

## Environmental Justice and Climate Change – Priorities for Copenhagen 2009 Financing for Developing Countries

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### The Issue

Climate change is contributing to conflict, injustice and the continued marginalization of people living in poverty. World leaders will be attending the United Nations climate summit in Copenhagen in December 2009 to establish legally-binding commitments to address climate change. Developed countries must commit financial resources to support developing countries in adapting to climate change and in mitigating its effects. Wealthy countries need to support developing countries in their efforts to avoid a carbon-intensive development model.

### Summary / Key Messages

1. Financing for adaptation and mitigation requires binding commitments from developed countries to deliver adequate, predictable and stable resources that effectively address the needs of vulnerable people. While estimates vary due to the unpredictability of local impacts, a minimum of US \$60 billion annually, from public sources, is needed for adaptation in developing countries. Beyond adaptation, the World Bank estimates that mitigation financing for developing countries could total, from both public and private sources, US \$400 billion annually by 2030.
2. Canada's share of the US \$60 billion for adaptation financing is estimated at 3.7% of the global contributions made by developed countries, or US \$2.2 billion annually. This money should be in addition to the Official Development Assistance (ODA) spending commitment of 0.7% of Gross National Income.
3. The funds should be delivered in the form of grants, not loans, and through a multilateral, representative adaptation finance mechanism under the United Nations Framework Convention on Climate Change (UNFCCC).

### Background

Developed countries are responsible for approximately 90 percent of the greenhouse gas emissions currently in the atmosphere. Per capita emissions are significantly higher in rich countries than in poor countries. The average Canadian emits 13 times as much as the average Indian. It is widely acknowledged that industrialized, rich countries of the global North are, for the most part, responsible for the current climate crisis.

According to the 2007 report of the Intergovernmental Panel on Climate Change (IPCC), the countries least responsible for climate change will suffer the most from its adverse impacts – extreme weather events, droughts, sea-level rise and food insecurity, among others. The vulnerability of poor nations to climate change is partly driven by their geography in drought-prone or flood-prone areas. This vulnerability is compounded by limited financial resources, high levels of poverty, limited access to skills and technologies and a heavy reliance on climate-sensitive economic sectors such as agriculture and fishing. Climate-related humanitarian emergencies (flooding, droughts, etc.) have been increasing. Small-scale humanitarian situations (e.g. localized landslides), often below the radar of the international community, are also on the rise.

While adaptation financing can be complementary to ODA (for example, strong health systems can help deal with increased disease impacts of climate change), funding for adaptation should not be diverted from the much-needed aid spending to support children going to school or progress towards universal access to primary health care. Since there is a close relationship between adaptation and development, transparency is essential in all climate change financing.

The principle of *common but differentiated responsibilities* is enshrined in the United Nations Framework Convention on Climate Change and in the Kyoto Protocol and should remain at the heart of the Copenhagen negotiations. Guided by this principle of equity, Canada should play a leadership role in the effective delivery of adequate financial support to help developing countries reduce their own emissions and adapt to the consequences of climate change. In addition to a commitment of financial support, it is equally important to ensure that the institutional governance arrangements for distributing the funds are democratic, transparent and accountable.

## Recommendations

1. Canada should play a leadership role in securing a fair and adequate deal in Copenhagen. In particular, Canada should support mechanisms for financing in line with the following principles:
  - a) Fund governance structures must be fully inclusive of developing countries governments;
  - b) Funding mechanisms must be based within the UNFCCC;
  - c) Funding should be disbursed in the form of grants, not loans;
  - d) Funding for adaptation should be additional to existing commitments for aid spending of 0.7% of GNI;
  - e) Funding for adaptation should take into account the principles of aid effectiveness as expressed in the Paris Declaration and the Accra Agenda for Action;
  - f) Funding should be predictable, sustainable and effective at reaching vulnerable people;
  - g) Funding should be viewed in the broader context of sustainable development that respects, protects and promotes fundamental human rights, the rights of the most vulnerable, and the rights of poorer countries to develop.