

China and India are introducing national legislation that is, in some cases, more stringent than similar regulations in Eu

Institutions and governance

New governance structures are needed, rejecting both ‘entitlement’ of funds and old-fashioned aid approaches. Partner countries should be in the driving seat, but certain mechanisms for mutual-accountability are required. Approaches could include the Compact Approach² as proposed by the UK or delivering development assistance through budget support as adopted by many OECD countries.

In order to make headway with the critical issues of climate change and development, “silo-approaches” must be abandoned. Integration and inter-sector collaboration is urgently needed. This should be done at global, national and local level, but only political will can make this happen.

Imagination and innovation is needed to develop alternative approaches and new instruments, such as Sustainable Drawing Rights over common goods; payments for maintenance and improvements of ecosystem services; rewards for non-emissions and penalties in line with the ‘polluter-pays-principle’.

Funding

Financing climate change must be a part of traditional development funding. Adaptation to the effects of climate change in the developing world is all about poverty reduction, but this has not been sufficiently recognized in the climate change negotiation process.

Official Development Assistance (ODA) therefore needs to be increased, and climate funding should be added to the 0.7% Gross National Income goal for ODA. Development aid should focus on building capacity and strengthening resilience, at national and sub-national level of the partner country.

Money should be used for transformation, better integration and the breaking of the traditional silo approach. It should focus on supporting locally driven action through the subsidiarity principle³, creation and support to Public-Private-Civil society partnerships and cross-country sharing of lessons learned. Funds should also be directed towards safeguarding ecosystems, the goods and services they provide.

² The UK “Compact Approach” would be based around three strands:

- a) An international compact – agreement to the balance of resources between adaptation and mitigation, and the financial needs of different nations.
- b) A national compact – national plans drawn up by each country, reflecting their own priorities, reviewed and reported on internationally to ensure every country is both ambitious and credible.
- c) And a delivery compact – money should flow directly into central budgets, but only with the assurance of robust governance and transparency.

³ The subsidiarity principle is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at global or regional level is justified in the light of the possibilities available at national or local level.

Awareness, communication and education