

## Climatic Hazards Programme

# Understanding the International Financial Landscape for Climate Change Adaptation

Tariqur Rahman Bhuyan & Nurul Syazwani Yahaya  
SEADPRI-Universiti Kebangsaan Malaysia



Photo by Akademi Sains Malaysia (ASM)

*The SEADPRI Forum 2020 was attended by 100 participants in the Zoom meeting*

The SEADPRI Forum 2020 was successfully held on 19 November 2020, jointly convened by SEADPRI-UKM and Academy of Sciences Malaysia (ASM) through a webinar session via Zoom. The guest speaker was Ms. Meena Raman, legal adviser and Coordinator of the Climate Change Programme at Third World Network (TWN), who spoke on the International Financial Landscape for Climate Change Adaptation. The Forum was moderated by Prof. Emerita Datuk Dr. Mazlan Othman FASc. Senior Fellow of ASM, and Prof. Dr. Joy Jacqueline Pereira FASc. Principal Fellow of SEADPRI-UKM. The guest of honor, YBhg. Prof. Dato' Dr. Ir. Abu Bakar Jaafar FASc. Vice President, ASM, in his officiating remarks emphasized that steps must be taken to overcome the impact of climate change; he also talked about the role and contribution of ASM to climate change initiatives in Malaysia.

Ms. Meena Raman provided a broad overview of the global climate change negotiations and its associated financial arrangements. In the international landscape, climate-related funds are available based on the obligations under the international treaties such as the United Nations Framework Convention on Climate Change (UNFCCC), Kyoto Protocol and Paris Agreement. The objective of the Climate Change Convention is to stabilize greenhouse gases (GHGs), allowing ecosystems to adapt naturally. It also requires governments to formulate, implement, publish and regularly update national programs on climate change mitigation, and measures to facilitate adequate adaptation to climate change. One of the most important provisions of the UNFCCC and its Paris Agreement is that developed countries have an obligation to provide financial resources to developing countries that are vulnerable to climate change adversities in meeting their cost of adaptation. She pointed out that previously mitigation got more attention and focus, whereas over the years, it has been emphasized by various decisions under the UNFCCC that adaptation should get equal importance.

Under the Paris Agreement that took effect in 2016, governments are required to submit 'Nationally Determined Contributions' (NDCs) as a global response to climate change. This covers mitigation as well as adaptation. The Agreement also set adaptation global goals that include the enhancing of adaptive capacity of countries, strengthening their resilience and reducing their vulnerability to climate change. This brings parity between adaptation and mitigation, with the latter dealing with the goal of limiting temperature rise (by keeping the rise this

century well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C). Ms. Meena Raman suggested that Malaysia needs to expedite its current efforts at having a National Adaptation Plan to reduce vulnerability impacts by building capacity and resilience, and facilitate the integration of climate change adaptation in a coherent manner.

In 2010, the Green Climate Fund (GCF) was established under the UNFCCC as a financial mechanism to support developing countries in adaptation and mitigation efforts to counter and address climate change, and became effective in 2011. Currently the available financial mechanism under the various treaties are (i) the Adaptation Fund (AF) (ii) the Green Climate Fund (iii) the Global Environment Facility and (iv) the Special Climate Change Fund. She emphasized that Malaysia is entitled to receive funds from the AF as well as the other funds because according to Article 4.8 of the UNFCCC, the characteristics for what are vulnerable conditions include (a) countries with low-lying coastal areas; (b) countries with semi-arid areas, forest areas and areas liable to forest decay; (c) countries prone to natural disasters; (d) countries with areas liable to drought and desertification; (e) countries with areas that have a fragile ecosystem. In order to apply for funding, any proposal will need to identify an adaptation or resilience challenge that could be addressed with support. The Special Climate Change Fund (SCCF) is operated by the Global Environment Facility. It is open to all vulnerable developing countries, and for the SCCF, adaptation is a top priority, which includes aspects related to water resource management, land management, agriculture, health, infrastructure and a fragile ecosystem.

The Green Climate Fund is the most recent fund and its aim is to promote a paradigm shift in efforts towards low emission and climate-resilient development. Access to resources of these funds can be done through entities accredited to the respective funds and with the approval of the National Designated Authority (NDA) or in-country focal point. For Malaysia, the NDA for the various funds is the Ministry of Environment and Water (KASA). However, projects and programmes need to meet the policy criteria of these funds, such as environmental and social safeguards, gender policy, policy on indigenous people, etc. Developing a good proposal is key to getting funding. There is money available for good, transformational action-oriented projects and programmes with sound ideas and goals.

## Climatic Hazards Programme

More interesting insights emerged from the discussion session. One was that the proposal development can also be funded, and all it needs is for one to take the initiative. In addition, integrating academia into proposal development will enhance the proposal quality. It was also realized that while many may think funds are only provided on a loan basis, the reality is that adaptation-related financing is mainly in the form of grants. The Green Climate Fund includes a private sector facility for micro-small and medium as well as large enterprises, which also have to go through an accredited entity as well.

The country should make a serious effort to get its relevant and eligible agencies to become accredited entities in order to gain access to climate funding from these available mechanisms. In the absence of a national accredited entity, Malaysia can resort to relying on international accredited entities in the meantime.

The country is very fortunate to be able to draw on the experience and vast knowledge of Ms. Meena Raman, to gain insights on global climate negotiations and the international financial landscape for adaptation.



### The UNDRR Asia Pacific Science Technology and Academia Advisory Group (AP-STAG) Key Publication for 2020

*The Status of S&T in Disaster Risk Reduction in Asia Pacific **(above)** and the Asia Pacific Framework for NATECH (natural-hazard-triggered technological event) Disaster Risk Management **(below)**, two key products of the Asia Pacific Science Technology and Academia Advisory Group (AP-STAG) in 2020, were launched by UNDRR during the 2020APSTCDRR recently.*

