012 under COP 16 decision is called fast start financing
- After analysis it is found that, only 33 per cent of these funds were really new – the rest was made up of money which had already been pledged before the Copenhagen conference, or from plans and budget lines that had already been adopted.
- Only 24 per cent can be considered additional to the long-standing promise to provide 0.7 per cent of Gross National Income (GNI) as Official Development Assistance (ODA). This risks the re-direction of funds away from other urgent development priorities, like health and education.
- Adaptation only received just 21 per cent of Fast Start flows, and the fact that loans rather than grants make up nearly 60 per cent of funds.
- Overwhelming preference of developed countries to spend revenues through their own bilateral channels, rather than through multilateral channels (23%), especially those where developing countries can have a greater say over the use of resources.

Some specific examples on Fast Start Financing

- The EU delivered around \$10bn, allocating around 32 per cent to adaptation initiatives. However, only around 27 per cent was new money (funds that had not already been planned or announced before Copenhagen) and only 17 per cent was additional to the commitment to provide 0.7 per cent of GNI in ODA.
- Around 60 per cent delivered bilaterally, developing countries have not had a real say over the use and allocation of funds.
- Just over 40 per cent went through multilateral funds with just above 10 per cent channelled through UN climate funds such as the Adaptation Fund or the Global Environment Facility.
- Japan's pledge of \$15bn, of which "leveraged" private finance of \$4bn towards its Fast Start total. \$11bn, had been announced before Copenhagen.
- Out of the pledged US contribution of 7.5 billion USD, the amount of US funding that can be considered new is around \$2.9 billion. None of the US Fast Start Finance contribution can be considered additional.

Fund Flow under UNFCCC

Name of the Fund	Pledged	Deposited	Approved
	million USD		
Green Climate Fund	10300	6800	168
Least Developed Countries Fund	964	962	795
Special Climate Change Fund	350	344	277
Adaptation Fund under KP	487	483	325

Status of Accreditation and Projects under GCF

- Out of the 33 accredited entities only 9 are national. Rest entities are the regional and international entities. Most of the national entities can only handle micro projects. Most of the International entities can handle all types of projects including large projects.
- Out of the 8 approved projects 6 are from international entities. Bangladesh got approval of one project through KfW and the implementing entity is LGED, total project funding is 80 million including 40 million USD grant from GCF(Climate Resilient Infrastructure Mainstreaming in Bangladesh)
- Out of the promising 22 projects in the pipeline 20 are from international entities and 2 are from national entities. These two national entities are private in nature
- Out of the total projects in the pipeline, adaptation projects are around 16%.
- Bangladesh NDA primarily selected 6 entities for the accreditation application. Out of them only two applied for the accreditation. Bangladesh got preparedness support for the accreditation from GCF.

Global Investment for addressing Climate Change issues (developed and developing)

- In 2011 total investment was 364 billion
- In 2012 it was 259 billion
- In 2013 it was 331 billion
- **In 2014 it was 391 billion**
 - Out of total investment in 2014, 148 billion are from public sources
 - 243 billion are from private sources
 - 74% spent domestically
 - **25 billion allocated for adaptation (Ref. CPI)**
- At least 16.5 trillion required for the next 15 years for mitigation to keep the temperature around 2 degree C
- Adaptation financing used to be neglected as it is hard to generate revenue from adaptation financing
- Adaptation financing is less than 10% of the total global financing on climate change
- Private investment nearly zero for adaptation projects

Global Adaptation need

- In INDC Bangladesh said it needs around 40 billion USD up to 2030 for meeting the adaptation needs.

ADAPTATION NEEDS FOR DEVELOPING COUNTRIES

- 100 - 450 billion USD/ year up to 2030 (South Centre)
 - 70 – 100 billion USD/year up to 2050 (World Bank)
 - 28 - 67 billion USD/year up to 2030 (UNFCCC)
 - 50 -100 billion USD/year (Lord stern, 2009)
 - 56 - 201 billion USD/year (Perry et al., 2009)
-

Conclusion and Way Forward

- The term “climate finance” should be defined clearly for transparent accounting, monitoring and to ensure the new and additional nature of climate finance
- Adaptation financing is less prioritized than the mitigation financing
- Serious lack of transparency and ambiguity on the accounting method of climate financing by different agencies
- An unique registry system on climate finance should be maintained by UNFCCC for ensuring the transparency and accountability
- Significant portion of international climate fund should flow through multilateral process such as GCF, LDCF and adaptation fund
- The decision on new, additional, predictable financing as well as balanced allocation between adaptation and mitigation, grant based financing for adaptation and prioritized financing for LDCs, SIDs and vulnerable countries should be implemented.

Conclusion and Way Forward

- Proper and regular replenishment of developed countries and the enhanced capacity of GCF is the key to success of financing mechanism of UNFCCC
 - There should be prioritized and easy access for LDCs and SIDs both for accreditation and project funding. Right now there is no such mechanism existed.
 - The long term financing around 100 billion USD per year should be materialized. Sources of financing and the mode of allocation of that financing should be finalized soon.
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Thank you



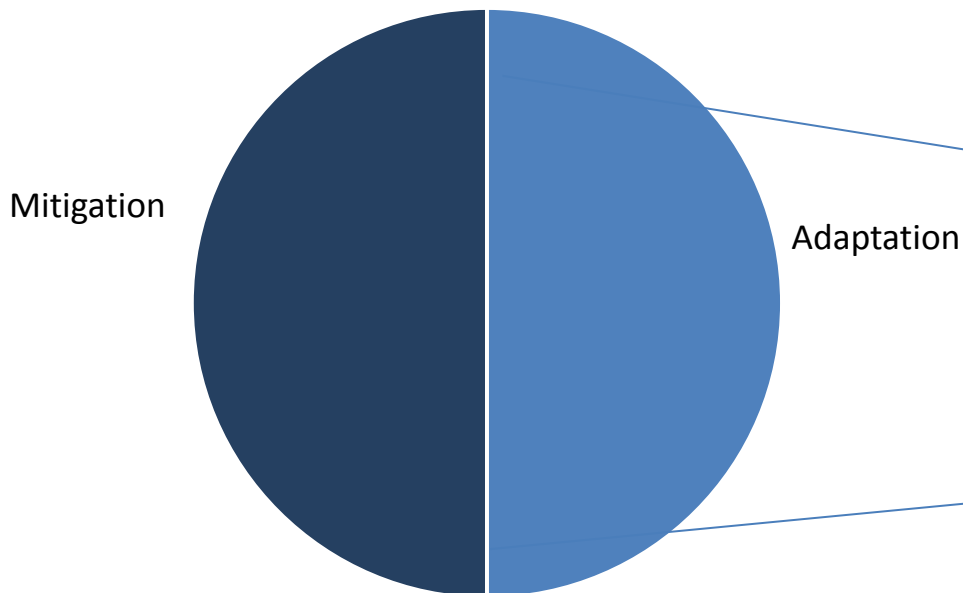
Challenges in Transparency, Accountability and Participation in Accessing Adaptation Finance from the GCF and other Sources

Dr. Bjoern Surborg
Principal Adviser
Climate Finance Governance

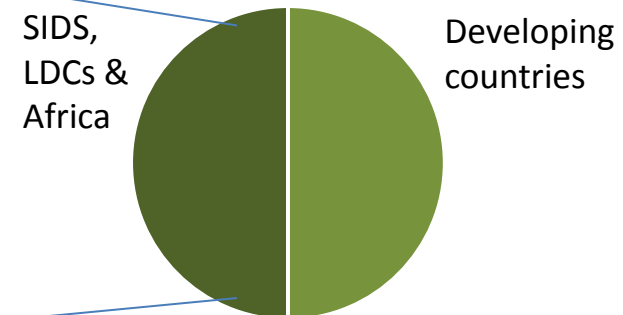


GCF Allocation Framework

Total GCF Portfolio



Adaptation Portfolio



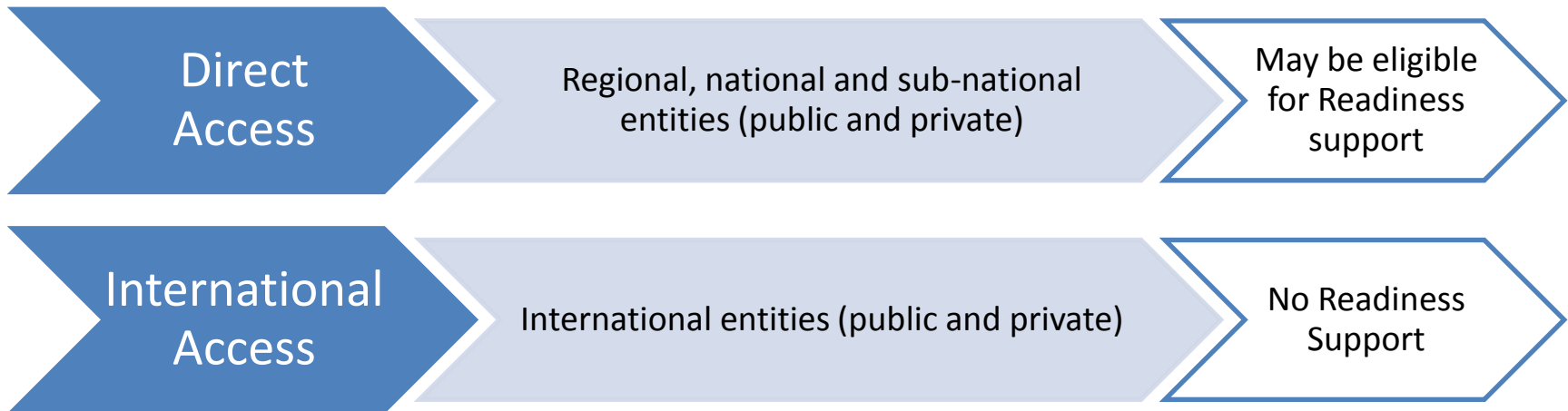


How can the GCF best add value to recipient countries?

- Decide objectives first, then the funding mechanism
- Good development = good climate change adaptation
- The right funding mechanism for the right task

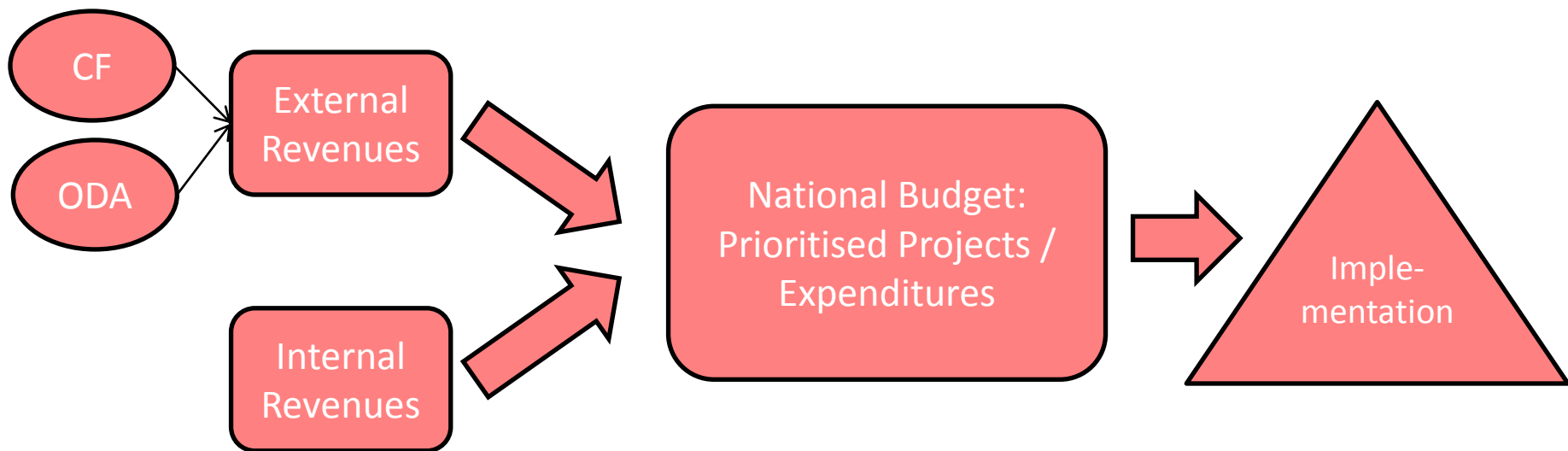


At national level: the difficult road to direct access





Transparent Allocation: New and additional ≠ separate





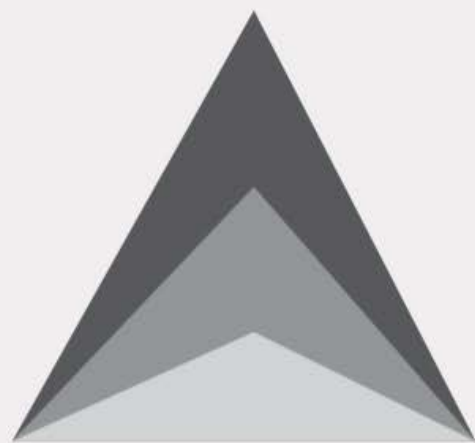
Transparency benefits the recipients and increases impact

- Multiple funding streams diffuse the overall picture
- Competing objectives need to be reconciled in a whole-of-government approach
- Participatory planning: adaptation needs to happen at the local level



Thank you!

Bjoern Surborg



Adaptation Watch

Presentation by Ian Tellam, ADAPTIFY

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**Integrity Dialogue on Climate Change Adaptation Finance:
Transparency, Accountability and Participation**

March 29-30, 2016

Bangabandhu International Conference Center (BICC)

Dhaka, Bangladesh



AdaptationWatch

Transparency & Accountability in Climate Change Adaptation



www.adaptationwatch.org

CURRENT ADAPTATIONWATCH PARTNERS

Adaptify (Netherlands)

Brown University's Climate and Development Lab (USA)

ENDA Tiers Monde (Senegal)

International Centre for Climate Change and Development (Bangladesh)

Institute for Social and Environmental Transition (Nepal & USA)

Nur University (Bolivia)

Oxford Climate Policy (UK)

Stockholm Environment Institute (Sweden)

Environmental Studies Program, University of Colorado-Boulder (USA)



Vision

AdaptationWatch seeks to catalyse wide scale participation in adaptation planning and action.

Mission

AdaptationWatch seeks to create a fully transparent system for formulating, financing, implementing and monitoring adaptation plans and actions, through strengthened capacity and international standards that reduce vulnerability for all, with priority actions for those most at risk.

Toward

Mutual

Accountability



Adaptation
Watch

The 2015 Adaptation Finance
Transparency Gap Report

NOVEMBER 2015

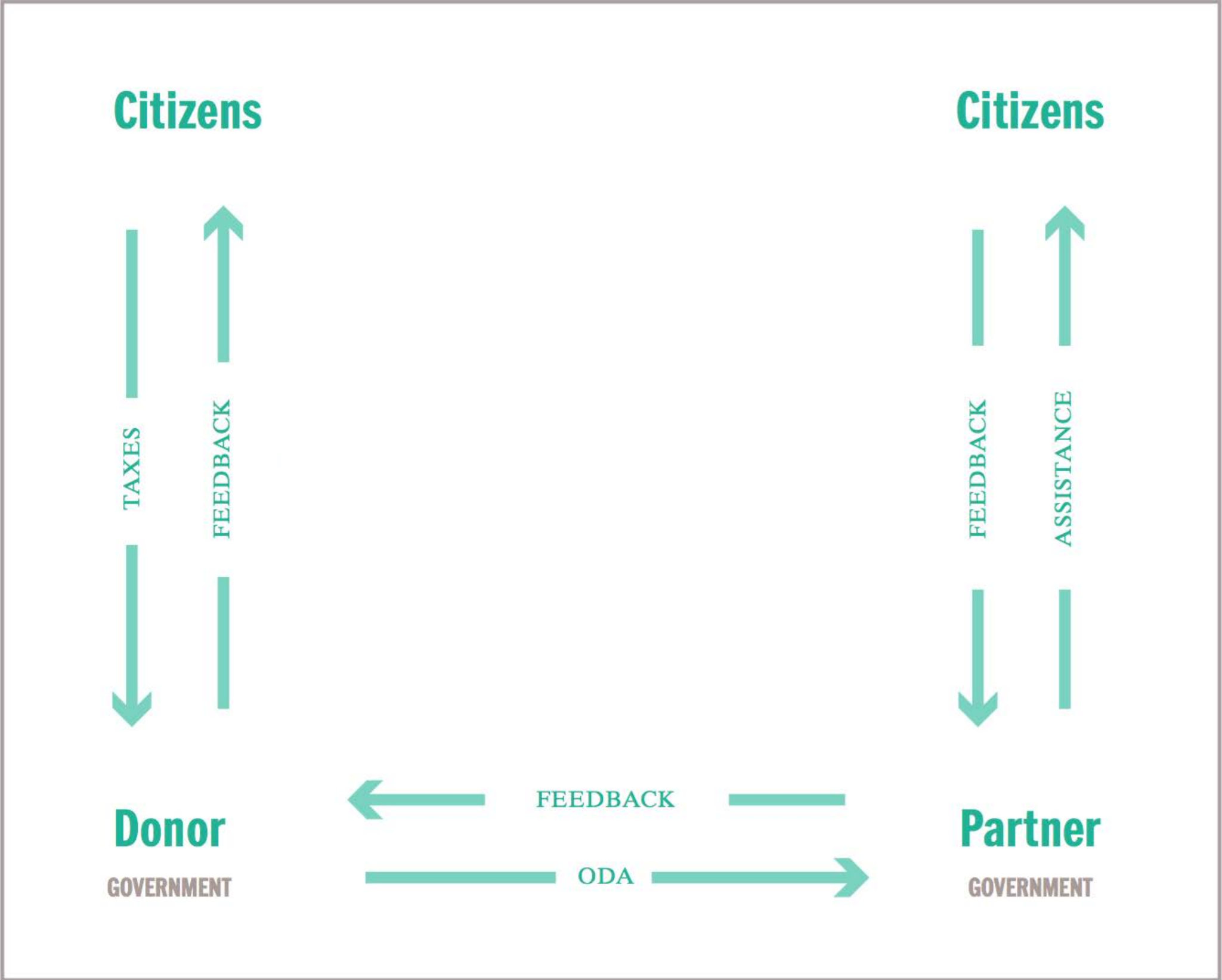
www.adaptationwatch.org

The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action



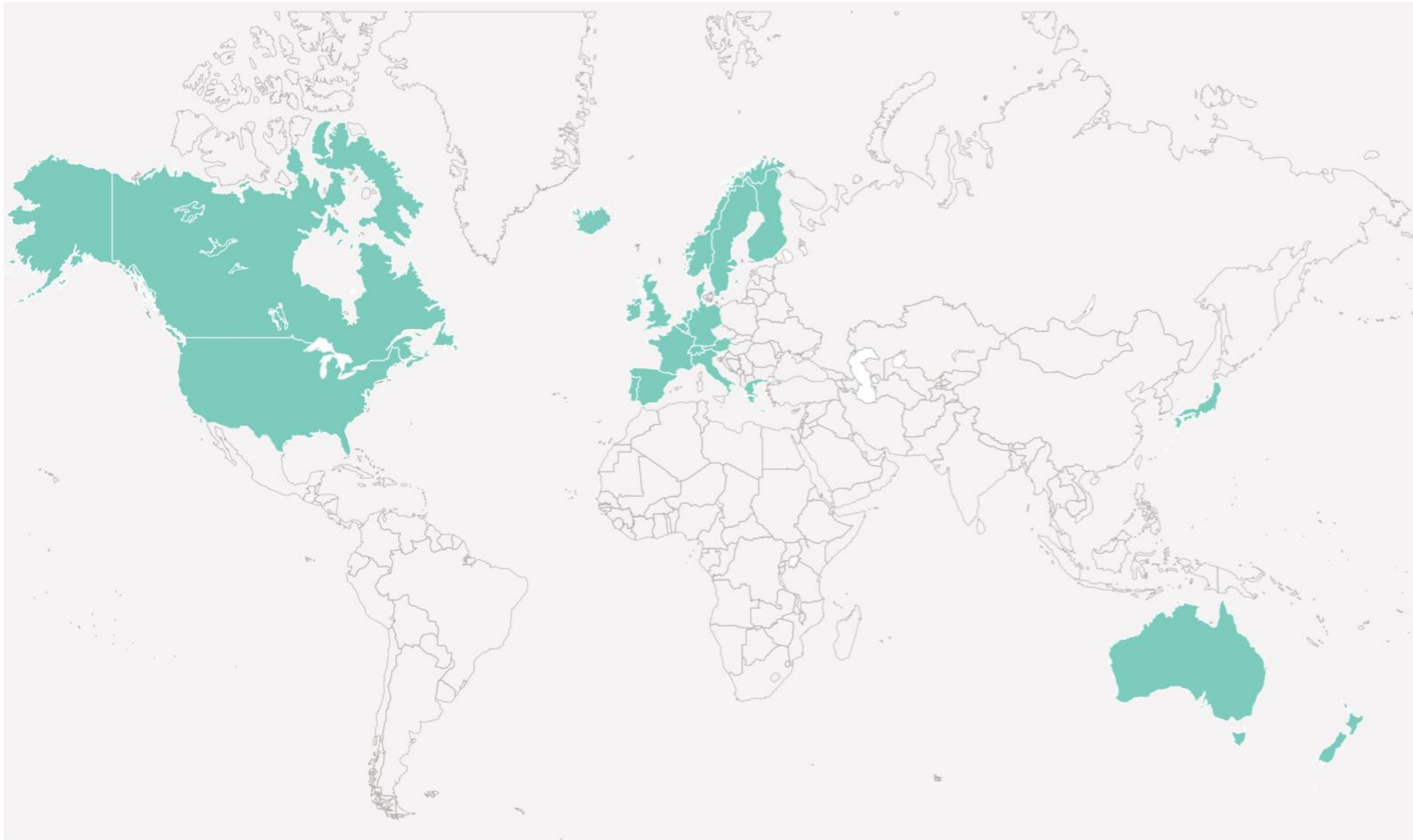
The Paris Declaration on Aid Effectiveness (2005)
Accra Agenda for Action (2008)

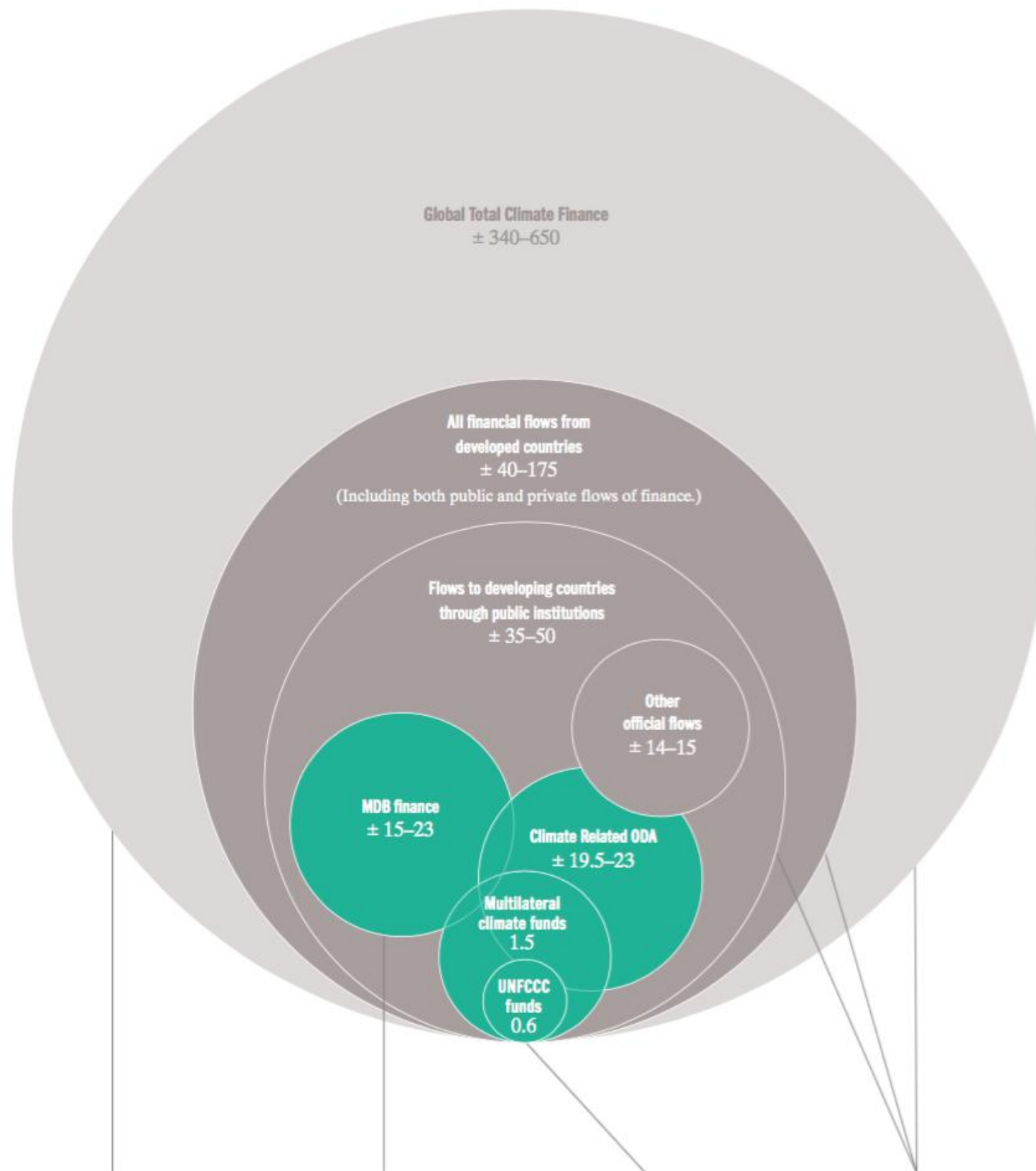
2005/2008



Mutual Accountability

Annex II Climate Finance Contributor Countries World Map





Estimates of global total climate finance include both public and private in both developed and developing countries, and including adjusted estimates of energy efficiency investment. This estimate is highly uncertain.

MDB flows are adjusted to exclude external resources managed by MDBs and funding to EU13

Funds accountable to the UNFCCC COP including the GEF, LDCF, SCCF, and the Adaption Fund

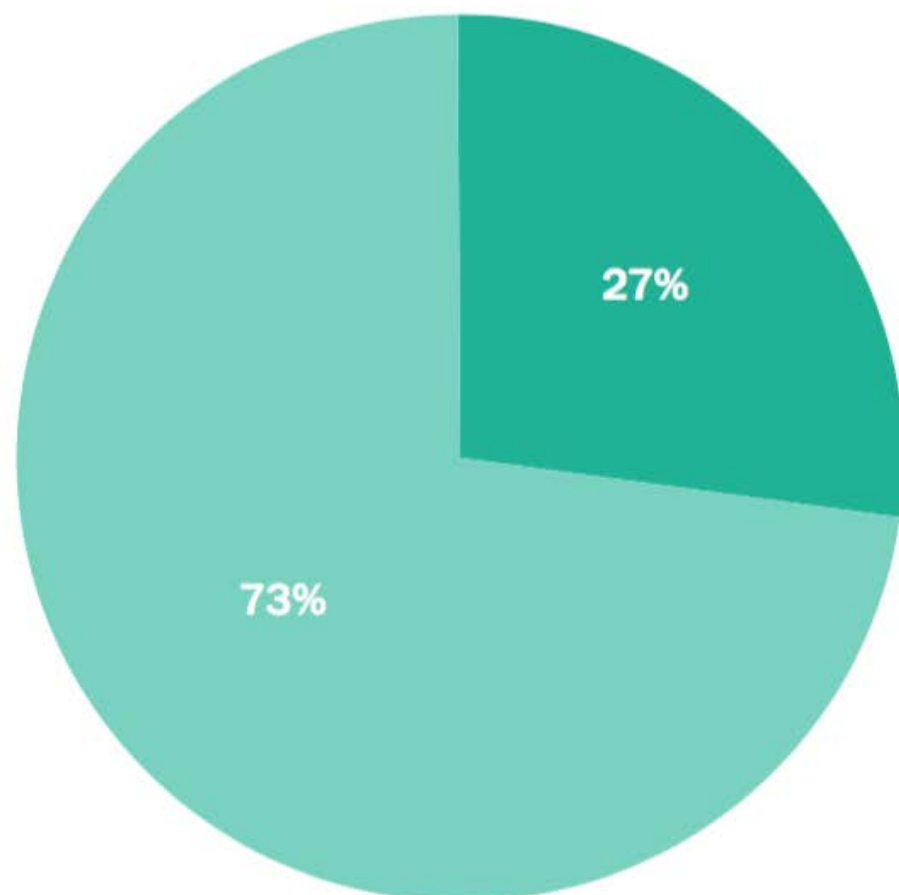
Figures represent total ranges of estimated finance (including sub categories identified)

- RELATIVELY CERTAIN
- MEDIUM CERTAINTY
- RELATIVELY UNCERTAIN

Source: UNFCCC SCF, 2014a. UNFCCC
Standing Committee on Finance 2014 Biennial Assessment and Overview of Climate Finance Flows Report.
 Bonn: United Nations Framework Convention on Climate Change Standing Committee on Finance.

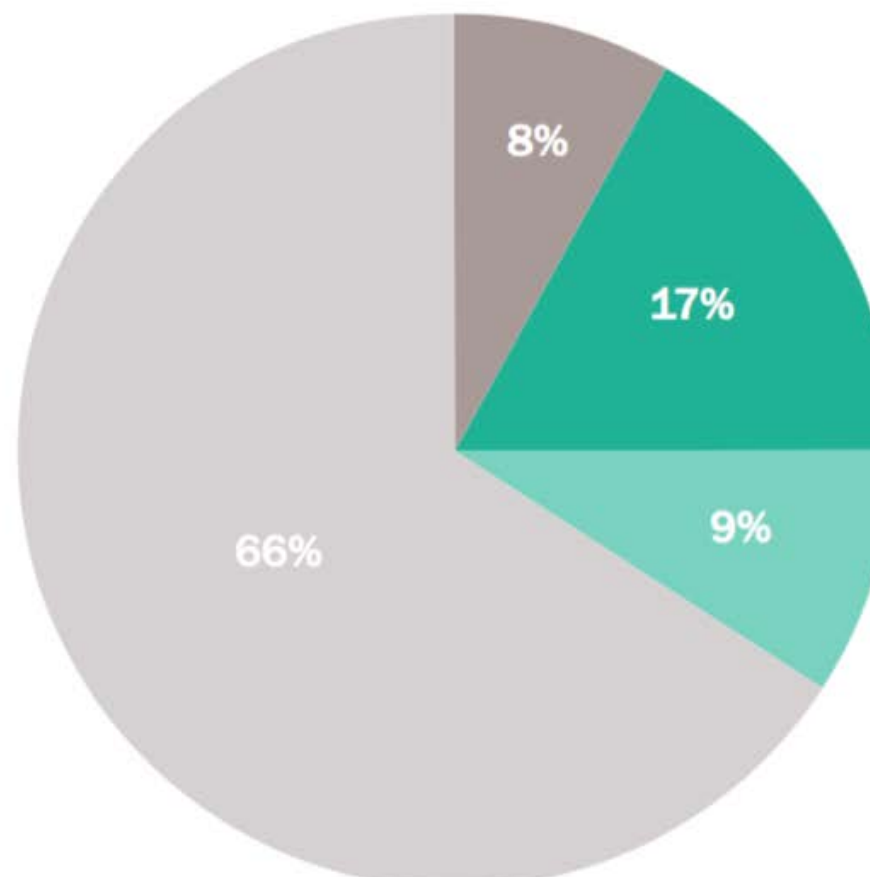
Figure 6: OECD coding projects as adaptation versus Climate and Development Lab re-evaluation

Figure 6A
OECD coding of projects
as adaptation (2012)



■ PRINCIPAL OBJECTIVE
■ SIGNIFICANT OBJECTIVE

Figure 6B
CDL re-evaluation of these projects



■ PRINCIPAL OBJECTIVE
■ SIGNIFICANT OBJECTIVE
■ NEITHER
■ UNKNOWN



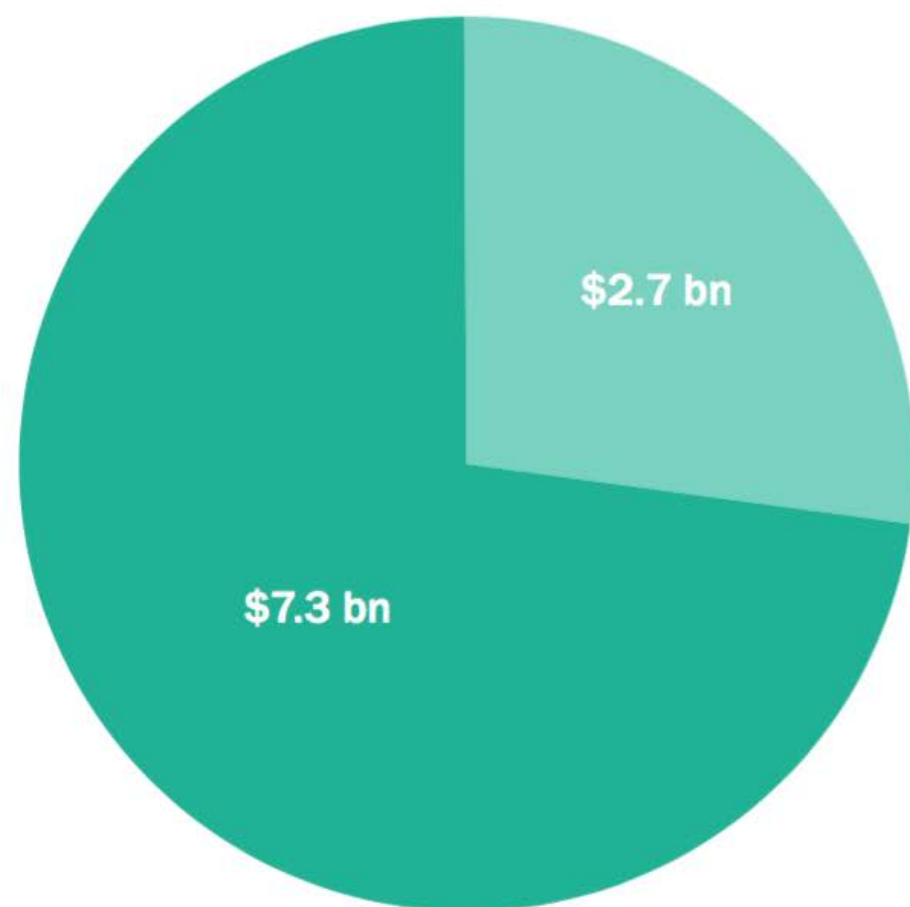
**Adaptation
Watch**

Figure 6
The 5,201 projects as categorised by OECD members as adaptation, and recoded by the Climate Development Lab (CDL) as 'adaptation appear to be the principal objective of the project,' 'adaptation appears to be a significant objective,' 'adaptation not mentioned, project apparently not adaption,' or 'insufficient information to categorise the project.'



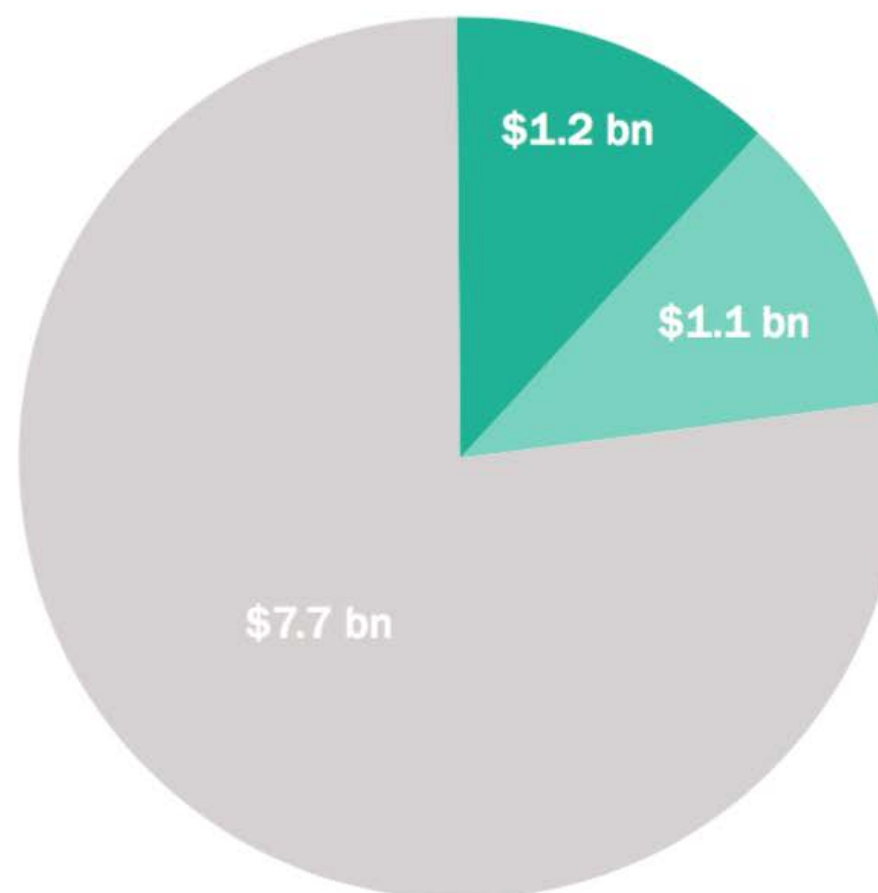
Figure 7: Dollar amount commitment by OECD member nations to projects coded as adaptation versus CLD re-evaluation

Figure 7A
OECD categorisation of projects as adaptation (2012)



■ PRINCIPAL OBJECTIVE
■ SIGNIFICANT OBJECTIVE

Figure 7B
CDL re-evaluation of these projects



■ PRINCIPAL OBJECTIVE
■ SIGNIFICANT OBJECTIVE
■ NEITHER

Figure 7
Dollar amount commitment by OECD member nations to all projects coded as 1 or 2 ('significant' or 'principal' objective as adaptation to climate change), as recategorised by the CDL.

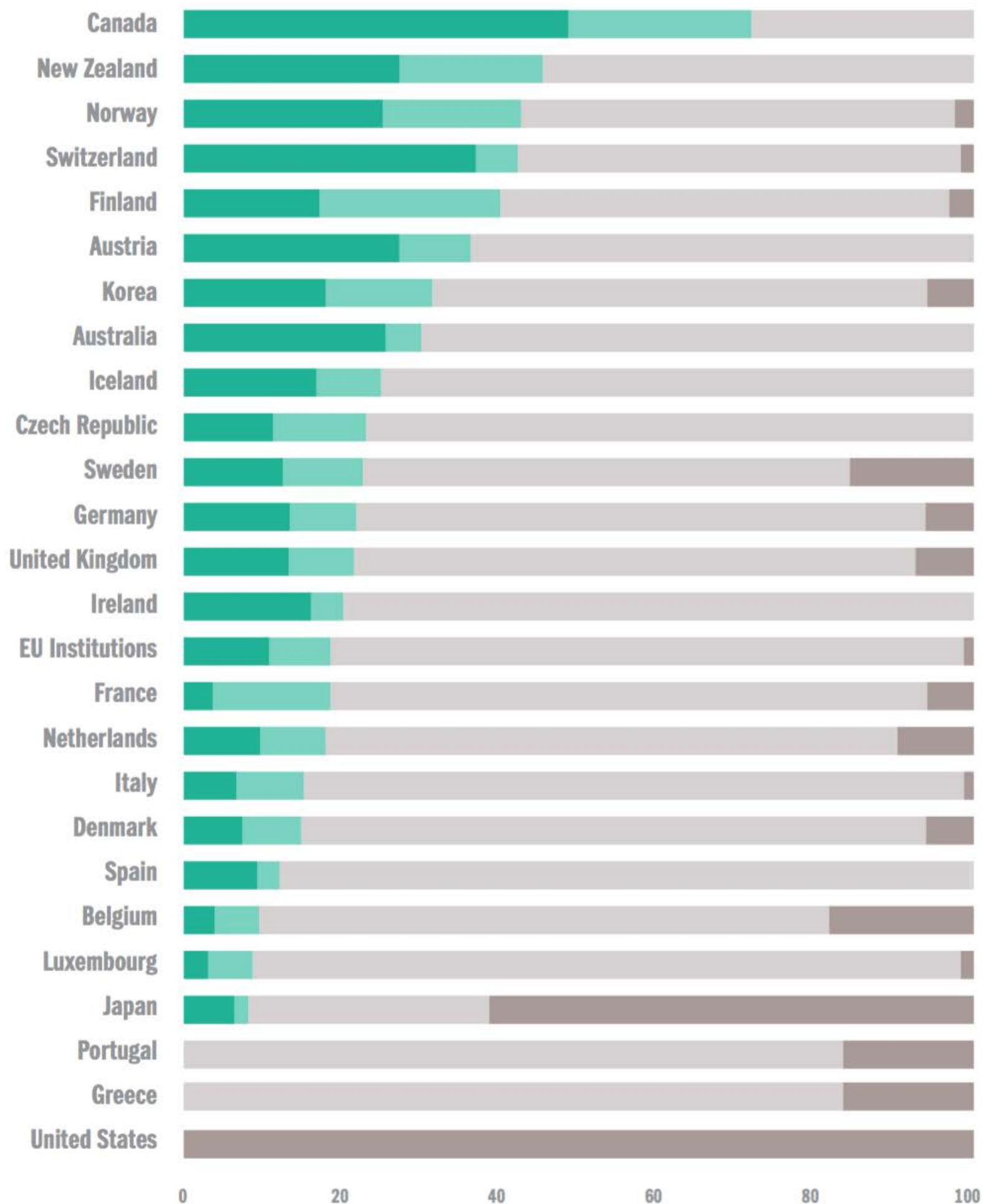
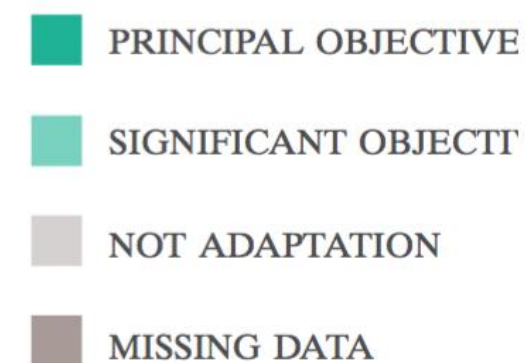


Figure 8: Projects initially coded by contributor countries as adaptation, which were recategorised as having adaptation as a ‘significant objective,’ ‘a principal objective,’ ‘unrelated,’ or ‘cannot be categorised’, by country, 2012



Ten Steps to Building a Real and Robust System

Step 1: Empower the UNFCCC Standing Committee on Finance

Step 2: Agree and enforce consistent definitions and valid flows.

Step 3: Abandon the Rio marker system and create a new framework.

Step 4: Agree on the types of private flows that count as climate finance, and those that don't.

Step 5: Clarify reporting guidelines for Biennial Reports.

Step 6: Streamline funding procedures.

Step 7: Make planning and governance of projects more transparent for, and receptive to, input from beneficiaries.

Step 8: Require georeferencing of activities.

Step 9: Harmonise monitoring and evaluation.

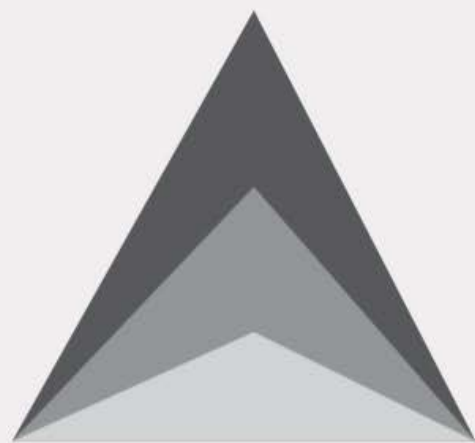
Step 10: Track progress through crowdsourcing.





Relation with other coalitions / partnerships and non-members

The activities of AdaptationWatch will add value to current activities of existing organisations, coalitions and partnerships that are working in the field of transparency and accountability and/or climate adaptation. Any possible duplication will be avoided and AdaptationWatch will encourage exchange of information, interaction and synergy with the above mentioned.



Adaptation Watch

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Towards greater accountability for climate finance

Experiences from the Adaptation Finance
Accountability Initiative



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INTRODUCTION TO AFAI



OXFAM

Adaptation Finance Accountability Initiative

Partnership to promote accountability of adaptation
finance at the national level



WORLD
RESOURCES
INSTITUTE



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AFAI Approach to Accountability

Actor	Commitment	Accountable to whom?	Existing oversight mechanism
Donor governments	Provide support to countries that are vulnerable to climate change	Recipient countries and citizens within those countries	UNFCCC reporting and negotiations, international non-governmental organizations monitoring and right to information
Recipient governments	Protect citizens from harm	Citizens, especially the ones most vulnerable to climate impact	National accountability mechanisms (budget cycle, CSOs, formal oversight institutions like supreme audit institutions and parliaments)

Equity. Actions consider social inequalities and promote equality.

Participation. Processes allow stakeholders (gov, private sector, CSOs and communities) to provide informed, timely, and meaningful input and influence decisions that affect them.

Responsiveness. Resources are directed in response to the needs and interests of the most vulnerable people and communities.

Ownership. Stakeholders at the national and subnational levels decide what actions need to be taken.

Transparency. Stakeholders can gather information about the use of funding and the activities that are being carried out.



CHALLENGES TO ACCOUNTABILITY



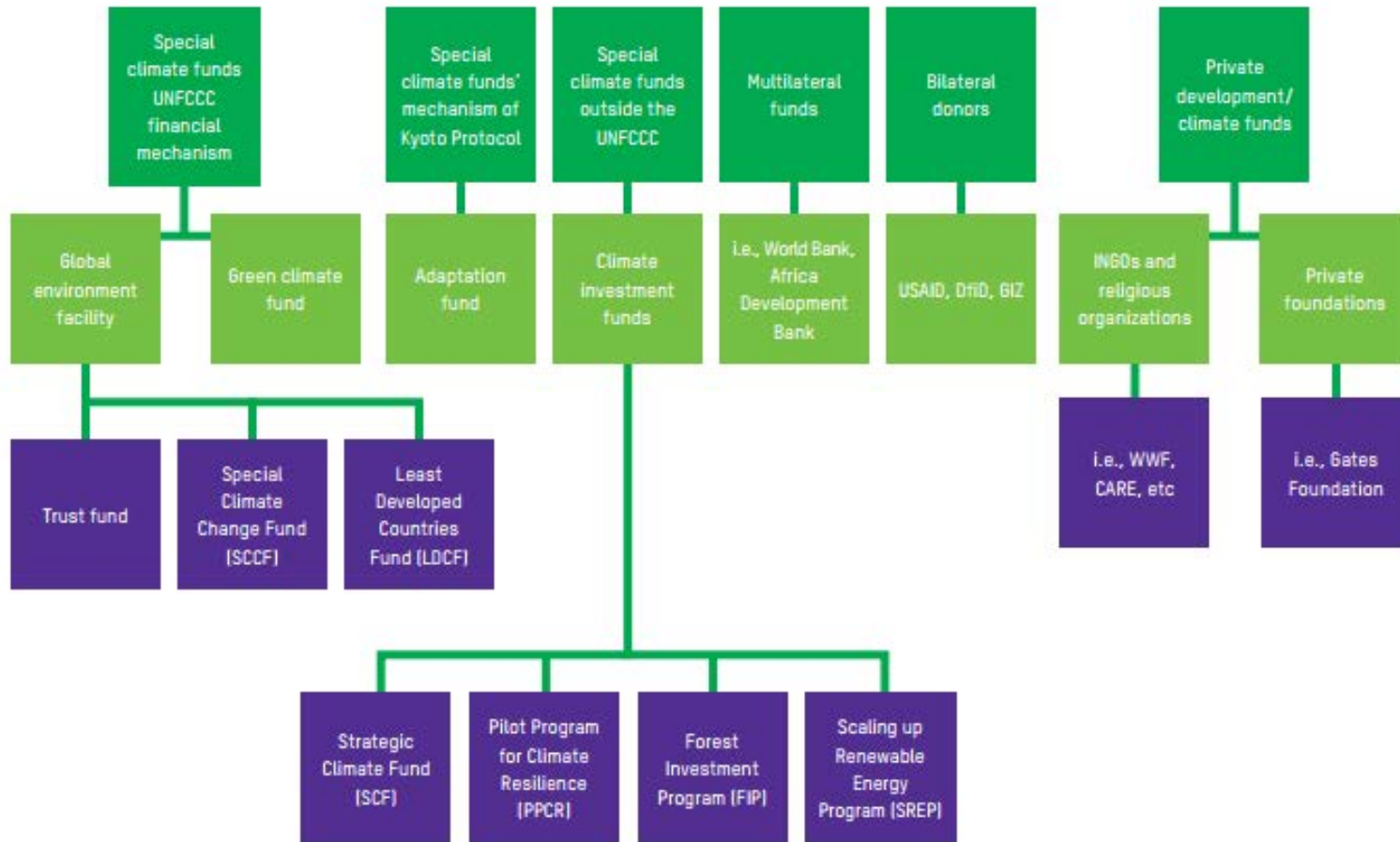
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CHALLENGES TO ACCOUNTABILITY

- Complexity
- Different perceptions/definitions of climate finance
- Difficulty defining “adaptation”
- Different stages of decentralization
- Link between financial flows and country strategy/plans



Public Finance Mechanisms for Adaptation



Channeling Adaptation Funds to Local Level



PARIS AGREEMENT – TRANSPARENCY OF ACTION & SUPPORT



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PARIS DECISION ON TRANSPARENCY

- Single system
- Capacity building initiative for transparency (GEF)
- Biennial reports – LDCs and SIDs submit at discretion
- Content:
 - NDC (effects)
 - Adaptation (support, experiences, priorities)
 - Support provided and received
- Global Stocktake
- Modalities/procedures/guidelines @ first session



OPPORTUNITIES AND CHALLENGES

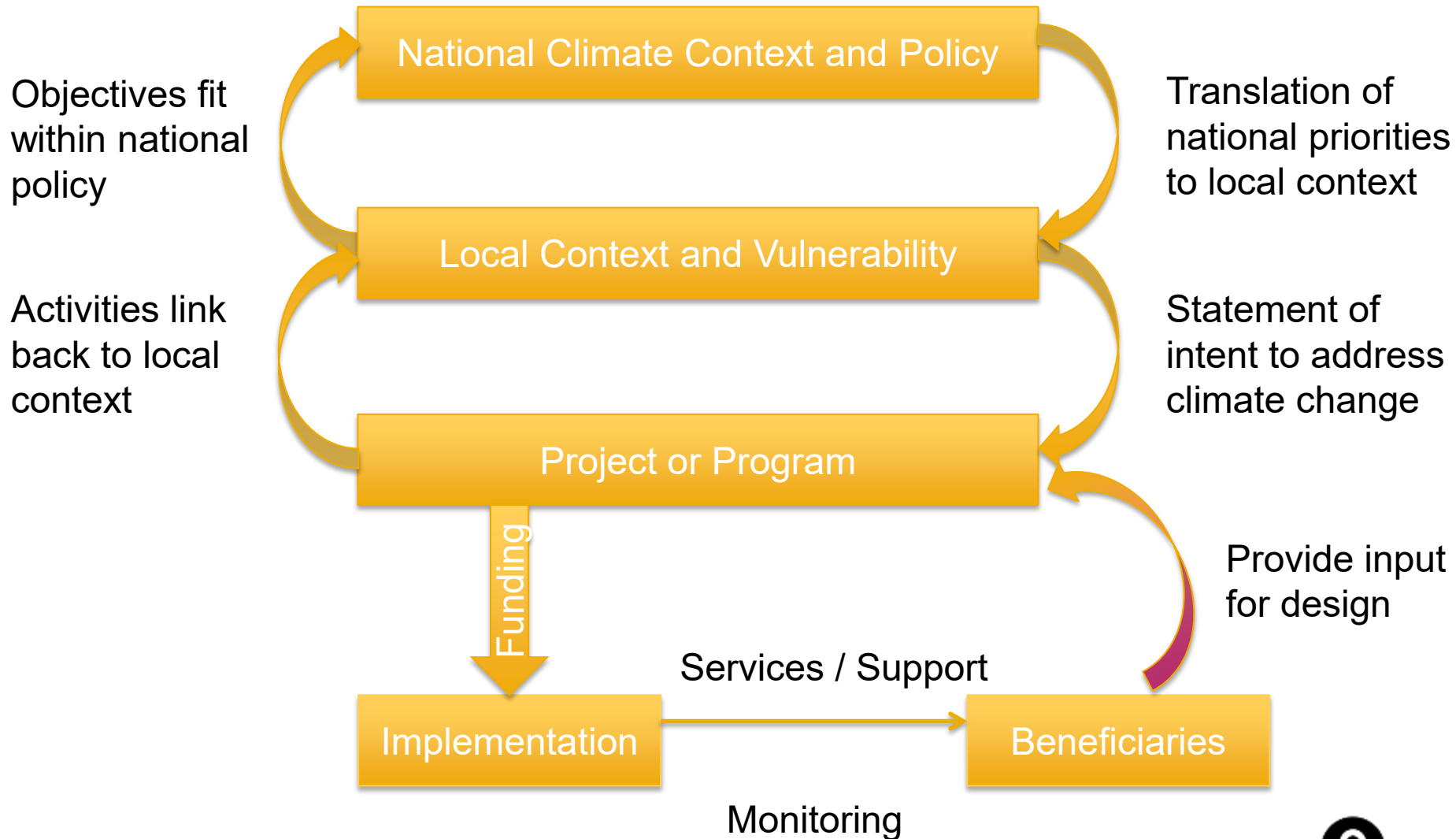
- Focus and emphasis will be on mitigation
- Tendency to over count and becomes accounting exercise more than changing ways of working (and impact)
- Opportunity for developing countries to have a say, not just donor/contributors



Making the Transparency Regime Work for Developing Countries

- Need Common Rules and Guidelines
- Tight definition of Support
- Separate Support from “shifting the trillions”
- Demand more information from donors/contributors
- Enable communication, cooperation and collaboration amongst countries
- Support and encourage CSO engagement in tracking and monitoring of climate finance
- Procedural approach (NOT positive list) to what counts as adaptation

What Counts as Adaptation

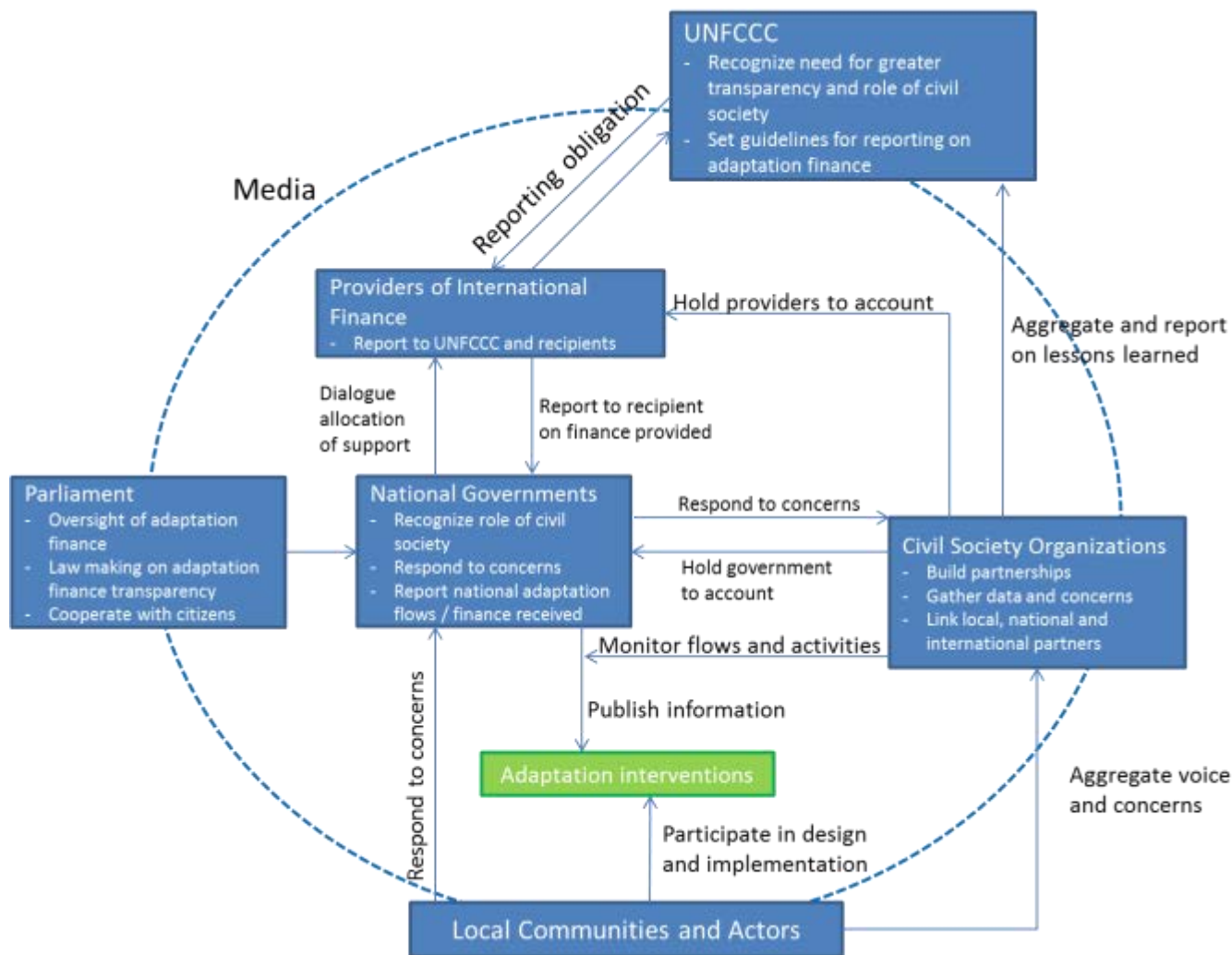


**ACCOUNTABILITY IS EVERYONE'S
BUSINESS**



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Promoting Accountability for Adaptation Finance





<http://policy-practice.oxfamamerica.org/work/climate-change/adaptation-finance-accountability-initiative-afai/>



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***Transparency, Accountability
and Participation in Adaptation
Finance:
Developed countries'
obligations***

<http://www.climateregimemap.net>



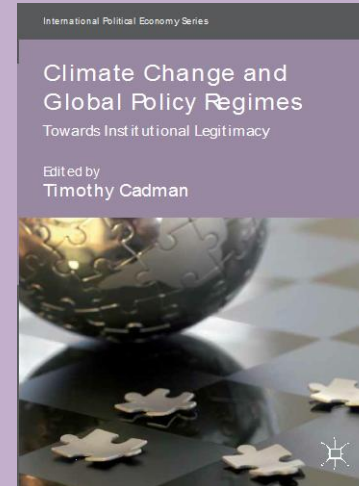
Tim Cadman
Institute for Ethics Governance and Law
Griffith University



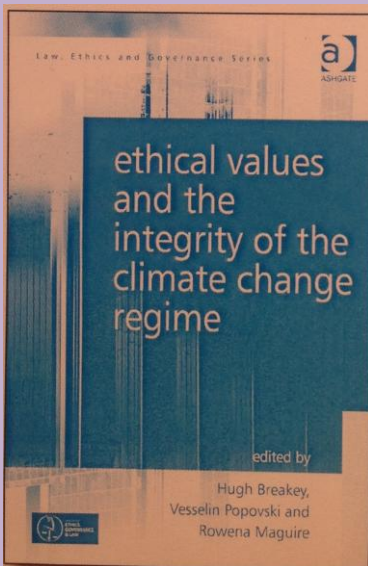
Publications



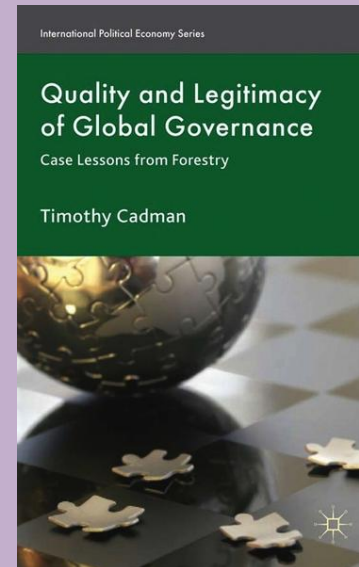
The Political Economy of Sustainable Development: Policy Instruments and Market Mechanisms:
Edward Elgar
(2015)



Climate Change and Global Policy Regimes: *Towards Institutional Legitimacy*
Palgrave-Macmillan
– IPE Series
(April 2013)



Ethical Values and the Integrity of the Climate Change Regime:
Ashgate Law, Ethics and Governance Series
(2015)



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(March 2011)

Contents

- **Conceptualising governance**
- **Negotiating text contents re adaptation & developed countries' obligations**
- **Conclusions**

Conceptualising climate governance

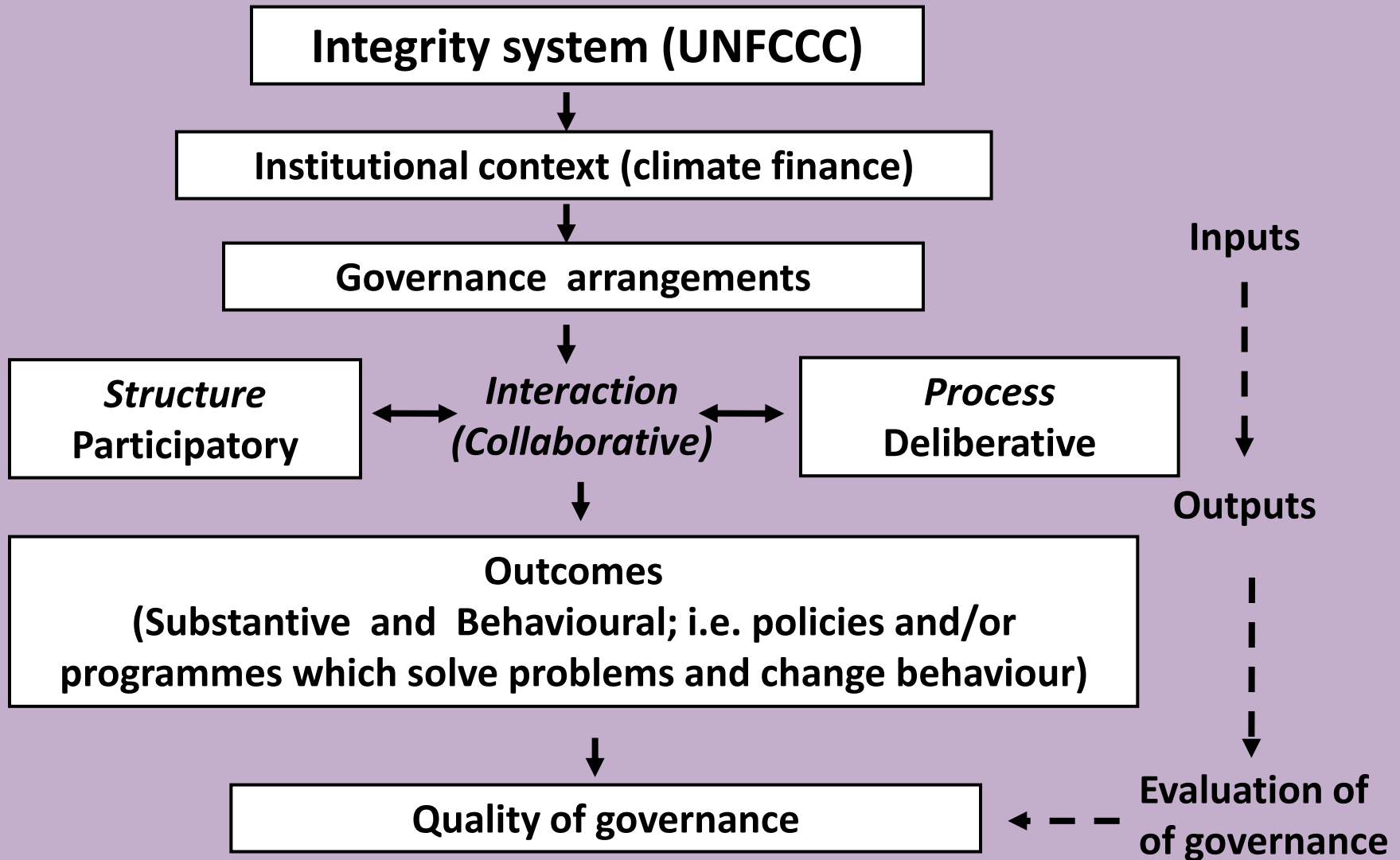


Figure 2: Model of Governance Quality (Cadman 2011 - adapted)

Relationship between transparency, accountability, participation and finance

Table 2: Normative hierarchical framework of principles, criteria and indicators of governance quality

Principle	Criterion	Indicator
<u>“Meaningful participation”</u>	<i>Interest representation</i>	Inclusiveness
		Equality
		Resources (capacity – including finance)
	<i>Organisational responsibility</i>	Accountability
		Transparency
<u>“Productive deliberation”</u>	<i>Decision making</i>	Democracy
		Agreement
		Dispute settlement
	<i>Implementation</i>	Behaviour change
		Problem solving
		Durability

Paris Agreement: Summary of outcomes - institutions

- Largely replaces the Kyoto Protocol (and 2nd commitment period under Doha Amendment).
- The CMA (Conference of Parties Meeting as Parties to the Agreement) will now complement the CMP
 - administrative, oversight and decision-making powers
- The Ad Hoc Working Group for Advancing the Durban Platform (ADP) was disbanded, replaced by the Ad Hoc Working Group on the Paris Agreement (AWP).
- Parties: Must continually improve INDCs
 - Report new INDC for 2025 by 2020 for 2030 by 2020 (23, 24)
- Technology Mechanism (TM) will now sit under a Technology Framework
- Loss and Damage
 - clearing-house for risk transfer
 - Establish a task force to *address displacement* (50)
 - But ‘does not involve or provide a basis for any liability or compensation’ (51)
- establishes a **Paris Committee on Capacity Building** (PCCB – with a Work Plan 2016-2020) (72)
- **‘Capacity-building Initiative for Transparency’** (CIT) (85-89)
- ‘Mechanism to contribute to greenhouse gas emissions’ (emissions trading) will also be established (A6.4)

Summary of relevant articles of the Agreement

- Article 1: Definitions refer back to Convention (UNFCCC)
- Article 2: Strengthen response to climate change (CC) ('well below 2°C)
- Article 3: Nationally determined contributions to reduce emissions
- Article 4: Details how Parties will deliver NDCs
- Article 5: Enhancing sinks and reservoirs of GHGs, 'including forests'
- Article 6: Voluntary mitigation 'mechanisms' to meet NDCs
- **Article 7: Enhancing adaptation activities**
- Article 8: Measures for addressing loss and damage from CC
- **Article 9: Provision of Finance**
- Article 10: Technology development and transfer
- **Article 11: Capacity building**
- **Article 12: Public awareness and participation**
- **Article 13: Transparency of action**
- Article 14: Global Stocktake
- Article 15: Scope of mechanism for implementation and compliance
- Article 16: Administrative arrangements
- Article 17: Role of the Climate Change Secretariat under Agreement
- Article 18 – 19: Roles of subsidiary bodies
- Articles 20: Ratification arrangements
- Article 21: Entry into force
- Articles 22-29: other administrative arrangements

Paris Agreement: relevant decisions

Decisions giving effect to the agreement

- 117 decisions in all relating to
 - Mitigation (22-41 [35 deleted])
 - **Adaptation (42-47) (6)**
 - Loss and damage (48-52)
 - **Finance (53-65) (12)**
 - Technology development and transfer (66-71)
 - **Capacity Building (72-84) (12)**
 - **Transparency of action and support (85-99) (14)**
 - Global stock take (100-102)
 - Facilitation implementation and compliance (103-104)
 - Timeliness ('final clauses') (105)
 - **Enhanced action prior to 2020 (106-133) (27)**
 - Non-Party stakeholders (134-137)
 - Admin. (138-140)

Article 7: Enhancing adaptation activities

10. Each Party *should*, as appropriate, submit and update periodically an adaptation communication, which *may* include its priorities, implementation and support needs, plans and actions, without creating any additional burden for developing country Parties.
11. The adaptation **communication** referred to in paragraph 10 of this Article **shall be, as appropriate, submitted and updated periodically**, as a component of or in conjunction with other communications or documents, including a national adaptation plan, a nationally determined contribution as referred to in Article 4, paragraph 2, and/or a national communication.
12. The adaptation **communications** referred to in paragraph 10 of this Article **shall be recorded in a public registry maintained by the secretariat**.
13. **Continuous and enhanced international support shall be provided to developing country Parties** for the implementation of paragraphs 7, 9, 10 and 11 of this Article, in accordance with the provisions of Articles 9, 10 and 11.

Summary of decisions - Adaptation

- Adaptation Committee (AC) and Least Developed Countries Expert Group (LEG)
 - ‘request’ develop ‘modalities’ to **determine adaptation ‘efforts’**, recommendation for adoption to first meeting CMA (42)
 - Work with Standing Committee on Finance and others to recommend to CMA 1 (46)
 - a) Measures for mobilization of support for developing countries under 2/1.5 degree scenario
 - b) **Review effectiveness** of adaptation support under A7.14c
- AC to recommend to 1st CMA (43)
 - a) Review exiting work arrangements for adaptation to increase **coherence**
 - b) develop methods for assessing developing countries adaptation needs

Adaptation cont.

- UN agencies and financial institutions
 - ‘invites’ to present evidence as to how climate finance and development projects have ‘**climate proofing**’ and ‘resilience measures’ (44)
- Parties
 - ‘requests’ **strengthen** regional adaptation **co-operation** esp. in developing countries (45)
- Green Climate Fund (GCF)
 - ‘requests’ ‘**expedite support**’ to developing countries for developing national adaptation plans (NAP) and implementing them (47)

Article 9: Finance

1. **Developed country Parties *shall* provide financial resources to assist developing country Parties** with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.
2. Other Parties are encouraged to provide or continue to provide such support voluntarily.
3. As part of a global effort, **developed country Parties *should* continue to take the lead in mobilizing climate finance from a wide variety of sources**, instruments and channels, noting the significant role of public funds, through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. Such mobilization of climate finance should represent a progression beyond previous efforts.
4. The provision of **scaled-up financial resources *should* aim to achieve a balance between adaptation and mitigation**, taking into account country-driven strategies, and the priorities and needs of developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and have significant capacity constraints, such as the least developed countries and small island developing States, considering the need for public and grant-based resources for adaptation.

Article 9: Finance – cont.

5. **Developed country Parties shall biennially communicate indicative quantitative and qualitative information** related to paragraphs 1 and 3 of this Article, as applicable, including, as available, projected levels of public financial resources to be provided to developing country Parties. Other Parties providing resources are encouraged to communicate biennially such information on a voluntary basis.
6. The **global stock take referred to in Article 14 shall take into account the relevant information provided by developed country Parties** and/or Agreement bodies on efforts **related to climate finance**.
7. **Developed country Parties shall provide transparent and consistent information on support for developing country Parties provided** and mobilized through public interventions biennially in accordance with the modalities, procedures and guidelines to be adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, at its first session, as stipulated in Article 13, paragraph 13. Other Parties are encouraged to do so.
8. The **Financial Mechanism** of the Convention, including its operating entities, **shall serve as the financial mechanism of this Agreement**.
9. **The institutions serving this Agreement**, including the operating entities of the Financial Mechanism of the Convention, **shall aim to ensure efficient access to financial resources** through simplified approval procedures and enhanced readiness support for developing country Parties, in particular for the least developed countries and small island developing States, in the context of their national climate strategies and plans.

Summary of decisions - Finance

‘Decides’ Finance to developing country action of implementation of Agreement relates to **both** adaptation and mitigation under A2 (53)

- The Standing Committee on Finance ([SCF](#)) will continue to serve Agreement under responsibilities identified by COP, Green Climate Fund ([GCF](#)) and the Global Environment Facility ([GEF](#)) will continue to co-exist, with both acting as operational entities for [climate finance](#) under Agreement.
- The GCF will also be enabled to provide support for Least Developed Countries’ ([LDCs](#)) National Adaptation Plans ([NAPs](#)).
- Developed countries ***will*** continue funding for ‘meaningful mitigation actions and transparency on implementation’ with a ‘**floor**’ of **\$100 Billion**, and to set a **new goal in 2025** (54)
- Decides to **develop reporting requirements on developed country funding via 1st CMA at COP 22 [A9.5]** (56), and subject to (96) below (57) (see also 58)
- Adaptation Fund (AF) - Continue to serve Kyoto Protocol (KP) **and** Agreement, under CMP and CMA (60) subject to decisions of COP (61)
- ‘Institutions serving the Agreement’: ‘urges’ delivery of finance through ‘**simplified** and efficient **application and approval** procedures’ (65)

Article 13: Transparency of action & support

6. The purpose of the framework for transparency of support is **to provide clarity on support provided and received** by relevant individual Parties in the context of climate change actions under Articles 4, 7, 9, 10 and 11, and, to the extent possible, to provide a full overview of aggregate financial support provided, to inform the global stocktake under Article 14.
9. **Developed country Parties *shall*, and other Parties that provide support *should*, provide information on financial, technology transfer and capacity-building support provided to developing country Parties under Article 9, 10 and 11.**
10. Developing country Parties ***should* provide information on financial, technology transfer and capacity-building support needed and received** under Articles 9, 10 and 11.

Article 13: Transparency cont.

11. Information submitted by each Party under paragraphs 7 and 9 of this Article **shall** undergo a **technical expert review**, in accordance with decision 1/CP.21. For those developing country Parties that need it in the light of their capacities, the review process shall include assistance in identifying capacity-building needs. In addition, each Party shall participate in a facilitative, multilateral consideration of progress with respect to efforts under Article 9, and its respective implementation and achievement of its nationally determined contribution.
12. The technical expert review under this paragraph **shall** consist of a consideration of the Party's support provided, as relevant, and its implementation and achievement of its nationally determined contribution. The review shall also identify areas of improvement for the Party, and include a review of the consistency of the information with the modalities, procedures and guidelines referred to in paragraph 13 of this Article, taking into account the flexibility accorded to the Party under paragraph 2 of this Article. The review **shall** pay particular attention to the respective national capabilities and circumstances of developing country Parties.
13. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement **shall**, at its first session, building on experience from the arrangements related to transparency under the Convention, and elaborating on the provisions in this Article, **adopt common modalities, procedures and guidelines**, as appropriate, for the transparency of action and support.
14. **Support shall be provided to developing countries for the implementation of this Article.**
15. **Support shall also be provided for the building of transparency-related capacity of developing country Parties on a continuous basis.**

Summary of decisions – transparency of action and support

Transparency

- ‘create a ‘Capacity-building Initiative for Transparency’ (CIT) (85-89)
 - ‘build institutional and technical capacity, both pre- and post-2020’
 - Help improve transparency ‘**over time**’ (86)
 - Use 7th review of FM to assess CIT (88)
 - Developing countries have ‘**flexibility in implementation of provisions**’ [A13.2] (90)
 - Under A13.7-10 least developed countries (LDCs) ‘**shall**’ submit information no less frequently’ than bi-annually but ‘**may**’ submit at their discretion (?) (91)

Transparency

- AWP – ‘requests’
 - Develop ‘modalities, procedures and guidelines’ following A13.13, to be presented to 1st CMA, but ‘considered’ at COP 24 **2018** (92), to take into account (93):
 - a) ‘facilitating improved reporting and transparency over time’
 - b) ‘**Flexibility**’ for developing countries given capacity
 - c) ‘promote transparency, accuracy, completeness, consistency, and comparability’
 - d) ‘**avoid duplication**’ and ‘undue burden’ on CCS and Parties
 - e) Parties maintain ‘frequency and quality of reporting’
 - f) Avoid ‘**double accounting**’
 - g) ‘**ensure environmental integrity**’
 - As well as (95)
 - a) ‘**types of flexibility**’
 - b) **Consistency** between INDC reporting-, and progress-, methodologies
 - c) Reporting includes actions, and plans, including NAP
 - d) Support provided for adaptation and mitigation taking SBSTA methods into account
 - e) Information on biennial assessments, SCF reports, and other bodies
 - f) ‘Information on the **social and economic impacts** of response measures’

Transparency cont.

- AWP – ‘requests’ (cont.)
 - Draw on experiences of other processes (94)
 - Enhance transparency of support from developed countries [A9] (96)
 - Provide a progress report on modalities no later than 2018 (97)
 - modalities, procedures & guidelines enter into force with Paris Agreement (98)
 - Will ultimately **replace** measurement reporting and verification (MRV) under 1/CP.16 (99)

Article 11: Capacity building

1. Capacity-building under this Agreement *should* enhance the capacity and ability of developing country Parties.
2. Capacity-building *should* be an effective, iterative process that is **participatory**, cross-cutting and gender-responsive.
3. All Parties *should* cooperate to enhance the capacity of developing country Parties to implement this Agreement. **Developed country Parties *should* enhance support for capacity-building actions in developing country Parties.**
4. All **Parties enhancing the capacity of developing country Parties** to implement this Agreement, including through regional, bilateral and multilateral approaches, **shall regularly communicate on these actions or measures** on capacity-building. Developing country Parties *should* regularly communicate progress made on implementing capacity-building plans, policies, actions or measures to implement this Agreement.

Summary of decisions - Capacity building

- ‘Decides’ to establish the **Paris Committee on Capacity-building (PCCB)** to
 - ‘address gaps and needs, ...in implementing capacity-building in developing country Parties’
 - ‘enhance capacity-building efforts...
 - with regard to **coherence and coordination** in ... activities under the Convention’ (72)

Capacity building cont.

- PPCB
 - Manage and oversee work plan (73): ‘decides’ -
 - a) ‘Increase synergies through cooperation and **avoid duplication** among existing bodies’
 - b) Identify ‘**capacity gaps and needs and how to address them**’
 - c) Promote **methods for capacity building**
 - d) Foster multi-level cooperation
 - e) Identify lessons from existing bodies
 - f) Explore how developing countries can take greater control of c-b
 - g) Identify opportunities for increased c-b at national and sub-national levels
 - h) Foster **collaboration** between existing bodies
 - i) Provide guidance to CCS on capacity-building Portal (74)
 - Annually focus on a specific area of capacity building (75)
 - ‘Decides’ ‘Inputs’ to PCCB will include submissions assessing effectiveness of the 3rd review of the implementation of Capacity Building Framework (CBF) (80)
 - Parties submit ‘views’ on PCCB membership by March 2016 (76)
 - Requests prepare ‘annual technical progress reports’ (81)

Governance of Climate Finance: A Developing Country Perspective

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Integrity Dialogue on CC Adaptation Finance

TIB, Dhaka, 29 March 2016

Outline of the Talk

- Governance of AF: Mechanisms & Reality
 - Why AF remains Poor!
 - How can it be improved?
- Integration of CCA into Development Process
- Role of CSOs/NGOs, Think Tanks & Communities in AF Governance

Governance of CF

- All the funding mechs will continue under the Paris Agreement
- Fate of the Adaptation Fund uncertain, which had majority representation from DCs in its 16-member Board – Why?
- 24-member GCF board – 50:50 representation, but money power weighs more than numerical balance
- Standing Commi on Finance remains, but its ToR ineffective
- Only 4-5% of total CF delivered through UNFCCC funds, but so much time, energy & resources spent on instituting dem mechs
- Now there is a preference for bilateral climate aid; Historical relations & strategic considerations stand in the way of thematic & geographical balance
- GEF or MDB funding has extremely slow project cycle, which also promotes bilateral funding

Governance of Adaptation Financing!

- Lack of agreement on what CF is produces widely varied estimates; even Rio Marker is not uniformly followed by donors
- Paris Agreement provides for establishing a Transparency Framework for monitoring support & SBSTA is requested to develop modalities for accounting of public support
- Now roughly about two dozen mechanisms deliver public CF
- So extreme fragmentation in delivery of CF among old & new agencies result in a lack of coordination among donors; this also compromises aid effectiveness & MRV of finance in DCs
- Private sector appears not interested in financing adaptation particularly in the PVCs; they are initiating actions for their business & financial risk management, & appear more interested in soft loans from the PSF for low-carbon dev
- Spending of billions by ICs in their adaptation is regarded as 'adaptation apartheid' (Tutu)

Accessing Climate Finance

- PA Article 9.9 says: 'The institutions ... shall aim to ensure efficient access through simplified approval procedures and enhanced readiness support' particularly for the LDCs & SIDS
- What does 'efficient access' mean is not defined; actually a kind of 'constructed ambiguity' persists in adopting texts
- Excessive and varied administrative & reporting requirements stand in the way for accessing finance
- So the EU-led GCCA recommended for joint programming & joint financing among donors, harmonization & simplification of procedures of accessing funds
- Inadequate capacity in many PVCs; but capacity building often remains one-off initiative, without thinking of its sustainability
- CF Readiness Program to be strengthened; now the Paris Committee for CB may plug the gap a little

Conceptual & Legal Basis of Adaptation is Weak

- Adaptation was an afterthought in the CC regime, but as Mitigation was not done, adaptation came to the fore since 2001
- But funding remains poor because market mechs cannot often be applied to adaptation, reinforced by Article 3.3 of the Convention, providing for global benefits & cost-effectiveness
- But CC is global – both in its Cause & Effect; how to address the Cause has no ambiguity & is well-codified in the regime: stable climate is a global public good (GPG); so CC is a global public bad (GPB); hence mitigation as a GPG has a built-in compulsion for universal cooperation, but it is not succeeding yet because of disagreement over responsibility-sharing
- What about CC impacts - result of undersupply of mitigation? Should not they be regarded as a GPB? Hence adaptation as a GPB & global responsibility?

So A Need to reframe the Adaptation Framework

- Einstein advised us that no problem can be solved with the same level of consciousness that created it
- So my Book *Toward a Binding Climate Change Adaptation Regime* (Routledge: London & New York, 2014, 2015) is a *pioneer* attempt at reframing the debate with raising three Qs:
 - Why is addressing CC impacts through adaptation not regarded as a GPG?
 - If provision of local & national PG is not left to voluntary or market forces, why should adaptation by the innocent poor victims be left to non-binding, voluntary contributions?
 - If these two questions sound as rational & valid. Deserving an answer, then: How can such a reframing of adaptation be articulated and translated into reality?

My Argument for Reframing

- The diabolically complex pol economy of CC raises a 'moral storm,' condemning the major emitters to some 'theoretical ineptitude' in not appreciating the underlying dynamics of CC
- The neo-classical conception of 'public good' was national territory-bounded; so it warrants extra-territorial expansion in an age of Global Commons problems like atmospheric sink cap
- So I have tried to substantiate three claims: i) that inadequate adaptation finance is due to the current problematic framings of adaptation; ii) that it makes conceptual and political sense to consider adaptation as a GPG; and iii) that reframing adaptation as a GPG would make a difference by boosting AF
- The foundation of the CC regime: neoliberal market economy inhere my proposed solution: through their application in letter & spirit: polluter-pays-principle through carbon pricing & some levies, with a differential approach initially among countries

Mainstreaming Adaptation & its Financing

- Mainstreaming of adaptation into dev policies makes common sense, since adaptation cannot often be separated from dev; but from policy point of view, mainstreaming blurs the qualitative difference between AF & ODA
- So my proposal was to generate both streams in separate accounts, but at fund utilization point in the PVCs, both pots can be mixed
- Some EU members define the threshold of measuring 'new & additional' relative to ODA
- A CF framework at national level is needed, and its operationalization down the local govt tiers will ensure financial mainstreaming; since adaptation is mostly local & locally developed plans warrant a decentralization of AF

CSOs, Think Tanks & NGOs in governing AF

- Goal is to ensure MRV of fin at both sides: of donors & recipients
- But current participation is designed as a fig leaf, as token for non-inputs, but needed for granting legitimacy
- Of the dedicated public CF mechanisms, perhaps only Amazon Fund & UNREDD Program have provisions allowing stakeholders to be voting members in decision process
- A drive for linking citizen movements to make it trans-local & trans-national, to reflect grassroots voices bottom up, but how to do it is challenging – real democratic practice is an answer
- In Bangladesh, non-state actors are polarized; lack of financial autonomy cripples them
- Democratization of CS/NGO networks & commitment to principles of accountability, transparency & subsidiarity
- Compliance with & strengthening the concept of conflict of interest in fund management; this will ensure better fiduciary standards

THANKS!

Capacity building cont.

- COP
 - ‘Requests’ Provide an assessment of PCCB at COP 25 (2019)
- CMA
 - Review PCCB subject to A11.5 1st (**‘shall**, at its first session, consider and adopt a decision on the initial institutional arrangements for capacity-building’ [A11.5]) (82)
 - explore ways of enhancing the implementation of
- Parties
 - ‘Calls upon’ ‘ensure education, training and public awareness’ are part of c-b contributions as per A12 (83)
 - ‘Invites’ ‘enhance training, public awareness, **public participation and public access to information**’ for c-b under Agreement (84)

Article 12: Public awareness and participation

Parties **shall** cooperate in taking measures, as appropriate, to **enhance climate change education, training, public awareness, public participation and public access to information**, recognizing the importance of these steps with respect to enhancing actions under this Agreement.

- No specific decisions, but some connections to ‘non-Party stakeholders’ and the ‘need to strengthen knowledge’ (134-137)

Summary of decisions – Enhanced action prior to 2020

- ‘Resolves’ to
 - ‘Enhance’ **finance, technology and capacity-building** by developed countries and
 - ‘strongly urges’ developed countries to ‘**scale up**’ funding via ‘**concrete roadmap**’ to goal of **USD\$100 billion** annually for adaptation and mitigation, and (115)
 - ‘**increasing adaptation finance** from current levels’ (115)
 - ‘Decides’ to launch a ‘**technical examination process**’ and an effectiveness review of adaptation 2016-2020 (125) (132)

Conclusions

- Developed countries have more **adaptation-related obligations** ('shall') than developing countries ('should') relating to:
 - Enhancing activities under Agreement and Convention
 - Amount of finance pledged and provided (including in the global stocktake)
 - Transparency of finance around technology transfer and capacity-building support including
 - Reporting on actions and measures
 - Assisting developing countries to implement transparency provisions
 - Communicating on capacity building actions/measures
 - No obligation to capacity building ('should')
- Good 'troubleshooting' – but does this give too much leeway to developing countries and too little to developed?

Conclusions cont.

- Many ‘may’, ‘will’ (\$100 billion), ‘should’ clauses under ‘shall’...
- How realistic are the timeframes set for preparations pre-COP 22 and 2020?
- Rhetoric re public participation is laudable, but where is the substance?
- Only one reference to ‘**governance**’ (A6.2, only to voluntary mitigation/adaptation activities), and none to **standards**
- How will ‘transparency, accuracy, completeness, consistency, and comparability’ (93c) be achieved without them?
- NGOs should be pushing for ‘good’ **governance standards** in climate finance (‘safeguards’ not enough)

The background of the slide is a vibrant underwater photograph of a coral reef. The water is a deep, clear blue, and the coral is in various shades of green, yellow, and brown. The coral structures are diverse, including branching corals, table corals, and brain corals. The lighting is bright, suggesting a sunny day, and the overall scene is a healthy and thriving marine ecosystem.

Thank You

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Integrity Dialogue on Climate Change Adaptation Finance:

Transparency, Accountability and Participation

Session 2:

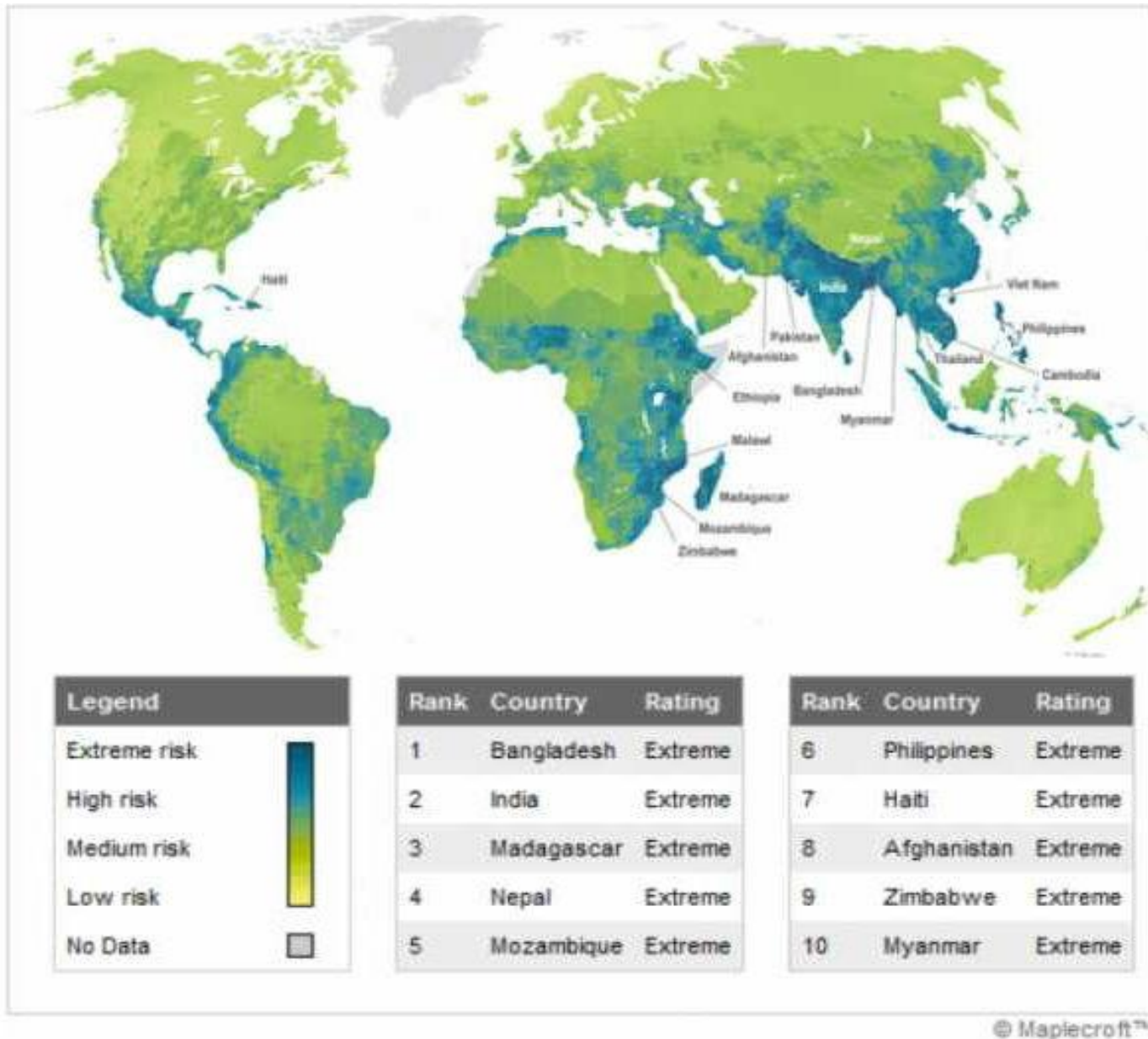
Transparency, Accountability and Participation in Adaptation Finance: Developed Country Perspective

M. Zakir Hossain Khan

TI-Bangladesh

March 29, 2016, Tuesday, Dhaka

Climate Vulnerable Global Hotspots



Global commitment to address climate change

- The developed country Parties ----- **shall also assist the developing country Parties** that are particularly vulnerable to the adverse effects of climate change in **meeting costs of adaptation** to those adverse effects. (Article 4.4 of UNFCCC)
- The inclusion of **Goal 13 in the Sustainable Development Goals (SDG)** is a pledge to strengthen resilience and human and institutional capacity on climate change mitigation, **adaptation** through effective integration of measures to combat climate change into national policies, planning and strategies.
- The Parties shall take full account of the specific needs and special situations of the least developed countries (LDCs) in their actions with regard to funding and transfer of technology. (Article 4.9 of UNFCCC)

Global Efforts to Mobilize Adaptation Funds

1994



United Nations Framework Convention on Climate Change (UNFCCC) established

1997 (COP3)



Kyoto Protocol was signed

2009 (COP15)



“New” and “Additional” to ODA FSF: US\$ 30 billion for 2010-12

2010 (COP16)



Decision to set up GCF – US\$10 billion mobilized

2013 (COP19)



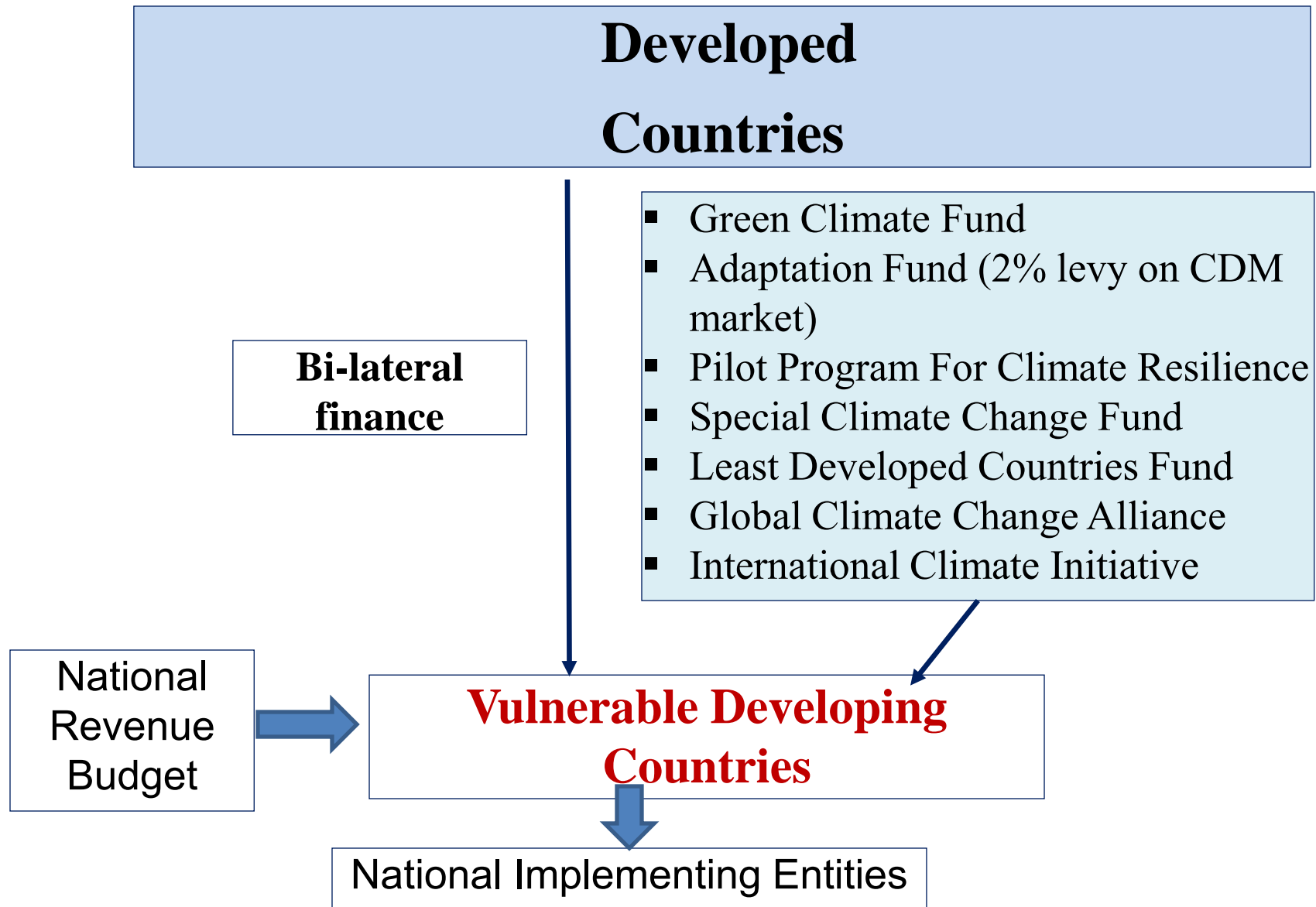
Adaptation Fund was created under KP and dedicated of around US\$330 million

2015 (COP21)

ADAPTATION FUND

Commitment of US\$100 billion for mitigation, no commitment for adaptation

Adaptation Fund Flow – Global and National



Adaptation Finance in Paris agreement

- "As part of a global effort, **developed country Parties should continue to take the lead in mobilizing climate finance from** a wide variety of sources, instruments and channels, **noting the significant role of public funds,** through a variety of actions, including supporting country-driven strategies, and taking into account the needs and priorities of developing country Parties. **Such mobilization of climate finance should represent a progression beyond previous efforts"** (Article 9.3)
- Paris Agreement creates a global goal on adaptation that was absent from previous UNFCCC agreements like Kyoto Protocol, aiming to enhance **'adaptive capacity, strengthening resilience and reducing vulnerability to climate change'** (Article 7.1).

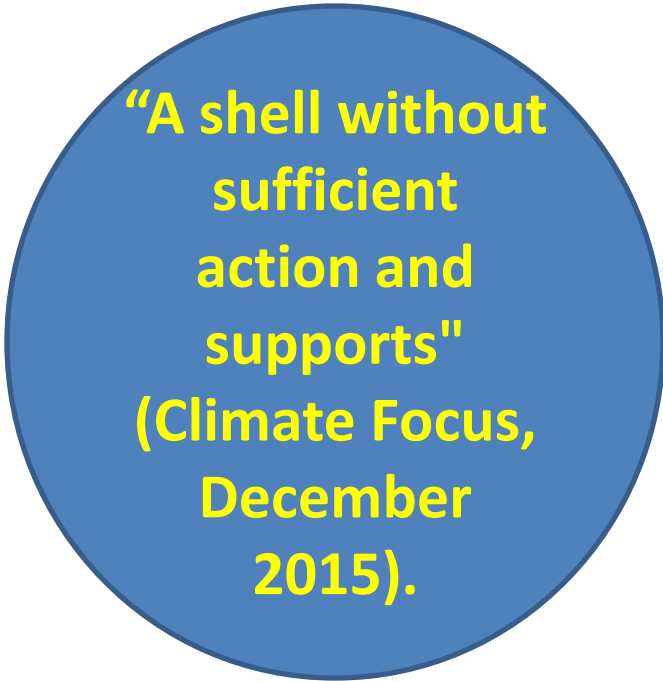
Assurance of Adaptation Finance in Peril!

Global estimates of the costs of **adaptation in developing countries of between US\$70 billion - US\$100 billion per year** in the period between 2010 and 2050 (Source: Fifth Assessment Report by the IPCC, 2014)

- ❑ **Paris agreement - Instead of using Obligatory “Shall” “Should aim”** was used in case of mobilizing the funds by developed countries
- ❑ **Priority on Mitigation, not Adaptation:** Only the specific commitment of mobilizing **US\$100 billion by developed countries for “meaningful mitigation actions and transparency in implementation” but not for adaptation in LDCs or SIDS that was mentioned** (Clause 54 of the ADP decision linked to Article 9.3)
- ❑ Recognizes that **developed country Parties commit**, in the context of **meaningful mitigation actions** to a goal of mobilizing jointly **USD 100 billion per year by 2020** to address the needs of developing countries; (COP 16, paragraph 98)

Transparency in Adaptation Finance

- ❑ Parties shall, where engaging on a voluntary basis -----promote sustainable development and **ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, ---the Parties to the Paris Agreement (Article 6.2 in Paris agreement)**
- ❑ Establishing a **‘enhanced transparency framework for action and support’** for monitoring support the proposed (Article 13)
- ❑ **The compliance mechanism that will function in a manner that is "transparent, non-adversial and non-punitive" (Article 15.2)**



"A shell without sufficient action and supports" (Climate Focus, December 2015).

Transparency – Undefined Climate Finance

- **Undefined climate finance** (what counts as climate finance) recognizing only grants but not loans
- Due to **lack of accurate categorization** (using Rio Marker), **we don't know how much money for Adaptation has been mobilized**
- Still **lack a system for INDEPENDENTLY VERIFYING FINANCE** (Brown University study)

Transparency – “New” and “Additional” to ODA

“**OECD claims** that developed countries and their private sectors had provided **\$62 billion in climate finance flows in 2014** the only hard number currently available in this regard is **\$2.2 billion** in gross climate fund disbursements”



Discussion Paper



Climate Change Finance, Analysis of a Recent OECD Report:
Some Credible Facts Needed

Climate Change Finance Unit
Department of Economic Affairs
Ministry of Finance, Government of India

Transparency – “New” and “Additional” to ODA



theguardian

Paris climate talks: Indian officials accuse OECD of exaggerating climate aid

Economic ministry paper says OECD claims about the amount of money mobilised to help developing nations adapt to climate change are 'deeply flawed'



Transparency – “New” and “Additional” to ODA

- **Missing “New” and “additional” to ODA in Paris agreement** as public grant adaptations of the adaptation in developing countries
- Only 21% of Fast Start Fund flows (US\$30 billion during 2010-2012) for adaptation
- Only 33% of funds were really new – the rest was pledged before the Copenhagen accord in 2010 or earlier approved budgets
- Only 24% of fund was considered as additional to the - risks to divert the funds for other priorities like health and education.

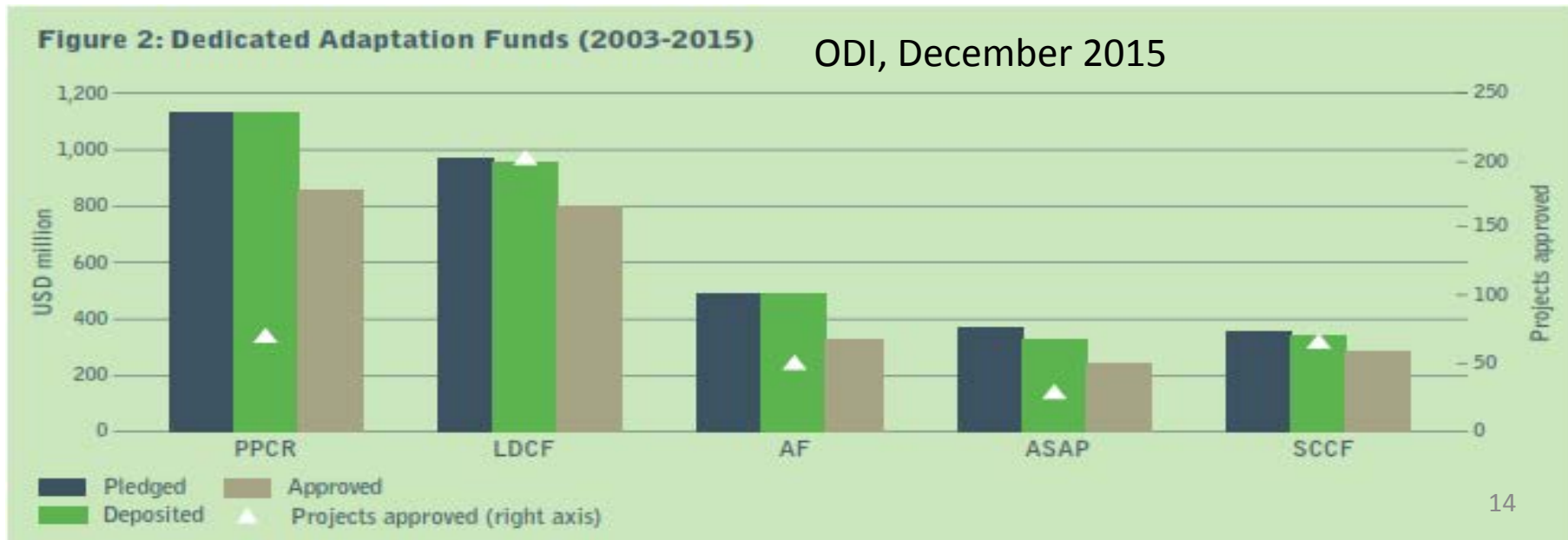
Accountability – “Need” verses “Commitment”

- **Developing countries need \$3.5 trillion by 2030** – as per NDCs submitted to UNFCCC before COP21; **however,**
 - **India alone demands \$2.5 trillion** and remaining **\$1 trillion** for 72 other developing countries together
 - **Bangladesh alone needs \$40 billion (\$2.5 Billion/Year) upto 2030**

- **By 2020** Public finance offered by developed countries will result in at least \$18.8 billion per year.
 - Japan aims to mobilise \$10bn per year in **public and private finance** by 2020
(ODI, 12 December, 2015)

Accountability – Grant versus Loan

- ❑ **Grant and not loan:** "consider the need for public and grant-based resources for adaptation" **but not mandatory** at all for the developed countries - **not clear whether the mobilized fund will be grant as compensation or a loan;**
- ❑ **60% of Fast Start Finance were loans rather than grants;** and
- ❑ **The largest sources of approved funding for adaptation projects are** currently the **Pilot Program for Climate Resilience (PPCR)** under its Climate



Accountability –Funds through UNFCCC

Only 4-5% of total CF delivered through UNFCCC channels –
questions raise over the time (year after years) and money spent on negotiations



Impose loan for climate change adaptation:

A case for BCCRF in Bangladesh

- ❑ Inaccurate information regarding source of funds – in place of BCCRF (e.g. 'new' and 'additional' funds) showing finance as 'credit' from the World Bank
- ❑ A follow up investigative study by [The Guardian](#) identified that Bangladesh has to pay \$3 for every \$1 as bilateral debt to World Bank
- ❑ In the name of “**low carbon development path,**” private sector would mobilize more funds for mitigation. In the final text of Paris agreement (Article 9.3)



16th September 2016

Accountability – Liability of the historic responsibility

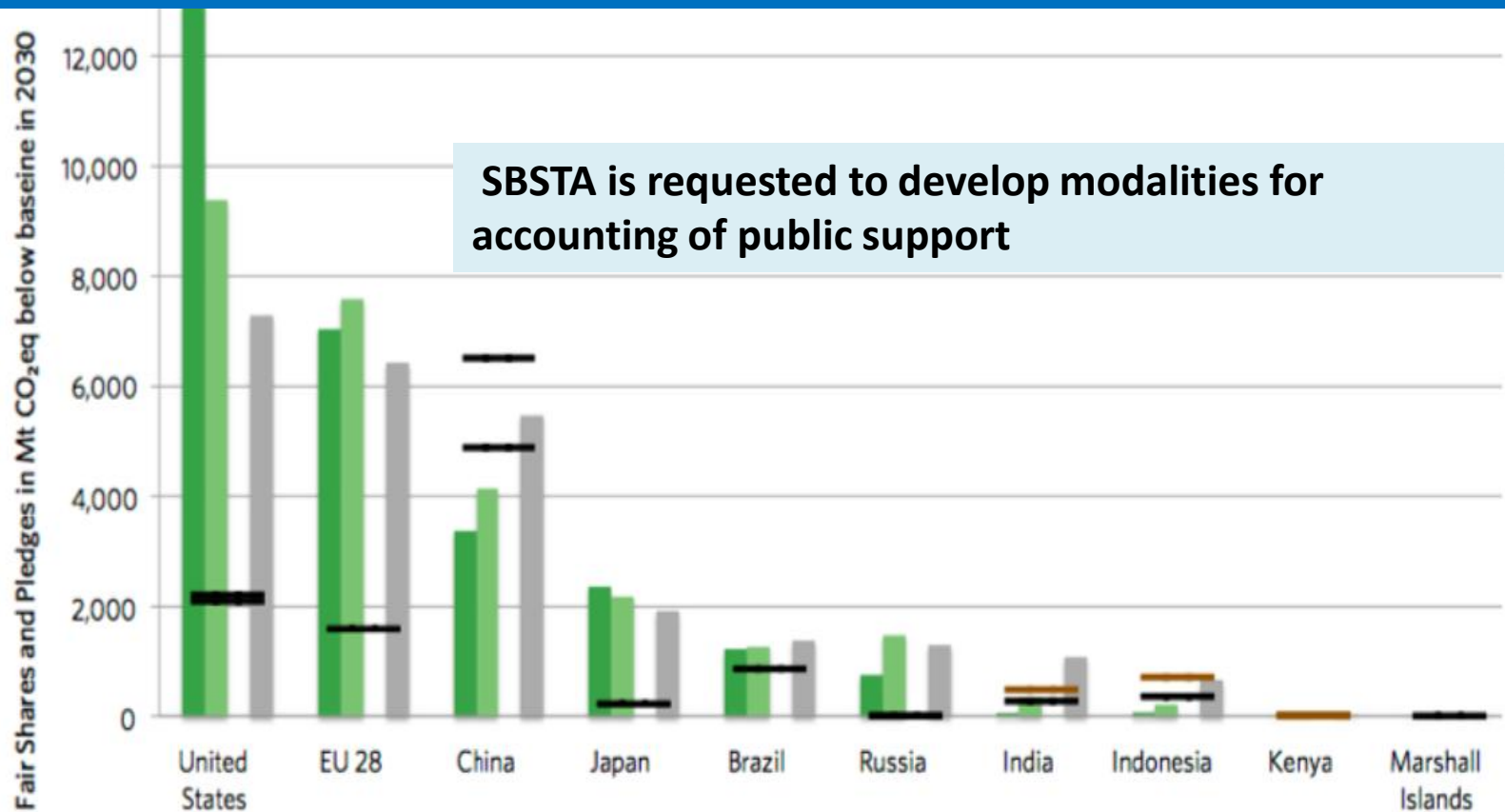


Warsaw International Mechanism to establish, for integrated approaches to avert, minimize and address displacement related to the adverse impacts of climate change (decision 1/CP.17, Para 50). **However,**

"Agrees that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation" - Para 52 was included following pressure from the developed country

As a result, developed countries have got exemption to provide any compensation to vulnerable parties and they will not be able to lodge any legal case for compensation

Divide the burden: historical and current responsibility



Fair Shares and Pledges in 2030 (in Mt CO₂eq below baseline)

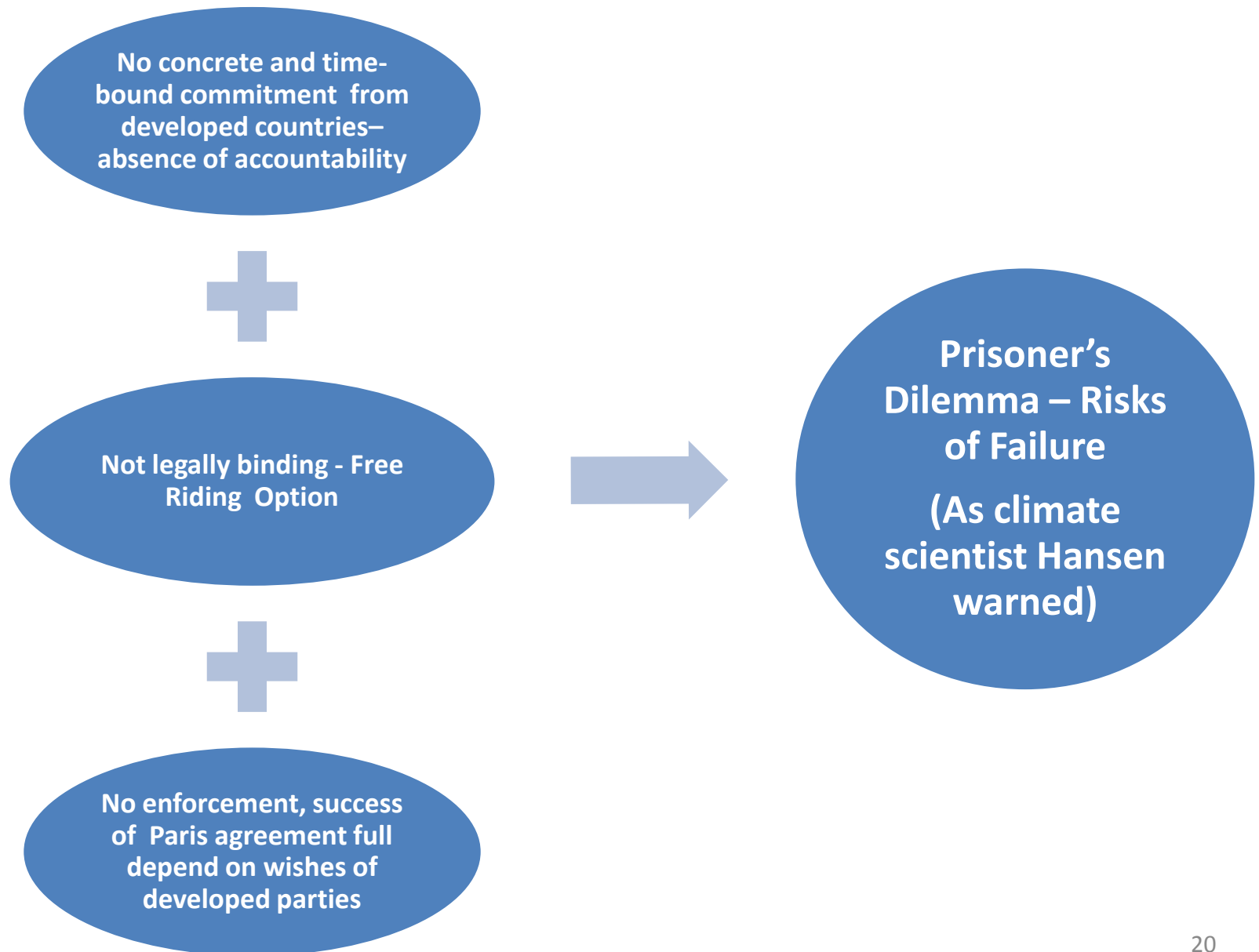
1850 / High Progressivity	12,943	7,036	3,371	2,361	1,221	754	54	69	3	0.01
1950 / Medium Progressivity	9,382	7,589	4,138	2,176	1,261	1,468	353	222	9	0.02
1990 / Low Progressivity	7,286	6,423	5,471	1,918	1,369	1,288	1,079	659	19	0.06
INDC Pledge*	2,089	1,587	4,888	228	861	0**	280	360	13	0.08
INDC Pledge*	2,203		6,511				486	706		

* Unconditional pledges are shown in black, conditional pledges in brown. If countries have expressed their pledge as a range, both values are shown.
For the United States, the values for the 2030 "INDC Pledge" have been derived by linear extrapolation between the 2025 INDC Pledge and a 80% reduction target for 2050

Participation in Decision Making

- Parties acknowledge that adaptation action should follow a country-driven, gender-responsive, **participatory and fully transparent approach**, taking into consideration vulnerable groups, communities and ecosystems --- (Article 7.5, Paris agreement)
- Only Amazon Fund & UNREDD Program have provisions allowing stakeholders to be voting members in decision process
- Fate of the Adaptation Fund is uncertain, in AFB majority members are from Developed Countries in its 16-member of AF Board – undermine voices of the recipients
- 50:50 representation (developed and developing countries) in 24-member GCF board but – **risks of maneuvering the decisions by contributors**
- Current participation in the GCF Board is **just representation but not participation as it lacks legitimacy**

Success of the Paris agreement in Risk!!!



Way Forward

- **Government should arrange a national consultation soonest to discuss with concerned stakeholders including CSOs, think tanks** about the future strategy and effective role in collaboration with LDC group and SIDS to protect interests of the vulnerable countries in the implementation of Paris agreement;
- **Thematic groups on climate finance and framework for transparency mechanism (for both developed countries as well as developing countries) should be formed** as early as possible with the inclusion of experts from the concerned GO, CSOs and think tanks for developing modalities and procedures, reviewing the NDCs.
- **Proposed framework for transparency mechanism under the Paris agreement should include provision of pro-active disclosures** of all related information on climate risks assessment, fund allocations, disburse, approval/rejection, uses/project implementation, monitoring, verification and evaluation of adaptation fund.

Way Forward

- **Specific strategies/proposal should be developed and proposed on-**
 - Formulation of adaptation plans based on science should be made obligatory
 - Participation of all vulnerable communities especially women, marginalized and indigenous people should be mandatory in all activities addressing climate change
 - Meaningful and citizens friendly grievance redress mechanism.
- The **climate finance related strategy paper** for APA should include following issues for equitable implementation of the Paris agreement -
 - The **‘Polluters Pay Compensation Principle’ should be key principle** in the definition of climate finance that recognizes only public grants but not loans
 - **A long-term (2016 to 2030), concrete, time-bound and need-based roadmap to mobilize the public grant** by developed countries for meaningful adaptation in developing countries
 - Transparent accounting system for climate fund mobilization
 - Strong demands should be raised for necessary fund allocation from the GCF and other adaptation fund windows for the climate displaced people



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**FROM A GLOBAL TRANSPARENCY
FRAMEWORK TO NATIONAL PRACTICES:
IN SEARCH OF AN INCLUSIVE, TRANSPARENT
AND ACCOUNTABLE DELIVERY
MECHANISM IN BANGLADESH**

AHSAN UDDIN AHMED

Member, Independent Technical Advisory Panel
Green Climate Fund (GCF)

“Transparency Framework” proposed in the Paris Agreement: The Role of Developing Countries

Article 85 onwards

Emphasizing transparency and Accountability on the Steps countries are supposed to take towards achieving the goals of PA.

Transparency is vital for building trust and confidence.

PA provides for MRV, which are central to deliver transparency.

Provide information and feedback on actual actions and progress so that efficient, inclusive and cost-effective policies may be implemented.

Luckily the emphasis is placed NOT ONLY on monetary matters!

“Transparency Framework” proposed in the Paris Agreement: The Role of Developing Countries *(contd.)*

The PA calls for establishing enhanced transparency and accountability through the following provisions:

- Harmonized reporting & verification requirements**
- A commitment to enhance transparency over time, while taking account of countries’ differing capacities**
- Legally binding rules and processes holding all countries accountable**

Developing countries are in the recipient end, they have to comply with provisions of the PA

They will be provided with capacity building support

“Transparency Framework” proposed in the Paris Agreement: The Role of Developing Countries *(contd.)*

Developing countries are in the recipient end, they have to comply with provisions of the PA

They will be provided with capacity building support

Article 85: Decides to establish a capacity building initiative for transparency (will help build institutional & technical capacity)

GEF to establish priority Reporting related Needs

Article 91: Information sharing provision is deliberately made weak for LDCs and SISs (NOT mandatory, upon their discretion!)

Transparency and Integrity in CC Adaptation Planning and Financing

The NAP guideline clearly indicates that adaptation planning cannot be completed without the integration of ideas and concerns of stakeholders.

Observation: Complete disregard of such provisions.

Examples:

BCCTF projects (360)

BCCRF Projects

GCF Project

**The proponents have
planned CCA on their own.**

Planning is a vital step towards establishing good adaptation practices, where transparency must be established.

Transparency and Integrity in CC Adaptation Planning and Financing

(contd.)

Fiduciary integrity has been bypassed, with adequate legal provisions!

Observation: Complete disregard of usual GOB practices. IMED audits have not been made mandatory.

Monitoring framework has not been built in.

Public information disclosure Prevailing GOB norms are completely violated.

No wonder, NIE accreditation applications have not been accepted by AF Accreditation Panel.

Integration of Independent/CSO Led Monitoring of Adaptation Projects

Build an alternative monitoring and evaluation regime

A joint M&E mechanism involving GOB (relevant Ministry & its Technical Wing) + Local stakeholders (not just elites) and CSOs + NDA Audit team

Subsequent information disclosure mechanism

Deprivation in participation and integration cannot lead to a transparent and accountable system.

TOWARDS SUSTAINED FLOW OF FINANCE AFTER THE PARIS AGREEMENT

Without evidence of excellent fiduciary practices, NIE accreditation will remain questionable.

Sustained flow of finance? Questionable.

PA article 91: Provision for LDC will apply (with reference to Article-9: INDC)

May apply for capacity building support once such initiative is established (can be quite time consuming in the long run)

Huge transformative changes are needed in T&A practices

Finance is all about judicious utilization, not for doing 'whatever'

License to spend at will is not the vintage

THANK YOU VERY MUCH