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Progress Report October 2007–June 2008

Secretariat to the Commission on Climate Change and Development

This paper has been commissioned by the Commission on Climate Change. Its purpose is to function as food-for-thought for the work of the Commission. The Commission is not responsible for views expressed in this paper.

The Commission on Climate Change and Development

The Commission is an international commission initiated and financed by the Swedish Government. The purpose of the Commission is to propose ways to integrate risk reduction and adaptation to climate change into the development and poverty reduction plans of poor countries. It is also to present proposals for how to design development cooperation programs that take account of climate impacts and the risk of disasters. The Commission will issue its report in spring 2009. The commissioners serve in their personal capacity. The Commission is supported by a Secretariat based in Stockholm, Sweden.

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Progress report

Commission on Climate Change and Development as of June 27 2008

1. Introduction:

In autumn 2007 Sweden launched the International Commission on Climate Change and Development. It will deliver a final report in the spring 2009. This report is a brief update on the Commission's work through June 2008.

2. First phase, November 2007 to 15 February 2008

In this phase the members of the Commission were selected together with a group of experts and a Secretariat to support the Commission. The first meeting was held and the priorities of the Commission were agreed.

Commission members: The decision to establish a Commission on Climate Change and Development was taken by the Swedish Government in October 2007 (terms of reference available at www.ccdcommission.org), but it was not until early December and the climate negotiations meeting COP13 in Bali that the members of the Commission were presented publicly. Its 13 members bring a range of experiences from different regions and disciplines. It is chaired by the Swedish Minister for International Development Cooperation, Ms Gunilla Carlsson. The Commission hopes to act as a representative and bridging body dealing with the many global issues associated with climate change and development.

Secretariat: In early November 2007 Johan Schaar (who has a background within disaster risk reduction) was appointed director of the Secretariat. During spring 2008 Lina Pastorek, Katell le Goulven and Lloyd Timberlake (based in Washington) joined the Secretariat, located at Stockholm Environment Institute, SEI.

Identity and profile: Early in its work the Secretariat drafted a synopsis document (available at www.ccdcommission.org) encompassing a methodology for the work and a proposed approach based on the identity and competency of the Commission and the context in which it would be working. The synopsis was meant to complement the terms of reference. The Secretariat suggested that the Commission should maintain a rights

and poverty perspective; focus on issues where positions between high and low income countries tend to be contradictory; seek to understand how national and local ownership of adaptive strategies could be promoted, and it should consider how to improve communication between groups and constituencies with different perspectives. The Secretariat also suggested that in order to influence outcomes of negotiations in Copenhagen, the Commission should not wait to communicate its message until the final report was delivered. Instead the Commission and its Secretariat should seek to link to, complement and influence other processes long before the final report is delivered.

Communication: In this initial phase the Secretariat started to establish contacts with various stakeholders of relevance to its work, both in Sweden and abroad. Amongst other events, the Secretariat took part in the *European Development Days in Lisbon* (where Climate Change and Development was the meeting theme) and *the COP13 meeting in Bali*. Separate meetings were also set up with the World Bank, other donors, UN agencies, OECD, the Red Cross and Red Crescent Climate Centre and the UNFCCC Secretariat. Through these meetings and by other research, the Secretariat mapped ongoing similar initiatives and work in progress in order to make sure this Commission did not duplicate work already done by others, but could develop a position that could add value.

The Secretariat set up a website, www.ccdcommission.org, as an arena to inform others of the Commission's progress and to share materials and reports produced for the Commission.

Contacts in Sweden: Although international in its composition and work, the Commission's results are intended to serve as an input for the Swedish Presidency of the European Union during the second half of 2009. In the preparatory work for the presidency and COP15 in Copenhagen, the Secretariat has made an attempt to keep relevant Swedish actors informed about the Commission; an intergovernmental reference group was established with representatives from the Swedish Ministries such as Finance, Environment and Foreign Affairs, and agencies such as the Swedish International Development Cooperation Agency, the Swedish Energy Agency and the Swedish Environmental Protection Agency. The Secretariat is also working with the Commission on Sustainability, located at the Prime Minister's Office, to elaborate on the possibility for a joint seminar, possibly on the importance of forests in the climate change debate.

Expert group: The Secretariat established a group of experts to support the Commission in its work. Mr Anders Wijkman chairs the group that includes IIED, ISDR, SEI, ProVention and IDS as well as experts in their individual capacities. In January the members of the expert group were asked to draft short policy briefs that would serve as the basis for discussion during the first Commission meeting in Stockholm in February. The nine policy briefs (available at www.ccdcommission.org) addressed issues such as international climate policy, incentives and constraints to

adaptation and disaster risk reduction, ecosystems under pressure, the role of risk transfer in disaster risk reduction and climate change adaptation, climate change and drylands, social protection and climate change adaptation, links between disaster risk reduction, development and climate change, overview of adaptation mainstreaming initiatives, adaptation to climate change in urban areas, investments and financial flows and mechanisms to address climate change.

Meetings organized by the Secretariat:

February 13: the group of experts gathered for the first time to discuss the policy briefs.

February 14: the experts presented their papers to the members of the Commission.

February 15: the Commission had its first meeting in Stockholm. During that meeting:

- A common knowledge platform, based inter alia on the input from the experts, was established
- The terms of reference of the Commission were reviewed and priorities discussed
- The synopsis was endorsed
- An outline for how to structure the report was agreed which will also serve as a work program
- The Commission agreed that it should focus on adaptation and try to "fill the gap" of trust between the North and South through its work. The Commission decided upon three priorities of its work: *the human dimension of climate change; mobilizing resources and the institutional architecture*. It was also agreed that the priorities must be seen in a context that includes the ethics of climate change, the links between mitigation and adaptation, as well as the links between adaptation and development. Furthermore, the Commission decided to meet in countries severely affected by climate change such as Cambodia and Mali during 2008.

3. Second phase, 15 February–15 May

This phase included extensive networking with other stakeholders to learn and to communicate the Commission's priorities. It also included work to clarify what the priorities meant and what substantive input was needed to move ahead, including a work plan and an outline for the upcoming report drafted by the Secretariat.

Communication: The Secretariat started to actively communicate with other relevant actors and participated in the following events.

- During the Sustainable Development Network week at the World Bank in Washington in February the Commission was represented through Sunita Narain, Jonathan Lash and the Secretariat to discuss the role of adaptation in sustainable development (speech by Johan Schaar available at www.ccdcommission.org).
- Anders Wijkman and the Secretariat spoke at panels during the Oslo Policy Forum on Changing the Way We Develop: Dealing with Disasters and Climate Change at the end of February.
- In April the Swedish State Secretary for International Development Cooperation, Joakim Stymne, participated at a high level segment at the Stockholm Resilience Conference, where he spoke about linkages between resilience and adaptation and the work and priorities of the Commission.
- Ian Johnson, member of the Commission, and the Secretariat strengthened cooperation with OECD/DAC. Mr Johnson chaired an expert group meeting on economic aspects of adaptation to climate change beginning of April, and the Secretariat participated in a panel at the beginning of May as part of the Annex I Expert Group seminar with non-Annex I countries, “Working Together to Respond to Climate Change”
- The Secretariat participated in a panel discussion about climate change and the European Union at Istanbul University.
- The Secretariat also established contacts with partners that deal with adaptation to climate change and that are hosting meetings that are of relevance to the Commission such as SIWI, the organizer of Stockholm Water Week, the Tällberg Foundation and Forum, the Global Humanitarian Forum, GEF, the World Bank, Sida Civil Society Centre regarding the international CSO forum for climate justice, the Swedish Church for preparations of the Interfaith Summit on climate ethics and IUCN regarding the World Conservation Congress. The Secretariat participated in FAO’s preparations for a high level conference on Food Security and Climate Change.

Policy briefs, meeting reports and speeches from various events are posted at the web site.

Substantive outputs: As a way to structure the upcoming work and to ensure a final report in 2009, the Secretariat drafted a *work plan* for Commission members to consider. The Secretariat also drafted a paper on the *ethics of climate change* and another on *financing mechanisms* that both served as inputs for the second Commission meeting (the paper on financial mechanisms is available at ccdcommission.org).

Meetings organized by the Secretariat: The Commission is an international commission and in order to ensure awareness of its existence in other countries the Secretariat organized an *information meeting for foreign embassies based in Stockholm*, an event that attracted participation by almost 50 embassies. A similar information meeting took place with the *largest Swedish NGOs* dealing with climate change adaptation. A *closed seminar on financing adaptation* was led by the Commission chair, with participants from GEF and the World Bank along with various experts, and took place parallel to the World Bank Spring Meeting in Washington DC in April. A *tele-conference to discuss how insurance can contribute to adaptation* efforts was held in May with Commission members and experts.

Commission meeting. The Commission held its second formal meeting over 10-13 May, 2008, in Cambodia. The meeting included presentations by Cambodian representatives on environment and planning of development and the linkages to climate change adaptation as well as a field visit to a rural province just south of Lake Tonle Sap. The field visit was an attempt to illustrate the impacts of climate change locally. The hydrological system in the region is very complex and people in the region seem to clearly understand how the climate – or at least the prevailing weather – is changing and there is a need for a tremendous amount of ‘no regret’ development activities that would benefit the rural population and the nation, no matter which way the climate goes. During the meeting:

- The work program was reconfirmed
- The Secretariat was given a mandate to start drafting texts for the final report
- Input documents on ethics and financing mechanisms were discussed
- Insights from the field visit and presentations about Cambodia highlighted important issues that Commissioners agreed should be included in the report

Some core messages were agreed, such as:

- Considerably larger resources than available at present will be needed for adaptation in developing countries, perhaps at the level of current estimates of mitigation needs. But we need to define much better what will be the objectives of adaptation financing, on what should money be spent?
- Certain areas important for adaptation can already be clearly defined. These include investments in disaster management and disaster risk reduction. Much traditional development will also serve to strengthen the resilience of communities facing increasing uncertainty and variability in their environment. These are areas where intensified efforts need to be made, but there are also other areas where traditional development will have to be done differently, as well as entirely new and specific areas where investments will be needed. It is the Commission's ambition to help provide greater clarity on the nature

and objectives of adaptation investments. Guidance can be found by applying the precautionary principle and identifying no-regret areas in directing early investments.

- Mechanisms used so far in resourcing adaptation are based on the notions of incremental costs to achieve environmental benefits and additionality of funds in relation to existing sources of development financing. Given that the world - and the poorest countries in particular - is now faced with an entirely new situation in terms of increasing stresses on livelihoods and communities, we need to move beyond mechanisms that have become straightjackets toward flexible and enabling resourcing instruments.
- Global institutions for adaptation need to reflect and support institutional arrangements at the national level. They must allow countries to take the lead and integrate adaptation strategically in their development plans. Donors need to act in a coordinated and harmonized manner, aligning their support with national aspirations. It is important to discuss whether new global institutions are needed or whether efforts should go into establishing the norms and principles that will allow existing institutions to have roles and responsibilities for optimized action within a new framework.
- There is scope to scale up pilot efforts at investing in insurance systems. A range of options have been tested and proven viable, based on different models for the respective roles of public and private financing depending on national and local circumstances. These will range from systems where public finance will provide risk-sharing for market solutions, or where the capital market assumes most of the risk, to schemes where public finance is used to guarantee the right to work in times of crisis. It will always be important to reduce collective risk by investing in protective systems such as irrigation infrastructure in dryland areas.
- There is still a very serious absence of basic information at regional, national and local levels on which to base adaptation decisions. This must be urgently addressed.

4. Third phase, 15 May-ongoing as of 30 June

Communication: Several members of the Commission attended the *Tällberg forum*, where climate change was on the agenda. Some of them presented the Commission's priorities at workshops and plenary. The chair of the Commission participated at an *OECD/DAC high-level meeting in Paris* where the values and priorities of the Commission were reflected in her speech (see speech on ccdcommission.org). In late June the chair attended the *Global Humanitarian Forum* meeting in Geneva where the 'human face' of climate change was a major theme, and where she addressed a roundtable on insurance as part of risk reduction strategies (see

intervention on ccdcommission.org). The Secretariat was present at the high level meeting on Food Security in Rome over 2–5 June and also visited the European Commission and Parliament in Brussels to agree on joint activities.

Substantive outputs: The Secretariat – together with the Expert Group and in consultation with similar endeavors led by other institutions (e.g., the Social Development Group of the World Bank) – has initiated work on the human dimension of climate change. The objective is to define a multidisciplinary framework to i) analyze how climate change affects the livelihoods of the poor and to ii) link localized climate change impacts with risk reduction and adaptation strategies at the local, national, and global levels. The work was initiated during a brainstorming meeting held mid-May in Stockholm and is followed up on a fortnightly basis through teleconferences. An interactive website was also put together to facilitate collective work.

Meetings organized by the Secretariat: In early June the Secretariat organized a side event at the climate negotiations SB 28 in Bonn where financing adaptation was debated with the UNFCCC executive Secretary Yvo de Boer and Saleemul Huq from IIED.