

Who should pay for adaptation?

Kick off contribution for the on-line discussion on www.fiacc.net October 2004

Any future international climate regime is likely to include elements of adaptation to climate change. Past negotiation efforts have focussed on mitigation (reduction of greenhouse gas emissions). Recently, developing countries have voiced their view that adaptation to the impacts of climate change should be more prominent on the negotiation agenda (COP 8 in New Delhi or Ott et al. 2004).

But ideas are rare on how exactly adaptation should be included in an international agreement on climate change. It seems certain that in the end some sort of flow of financial resources is necessary. But where should the financial resources come from?

Several options are possible:

- In the current system, voluntary contributions are available to fund the preparation of national adaptation programmes of action (NAPAs) and their implementation for least developed countries through the least developed country fund. In addition, a levy on the CDM should feed an adaptation fund, once the Kyoto Protocol is in force. Further voluntary contributions would be necessary to finance adaptation.
- Based on the "polluter pays" principle, financial contributions to a fund for adaptation to climate change could be distributed based on historical responsibility of countries for climate change (see WBGU 2003). One could use cumulative historical emissions or their impact on temperature increase as an indicator of how much a country should contribute. Alternatively, a global carbon tax of e.g. 1US\$ per tonne of CO₂ currently emitted could be levied to fund adaptation activities.
- Alternatively, adaptation could be funded through official development aid. The existing channels could be enhanced to include also adaptive measures in addition to the measures aimed at general development. The total volume could be expressed as percentage of GDP. But development aid is charity based, while financing of adaptation can be related to UNFCCC commitments.

Questions for the discussion:

Who should pay for adaptation? How should the contributions of the individual countries (or other entities) be determined? What would be the appropriate way to make these resources available?

Niklas Höhne
ECOFYS energy & environment
n.hoehne@ecofys.de

References

H. Ott, B. Brouns, H. Winkler, S. Kartha, M.J. Mace, S. Huq, Y. Kameyama, A.P. Sari, J. Pan, Y. Sokona, P.M. Bhandari, A. Kassenberg, E. La Rovere, A. Rahman, 2004, "South-North Dialogue - Equity in the Greenhouse", GTZ, PN 2001.2184.8 available at http://www.wupperinst.org/download/1085_proposal.pdf

WBGU, 2003. Climate Protection Strategies for the 21st Century. Kyoto and Beyond, WBGU (German Advisory Council on Global Change), Berlin, available at www.wbgu.de