

## **Consultative Meeting (retreat) on the third United Nations Conference on LLDCs (LLDC3)**

### **Session 3: Enhancing adaptation capacity and strengthening resilience to address the worsening impacts of climate change in LLDCs**

**Friday February 2, 2024**

**14:00 – 15:30**

#### **ISSUES PAPER**

The 32 LLDCs, home to over 570 million people, are on the frontline of the climate crisis. Their geographical constraints due to lack of access to sea and remoteness add manifold to their challenges. They have been facing disproportionate impacts of climate change, which include desertification, prolonged droughts, catastrophic biodiversity loss, and rapidly melting glaciers. Their dependence on complex transport linkages through transit neighbors further compounds the situation.

LLDCs frequently confront serious disruptions in their transit-transport systems due to climate-related disasters, which hinder their access to global markets for critical exports and imports. Additionally, cascading international crises impose a serious strain on their economies. While climate-related shocks are becoming more frequent and severe, LLDCs' ability to cope is heavily impaired by their growing debt burdens and limited fiscal space. Moreover, more than one-third of LLDCs are confronted with active conflicts and insufficient institutional and policy buffers,<sup>1</sup> limiting their ability to access climate finance and hampering effective mitigation and adaptation efforts.

The high vulnerability of LLDCs to climate change is partly due to their high reliance on climate sensitive resources, such as agriculture, livestock, forestry, water, and fisheries, which impacts directly on the livelihoods of their populations. For example, more than 55 per cent of the workforce in the LLDCs is in agriculture, compared to a world average of 25 per cent, typically as smallholder farmers in rural areas. They also have high dependency on climate-vulnerable energy sources, with 45 per cent of energy consumption in 2020 being from renewable sources like hydropower compared to 24 per cent for developing countries and 14 per cent for developed countries.

LLDCs are disproportionately affected by climate change in terms of loss and damage to lives, livelihoods, infrastructure, settlements and other assets and food security.<sup>2</sup> According to data from the Sendai Framework Monitor, as many as 3,516 per 100,000 people were affected by climate-related disasters in the LLDCs between 2012 to 2021, significantly surpassing the world average of 2,113 per 100,000 people. The number of deaths and missing persons per 100,000 from such disasters in the LLDCs was 1.86, more than

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<sup>1</sup> World Bank. 2023. Classification of Fragile and Conflict-Affected Situations, <https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations>

<sup>2</sup> UNDRR. 2022. Global Assessment Report on Disaster Risk Reduction

twice the world average of 0.86.<sup>3</sup> Disasters also impact ecosystems, causing environmental degradation and biodiversity loss.

LLDCs are among the countries least able to finance investments in adaptation actions. As of October 2023, LLDCs had received only 9 percent of total climate change finance for mitigation and 31 percent for adaptation disbursed to developing countries through the Global Environment Facility. However, these figures represent only a fraction of what LLDCs need.

To mitigate the escalating impacts of climate change, it is imperative to implement comprehensive policies and measures at the national, regional, and global levels. Climate change finance to LLDCs should be significantly increased, particularly for adaptation and resilience-building. Many LLDCs face challenges in developing adaptation plans and projects eligible for funding from established funds, stemming from a lack of technical capacity and complex access conditions. LLDCs need support towards identifying and preparing bankable projects to secure financial resources for climate change adaptation needs.

Adequate financing is also necessary to address disaster-related losses, including through the operationalization of the Loss and Damage Fund with adequate, predictable, and concessional financial arrangements.

To mitigate the rising impacts of climate change, robust early warning systems for LLDCs are vitally important. However, only 59 percent of LLDCs reported having multi-hazard early warning systems in place. The global development of an early warning system by 2027 should prioritize LLDCs, given their notable lack of such systems.

LLDCs need adequate support to enhance social protection systems, aimed at preventing or alleviating poverty, which provide important safeguards against climate related shocks and crises. It may be noted that only a median of about 21 per cent of the households in LLDCs are covered by social protection floors.<sup>4</sup>

LLDCs require support in building climate-resilient and sustainable infrastructure to reduce direct losses caused by disruptions from climate change. A dedicated infrastructure funding facility for climate-resilient infrastructure for LLDCs would assist these countries in designing and implementing sustainable projects.

The latest UNFCCC NDC Synthesis Report suggests that current global emissions reduction targets are insufficient to achieve the Paris target of 1.5°C. LLDCs have made important commitments through ambitious nationally determined contributions. Financial support and scaling-up of technology transfer to LLDCs are needed to assist their adoption of clean and efficient modern technologies as part of a just and equitable transition.

Creating strengthened partnerships for climate action in LLDCs is essential to safeguard their progress on the sustainable development goals and support the achievement of the other priority areas of the new Programme of Action.

## Guiding questions:

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<sup>3</sup> UNDRR (2023) as reported in UNCTAD (2023). Resilience at risk, available: <https://sdgpulse.unctad.org/resilience/>

<sup>4</sup> Data is available for 20 LLDCs, the latest available year data is used. Data is retrieved from ILOSTAT on 29 November 2023.

1. What key policies and measures should be prioritized at the national and international levels to effectively strengthen the resilience of the LLDCs and their adaptive capacity?
2. Could you elaborate on the role of technology and innovation in building resilience in these countries, and discuss how the international community can facilitate their transfer and adoption?
3. How can the MDBs support the LLDCs in adaptation and resilience building activities? Please provide some insights on how the LLDCs can benefit from existing support measures of the WB, IMF and other MDBs?
4. Public sector financing alone is insufficient to meet climate ambitions. How can capital markets be effectively leveraged to enhance climate resilience, and what role can MDBs play in this context?
5. What are some of the new and innovative sources of finance that can be considered to fund the Loss and Damage in LLDCs?
6. How can the LLDCs introduce various insurance schemes to manage risk and build resilience against various climate related disasters?