YOUTH 4 COP

VOICES TO IGNITE CLIMATE ACTION

Session 3

Reference Materials

"Young people are the climate fighters our world needs.
We need their voice.
We need their action.
We need their ideas"

ANTÓNIO GUTERRES

Understanding Adaptation and Resilience, Loss and Damage and Climate Finance

This session provides youth with insights into adaptation and resilience strategies, differentiating adaptation from loss and damage. It covers the evolution of these concepts through COP decisions, explores UNFCCC initiatives, and highlights local adaptation efforts, including the role of indigenous populations and adaptation finance mechanisms like the Loss and Damage Fund.

1. Brief on Adaptation: Differentiating Adaptation and Loss and Damage

Adaptation: Focus on understanding how communities, systems, and countries adjust to minimize the negative impacts of climate change. This includes case studies on successful adaptation strategies.

Loss and Damage: Emphasis on understanding the concepts related to loss and damage, including examples of irreparable losses (such as cultural heritage) and economic damages. Discussion on how these differ from adaptation efforts and the importance of addressing them through specific mechanisms

2. Evolution of Adaptation and Loss and Damage Over COPs

- Historical overview of key COP milestones in the evolution of adaptation and loss and damage, including:
- The establishment of the Nairobi Work Programme (COP11).
- The creation of the Warsaw International Mechanism for Loss and Damage(COP19).
- The emphasis on adaptation in the Paris Agreement (COP21) and the **Sharm-El-Sheikh Adaptation Agenda (COP27)

2013 UN Climate Change Conference

3. Topics of Discussion: Reporting Mechanisms

Nairobi Work Programme (NWP): Understanding its role in improving knowledge on vulnerability and adaptation.

Lima Adaptation Knowledge Initiative (LAKI): How LAKI addresses knowledge gaps and supports adaptation actions.

Warsaw International Mechanism (WIM): Detailed insights into its objectives and activities in addressing loss and damage, including methodologies for reporting and assessment

4. Adaptation Finance

- Overview of key financial mechanisms supporting adaptation, including the Adaptation Fund, the Green Climate Fund, and other financial pledges.
- Strategies for mobilizing both public and private finance to support adaptation projects globally.
- Practical guidance on accessing adaptation finance and examples of successful funded projects.

Financial mechanism

To facilitate the provision of climate finance, the Convention established a financial mechanism to provide financial resources to developing country Parties. The financial mechanism also serves the Kyoto Protocol and the Paris Agreement.

The Convention states that the operation of the financial mechanism can be entrusted to one or more existing international entities. The *Global Environment Facility (GEF)* has served as an operating entity of the financial mechanism since the Convention's entry into force in 1994. At COP 16, in 2010, Parties established the Green Climate Fund (GCF) and in 2011 also designated it as an operating entity of the financial mechanism. The financial mechanism is accountable to the COP, which decides on its policies, program priorities and eligibility criteria for funding.

In addition to providing guidance to the GEF and the GCF, Parties have established two special fund, the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF), both managed by the GEF and the Adaptation Fund (AF) established under the Kyoto Protocol in 2001.

At the Paris Climate Change Conference in 2015, the Parties agreed that the operating entities of the financial mechanism GCD and GEF as well as the SCCF and the LDCF, shall serve the Paris Agreement. Regarding the Adaptation Fund serving the Paris Agreement negotiations are underway in the Ad hoc Working Group on the Paris Agreement.

Mobilizing Finance

At COP 16 in 2010, the Parties decided to establish the Standing Committee on Finance (SCF) to assist the COP in exercising its functions concerning the financial mechanism of the Convention.

Currently, the SCF has four specific functions: assisting the COP in improving coherence and coordination in the delivery of climate change financing; assisting the COP in the rationalization of the financial mechanism of the UNFCCC; supporting the COP in the mobilization of financial resources for climate financing; and supporting the COP in the measurement, reporting and verification of support provided to developing country Parties. The Committee is also tasked to organize an annual forum on climate finance, provide the COP with draft guidance for the operating entities, provide expert input into conducting periodic reviews of the financial mechanism and prepare a biennial assessment and overview of climate finance flows.

Long-term climate finance: The long-term finance process is aimed at progressing on the mobilization and scaling up of climate finance of resources originating from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.

5. Local Level Adaptation: Importance of Including Indigenous Populations and Knowledge

<u>The significance of integrating local and indigenous knowledge into adaptation planning</u> :

In addition to forests, ecosystems such as wetlands, peatlands, grasslands, and coastal biomeIntegrating local and indigenous knowledge into adaptation planning is crucial for developing effective and sustainable climate resilience strategies. Indigenous communities have lived in harmony with their environments for centuries, possessing deep understanding of local ecosystems and climatic patterns. This knowledge is invaluable for identifying adaptive measures that are context-specific and culturally appropriate. For example, traditional agricultural practices and natural resource management techniques can offer sustainable alternatives to modern practices that may be less effective or even harmful in certain environments. Furthermore, involving indigenous populations in the planning process ensures that adaptation strategies respect their rights, traditions, and knowledge systems, fostering greater community engagement and support.
s such as mangrove forests contribute significantly to carbon sequestration while supporting biodiversity and enhancing climate resilience.

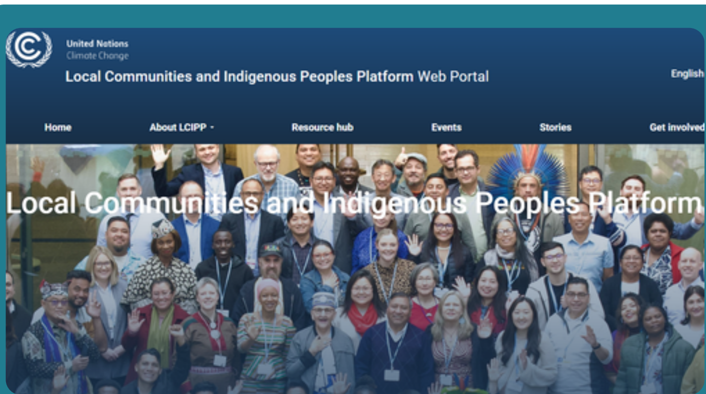
Case studies showcasing successful local adaptation projects that have incorporated indigenous knowledge:

Several case studies highlight the success of incorporating indigenous knowledge into local adaptation projects. In the Arctic, the Inuit communities have successfully integrated traditional ice monitoring techniques with modern technology to improve their resilience to changing ice conditions.
Similarly, in the Pacific Islands, traditional knowledge of weather patterns and sea navigation has been combined with scientific data to develop effective early warning systems for extreme weather events.

In Kenya, the Maasai people have utilized their traditional livestock management practices, such as rotational grazing, to maintain pasture health and adapt to changing rainfall patterns. These examples demonstrate how blending indigenous knowledge with contemporary science can enhance the effectiveness of adaptation strategies.

The role of the Local Communities and Indigenous Peoples Platform (LCIPP) in facilitating the exchange of best practices and experiences:

The Local Communities and Indigenous Peoples Platform (LCIPP) plays a vital role in facilitating the exchange of best practices and experiences among indigenous populations and other stakeholders. Established under the UNFCCC, the LCIPP promotes the integration of diverse knowledge systems into climate policies and actions. It functions through its Facilitative Working Group (FWG), which focuses on knowledge exchange, capacity building, and policy engagement. The platform organizes events, workshops, and dialogues where indigenous communities can share their experiences and learn from others. By fostering collaboration and mutual learning, the LCIPP helps to ensure that indigenous voices are heard and respected in global climate discussions, promoting more inclusive and effective adaptation efforts.



The Local Communities and Indigenous Peoples Platform

UN Climate Change

6. Loss and Damage Fund

The Loss and Damage Fund, established under the UNFCCC and Paris Agreement, provides financial support to developing countries particularly vulnerable to climate change. Its main objectives are to assist in recovery, rehabilitation, and reconstruction efforts following climate-induced events. The fund addresses both extreme weather events and slow-onset events like sea level rise and desertification.

The Warsaw International Mechanism for Loss and Damage promotes implementing approaches to address loss and damage associated with climate change impacts in a comprehensive, integrated and coherent manner (See decision 2/CP.19 for the details). The mechanism is established under the United Nations Framework Convention on Climate Change to assist developing countries that are particularly vulnerable to the adverse effects of climate change by:

- Enhancing knowledge and understanding of comprehensive risk management approaches to address loss and damage
- Strengthening dialogue, coordination, coherence and synergies among relevant stakeholders
- Enhancing action and support, including finance, technology and capacity-buildingThrough these functions, the mechanism implements Article 8 of the Paris Agreement.

The Executive Committee of the Warsaw International Mechanism guides the implementation of those functions through its workplan, and with the support of thematic expert groups. The Executive Committee adopted its second five-year rolling work plan at ExCom 17 (September 2022).

The current work plan has five strategic workstreams addressing loss and damage associated with climate change impacts. In fulfilling its mandate, the Executive Committee also develops initiatives, such as the Fiji Clearing House for Risk Transfer, which connects experts and those looking for risk transfer solutions to build tailor-made responses to foster climate-resilient sustainable development.

Warsaw Conference

Transitional Committee

COP 27 and CMA 4 established new funding arrangements and a fund for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage. The fund includes a focus on addressing loss and damage.
A transitional committee on the operationalization of the new funding arrangements and the fund was established to make recommendations for consideration and adoption by COP 28 and CMA 5 (Decisions 2/CP.27 and 2/CMA.4).

COP 27 and CMA 4 agreed that the recommendations of the Transitional Committee were to consider, inter alia:

- Establishing institutional arrangements, modalities, structure, governance and terms of reference for the fund.
- Defining the elements of the new funding arrangements.
- Identifying and expanding sources of funding.
- Ensuring coordination and complementarity with existing funding arrangements.

Conclusion:

This toolkit will equip participants with a thorough understanding of adaptation and resilience, the distinction from loss and damage, and the evolution of these concepts through the UNFCCC processes. It will cover various reporting mechanisms, the importance of adaptation finance, and the significance of local-level adaptation involving indigenous knowledge. The session will also provide insights into the operational aspects and significance of the Loss and Damage Fund.

COP27 ends with announcement of historic loss and damage fund

Resources for Further Reading

Adaptation and Resilience

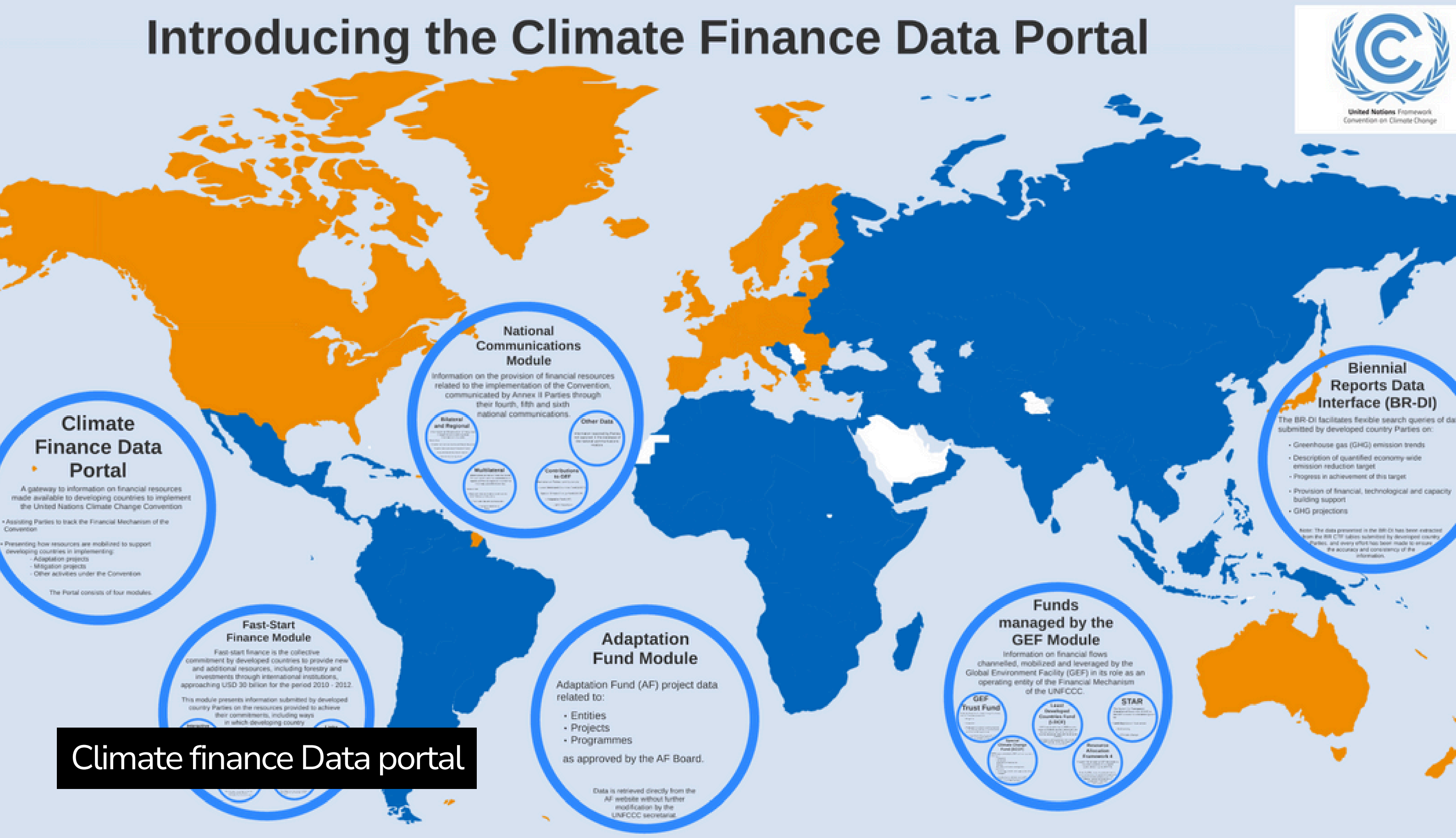
UN Climate Change

SHARM-EL-SHEIKH ADAPTATION AGENDA

UN Climate Change

Warsaw International Mechanism for L&D

UN Climate Change



Climate Finance

1. *Definition*

Climate finance refers to financial resources and instruments that are used to support action on climate change. Climate finance is critical to addressing climate change because of the large-scale investments that are needed to transition to a low-carbon global economy and to help societies build resilience and adapt to the impacts of climate change. Climate finance can come from different sources: public or private, national or international, bilateral or multilateral. It can employ different instruments such as grants and donations, green bonds, equities, debt swaps, guarantees, and concessional loans. And it can be used for different activities, including mitigation, adaptation, and resilience-building.

What is climate finance and why do we need more of it?
UNDP

Introduction to Climate Finance
UN Climate Change

2. Mechanism

The UNFCCC (United Nations Framework Convention on Climate Change) established a financial mechanism to assist developing countries in addressing climate change. This mechanism functions under the guidance of the Conference of the Parties (COP), the supreme decision-making body of the UNFCCC.

Operating Entities:

The financial mechanism is entrusted to one or more existing international entities. Currently, there are two primary entities:

1. **Global Environment Facility (GEF):** Serving as an operating entity since the UNFCCC's inception in 1994, the GEF provides grants to developing countries for projects that benefit the global environment, including climate change mitigation and adaptation.
2. **Green Climate Fund (GCF):** Established in 2010 and designated as an operating entity in 2011, the GCF focuses specifically on climate change. It supports a wider range of funding instruments, including grants, loans, guarantees, and equity.

The core objective of the financial mechanism is to channel financial resources to developing country Parties to the UNFCCC. These resources help them:

- Implement actions to reduce greenhouse gas emissions (mitigation)
- Adapt to the impacts of climate change (adaptation)

GEF Climate Change Adaptation Funds

Special Funds

The UNFCCC financial mechanism utilizes special funds alongside operating entities like the GEF and GCF. These special funds cater to specific needs within developing countries and offer targeted financial support. Here's a closer look at the two key special funds:

1. **Special Climate Change Fund (SCCF):**

- Established in 2001, the SCCF focuses on financing activities related to both adaptation and technology transfer for developing countries.
- It prioritizes projects that demonstrate innovative approaches and have the potential for wider replication.
- The SCCF is managed by the GEF, but operates with a separate governance structure.

2. **Least Developed Countries Fund (LDCF):**

- Established under the UNFCCC in 2001, the LDCF addresses the special needs of the world's least developed countries (LDCs) that are particularly vulnerable to climate change impacts.
- It supports LDCs in preparing and implementing National Adaptation Programmes of Action (NAPAs), which identify urgent and immediate adaptation needs.
- Similar to the SCCF, the LDCF is managed by the GEF but has its own dedicated governance structure.

Key Points about Special Funds:

- **Targeted Support:** These funds provide targeted financial assistance for specific needs within developing countries, such as adaptation planning in LDCs.
- **Focus on Innovation:** The SCCF, in particular, encourages innovative approaches in climate change mitigation and adaptation projects.
- **Complementary Role:** Special funds work alongside the broader mandates of the GEF and GCF to fill gaps and address specific priorities.

By having both operating entities and special funds, the UNFCCC financial mechanism offers a comprehensive approach to supporting developing country action on climate change. It caters to a wider range of needs, from large-scale projects to targeted interventions in the most vulnerable nations.

3. Current Challenges

- **Unmet Financial Targets:** Developed countries pledged to mobilize $100 billion annually by 2020 to support climate action in developing countries. However, this target has not been consistently met, with significant gaps in the actual funds provided.

- **Quality of Funding:** Concerns exist about the quality of climate finance, including the over-reliance on loans rather than grants and the need for funding to be accessible and effective in achieving its goals.

- **Balance Between Mitigation and Adaptation:** While significant funds are directed towards mitigation projects (e.g., renewable energy), there is a need for increased investment in adaptation projects (e.g., coastal defences, early warning systems), which are crucial for vulnerable communities.

Climate Finance Effectiveness - Six Challenging Trends
CENTER FOR GLOBAL DEVELOPMENT

International climate finance
EUROPEAN PARLIAMENT

4. Importance of Climate Finance:

- **Supporting Developing Countries:** Climate finance is vital for developing countries to implement their climate action plans, enhance resilience, and transition to low-carbon economies.

- **Bridging Financial Gaps:** It helps to bridge the gap between the current financial flows and the actual financial needs of developing countries to tackle climate change effectively.

- **Empowering Local Communities:** Effective climate finance can support locally-led projects, ensuring that the benefits reach the most vulnerable populations.

5. Youth Engagement:

- **Monitoring and Advocacy:** Youth can play a crucial role in monitoring climate finance flows, advocating for increased and effective funding, and ensuring transparency and accountability.

- **Participation in Discussions:** Engaging in climate finance discussions at various levels, including international forums and local advocacy groups, to influence decision-making processes.

By understanding the intricacies of climate finance, youth can advocate for more robust and equitable funding mechanisms, ensuring that financial resources are effectively utilized to combat climate change and support sustainable development.

For more detailed information, you can refer to the UNFCCC's official resources on Climate Finance

Climate Finance in the negotiations.

Announcements

New Calls for submissions from the sessions in Glasgow can be view

Information on climate finance negotiations and events at COP 26 can be found here

Introduction

The contribution of countries to climate change, and their capacity to prevent and cope with its consequences, varies enormousl the Protocol therefore foresee financial assistance from Parties with more resources to those less endowed and more vulnerable Parties (Annex II Parties) shall provide financial resources to assist developing country Parties in implementing the Convention. Convention established a Financial Mechanism to provide funds to developing country Parties.

The Convention, under its Article 11, states that the operation of the Financial Mechanism is entrusted to one or more existing in operation of the Financial Mechanism is partly entrusted to the Global Environment Facility (GEF). At COP 17 Parties decided to Green Climate Fund (GCF) as an operating entity of the Financial Mechanism of the Convention, in accordance with Article 11 o Financial Mechanism is accountable to the COP, which decides on its climate change policies, programme priorities and eligibilit

The Kyoto Protocol also recognizes, under its Article 11, the need for the Financial Mechanism to fund activities by developing c

In addition to providing guidance to the GEF, Parties have established four special funds: the Special Climate Change Fund (SC

Climate Finance in the negotiations.

UN Climate Change