

## **Eighth meeting of the Adaptation Committee Bonn, Germany, 9–12 September 2015**

### **Input document: information, key issues and recommendations on the means of implementation for enhanced adaptation action**

#### **Recommended action by the Adaptation Committee**

The Adaptation Committee (AC), at its 8<sup>th</sup> meeting, may wish to consider the input document, including the potential activities to be undertaken as part of its 2016-2018 workplan and the recommendations for consideration by the COP. The AC may then consider whether it wishes to include these potential activities in its 2016-2018 workplan and include the recommendations in its report to the twenty-first session of the Conference of the Parties.

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## 1. Introduction and background

1. The Conference of the Parties (COP), at its sixteenth session decided to establish an Adaptation Committee (AC) to promote the implementation of enhanced action on adaptation in a coherent manner under the Convention.
2. As one of its functions, the AC provides information and recommendations, drawing on adaptation good practices, to the COP for its consideration when providing guidance on means to incentivize the implementation of adaptation actions, including finance, technology and capacity-building and other ways to enable climate-resilient development and reduce vulnerability, including to the operating entities of the financial mechanism of the Convention, as appropriate.<sup>1</sup>
3. In line with its mandate and functions, the AC agreed in its three-year workplan to undertake the following activities in the second and third quarters of 2015:<sup>2</sup>
  - a) Consider the synthesis paper and the outcomes of the workshop on means of implementation and the workshop on the monitoring and evaluation of adaptation;
  - b) Draw key issues to ultimately provide guidance on means to incentivize the implementation of adaptation actions, including finance, technology and capacity-building and other ways to enable climate-resilient development and reduce vulnerability, including for the operating entities of the financial mechanism of the Convention, as appropriate;
  - c) Determine the need for and scope of a joint task force on means of implementation;
  - d) Prepare, in collaboration with the Technology Executive Committee (TEC), the Standing Committee on Finance (SCF) and the Least Developed Countries Expert Group (LEG), an input document with information and recommendations for further actions, drawing on the results of the workshop and synthesis paper on means of implementation, other relevant work completed during 2013-2015, adaptation good practices, information communicated by Parties on their monitoring and review of adaptation actions, support provided and received, possible needs and gaps and other relevant information, including information communicated under the Convention, for consideration by the COP when providing guidance on means to incentivize the implementation of adaptation actions, including finance, technology and capacity-building and other ways to enable climate-resilient development and reduce vulnerability.
4. This input document draws on reports and other documents from the AC and a variety of sources (see annex 1); and direct inputs received from entities invited by the AC to do so, including, the TEC, the LEG, the SCF, the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), the Global Environment Facility (GEF), the Adaptation Fund, the Green Climate Fund (GCF), the Climate Technology Centre and Network (CTCN), and the National Adaptation Plan Global Support Programmes (NAP-GSP) for respectively least developed countries (LDCs) and developing countries that are not LDCs.
5. The document first presents information and key issues surrounding the means of implementation for enhanced adaptation actions, in particular related to the process to formulate and implement national adaptation plans (NAPs), and other ways to enable climate-resilient development and reduce vulnerability under the Convention and outside, where relevant. The document also briefly discusses the need for and scope of a joint task force on means of implementation. It then provides recommendations for further actions by the AC. And finally, based on the identified key issues, the document contains recommendations for consideration by the COP.

## 2. Information and key issues on means to incentivize the implementation of adaptation actions

6. Section 2 focuses on available support areas under the Convention and its Kyoto Protocol that act as means to enable the implementation of adaptation actions, including:
  - a) Finance;
  - b) Technology; and

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<sup>1</sup> Decision 1/CP.16, paragraph 20 (d).

<sup>2</sup> The timeframe was slightly shifted to ensure that this document benefited from all relevant inputs, including inputs provided by the TEC, SCF and LEG. As a result, activities were conducted in the third quarter of 2015.

c) Technical and institutional support and capacity-building.

7. In addition, other ways to enable climate-resilient development and reduce vulnerability exist and are being further explored, including:

a) Risk-sharing and risk transfer;

b) Knowledge and information exchange;

c) Incentives offered through other processes and networks.

8. For each of the support areas, the section includes an identification of key issues from which guidance on means to incentivize the implementation of adaptation actions can be developed. These key issues are based on discussions during the AC workshop on means of implementation; the AC/LEG workshop on experiences, good practices, lessons learned, gaps and needs in the process to formulate and implement NAPs, the LEG stocktaking meeting, NAP Expos, and information contained in previous documents prepared by the AC on means of implementation.

## 2.1 Finance

9. In accordance with the main issues addressed so far by the AC, the focus of the finance section is on issues related to the financial entities under the Convention and its Kyoto Protocol. However, the section also strives to acknowledge other multi- and bilateral finance windows offering support for adaptation.

10. Under the Convention and its Kyoto Protocol, adaptation finance is provided by the **GEF**, through the **Least Developed Countries Fund (LDCF)** and the **Special Climate Change Fund (SCCF)**; the Adaptation Fund; and most recently the GCF.

11. According to the GEF, as at June 30, 2015, 121 LDCF projects supporting the implementation of national adaptation programmes of action (NAPs), the NAP process and the implementation of other elements of the LDC work programme, with grants amounting to USD 631 million, had been endorsed or approved by the Chief Executive Officer of the GEF and were completed, under some stage of implementation or ready to enter implementation. Seventeen LDCs have so far applied for funding from the LDCF for national or regional projects in support of the NAP process, in addition to the support provided through the LDCF-financed NAP Global Support Programme. These proposals have not yet received funding due to the current lack of funds in the LDCF.

12. As for the adaptation window of the SCCF, as at June 30, 2015, the GEF had provided USD 284.4 million for adaptation projects. Sixty-five projects were approved for funding. The part of co-financing for these projects amounted to USD 2.3 billion.

13. To support the preparation of the process to formulate and implement NAPs, the GEF has also provided funding for the NAP-Global Support Programme for LDCs (through the LDCF) and non-LDCs (through the SCCF):

a) In May 2013, an initial USD 2.19 million from the LDCF for the NAP-GSP for LDCs,<sup>3</sup> followed in January 2015 by an additional USD 6.95 million to expand the ongoing support to all LDCs;

b) In May 2015, USD 5.09 million from the SCCF for the NAP-GSP for non-LDCs;<sup>4</sup>

14. The **Adaptation Fund** had, as at July 31, 2015, allocated USD 318 million for adaptation projects and programmes, project formulation activities, and South-South cooperation grants for accreditation support, in a total of 50 vulnerable developing countries. Among the countries that have received support, 16 are LDCs and 11 are Small Island Developing States (SIDSs). 12 projects in LDCs support adaptation actions aligned with NAPAs. While the Adaptation Fund has a clear mandate to support concrete adaptation projects and programmes, all 48 approved Adaptation Fund projects and programmes include activities towards development of adaptation capacities at the national or sub-national level, and thus lay important foundation for the process to formulate and implement NAPs.

15. Importantly, the Adaptation Fund was the first climate fund to enable direct access to its resources to national entities that have been accredited in accordance with strict fiduciary standards. As at July 31, 2015, the Adaptation Fund has accredited 20 National Implementing Entities (NIEs). The process of applying for

<sup>3</sup> Under the GEF, the NAP-GSP for LDCs is referred to as "Global project *Assisting LDCs with country-driven processes to advance National Adaptation Plans*".

<sup>4</sup> Under the GEF, the NAP-GSP for non-LDCs is referred to as "Global project *Assisting non-LDC developing countries with country-driven processes to advance National Adaptation Plans*".

accreditation and functioning as an NIE prepares countries for increased ownership in developing and implementing their NAPs.

16. In terms of the **GCF**, Parties at COP 20 were informed that the initial resource mobilization process of the GCF led to approximately USD 10.2 billion equivalent in pledges. In May 2015, the total amount of pledges converted to signed contribution agreements/arrangements exceeded the effectiveness threshold of 50%, putting the GCF in a position to start considering funding proposals on projects and programmes in developing countries, the first of which are planned for consideration by the Board of the GCF at its eleventh meeting. In parallel, COP 20 requested the Board of the GCF to accelerate the operationalization of the adaptation and mitigation windows, and to ensure adequate resources for capacity-building and technology development and transfer.<sup>5</sup> The GCF Board has a mandate to balance the allocation of GCF resources between adaptation and mitigation.<sup>6</sup> It decided to aim to direct fifty per cent of the adaptation allocation to LDCs, Small Island Developing States (SIDS) and African countries.<sup>7</sup>

17. COP 20 further requested the AC and the LEG, in collaboration with the GCF, to consider how to best support developing countries in accessing funding from the GCF for the NAP process.<sup>8</sup>

18. The GCF has established a readiness programme to provide capacity-building for countries to access GCF funding. The programme provides, among other services, technical assistance to countries in identifying strategic investment priorities and preparing or strengthening development strategies or plans for adaptation, such as NAPs and NAPAs.<sup>9</sup>

19. Besides financial support under the Convention and its Kyoto Protocol, additional adaptation finance is provided by multilateral and bilateral donors. For example, under the **Pilot Programme for Climate Resilience (PPCR)** countries develop a Strategic Program for Climate Resilience (SPCR) which outlines an underlying investment programme for a country. Funding for its implementation is provided through a programmatic approach where PPCR funds are blended with other resources (including private sector and government) to cover the additional costs necessary to make a development activity resilient to the impacts of climate change.<sup>10</sup>

20. The first phase of the PPCR counts 11 pilots comprising nine stand-alone country pilots and two regional programmes. As at 30 September 2014, with 46 projects and programmes totaling USD 790.6 million approved by the PPCR Sub-Committee, and 42 projects and programmes totaling USD 744.51 million approved by the respective Multilateral Development Banks, half of the projects of the first phase of the PPCR were under implementation.<sup>11</sup> A second phase of the PPCR has been initiated in May 2015: 10 new countries received PPCR funding to prepare their strategic programme.

21. The PPCR indicated to be seeking coherence with existing strategies, including the NAPAs and the NAPs.<sup>12</sup> The programme still needs to demonstrate how it intends to operationalize this to avoid duplication of efforts for countries conducting simultaneously PPCR and NAP-related activities.

22. At COP 20, a group of bilateral donors established the **NAP-Global Network** as they recognized the need for coordination of donor efforts to ensure that support contributes to coherent in-country approaches. To operate, the NAP-Global Network received initial support from Germany and the US.

23. Participants to the workshop on experiences, good practices, lessons learned gaps and needs in the process to formulate and implement NAPs,<sup>13</sup> reported that challenges to financing adaptation persist,<sup>14</sup> including

<sup>5</sup> Decision 7/CP.20, paragraph 8.

<sup>6</sup> Decision 3/CP.17, paragraph 8.

<sup>7</sup> Decision by the Board of the Green Climate Change Fund (GCF). B.06/06. Available at <<http://www.gcfund.org/operations/resource-guide/investment-framework-board-decisions/33-allocation-of-fund-resources.html>>.

<sup>8</sup> Decision 3/CP.20, paragraph 11.

<sup>9</sup> GCF Governing Instrument, paragraph 40. Available at <[http://gcfund.net/fileadmin/00\\_customer/documents/pdf/GCF-governing\\_instrument-120521-block-LY.pdf](http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF-governing_instrument-120521-block-LY.pdf)>.

<sup>10</sup> FCCC/SBI/2014/INF.15.

<sup>11</sup> Based on latest available Semi-annual operational report of the Pilot Program for Climate Resilience (PPCR). PPCR/SC.15/3/Rev.1, November 2014. Available at <[https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR\\_15\\_3\\_PPCR\\_semi\\_annual\\_operational\\_report\\_rev.1..pdf](https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR_15_3_PPCR_semi_annual_operational_report_rev.1..pdf)>.

<sup>12</sup> Presentation on PPCR fundamentals made at PPCR Pilot Countries Meeting in Frascati, Italy, from 19-23 July 2015. Available at <[http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR\\_Fundamentals\\_v3\\_KKR\\_Final.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR_Fundamentals_v3_KKR_Final.pdf)>.

<sup>13</sup> The workshop was organized by the AC, in collaboration with the LEG. It took place on 16 and 17 April 2015, in Bonn, Germany.

challenges related to:

- a) The overall availability of finance to support developing countries, as well as information on available finance;
- b) Access to different funds;
- c) Ensuring continuous long-term funding, including through programmatic approaches;
- d) Establishing appropriate domestic institutional frameworks that identify financial needs, absorb and disburse domestic and international finance, and allow for tracking of funds as well as monitoring and evaluating adaptation effectiveness;
- e) Engaging the private sector;
- f) Differentiating adaptation and development finance.<sup>15</sup>

24. **Overall availability.** A growing concern raised by developing country Parties is an overall insufficiency of available funds for the full implementation of NAPAs and for advancing work towards the formulation of NAPs. In its report to COP 21,<sup>16</sup> the GEF reported that although it has seen important growth in recent years, additional contributions are urgently needed if the LDCF is to meet the full cost of addressing the urgent and immediate adaptation needs of LDCs, estimated in their NAPAs to cost USD 2 billion. Currently, the demand for LDCF resources considerably exceeds the funds available for new approvals.<sup>17</sup>

25. Since the start of 2015, the LDCF supported 11 projects and one programmatic approach totalling USD 100.1 million, whereas 32 priority projects that had been technically cleared by the Secretariat remained unfunded in the pipeline, amounting to USD 235.7 million as at 30 June 2015. At the same date, funds available for new funding approvals amounted to USD 10.5 million.<sup>18</sup> Likewise, the demand for SCCF resources continues to be far higher than the resource available.

26. As the LDCF and SCCF are voluntary donor funds administered by the GEF but separate from the GEF Trust Fund, some Parties view them as being inadequate and unpredictable sources of financing.<sup>19</sup> The GEF has also underlined its challenge to provide long-term funding, e.g. for a programmatic approach to NAPs, due to the unpredictable nature of donor contributions.<sup>20</sup>

27. The lack of sufficient funds does not only relate to those funds under the Convention and its Kyoto Protocol, but to available adaptation finance more broadly. In 2014, Multilateral Development Banks (MDBs) reported a total of USD 5 billion in adaptation finance,<sup>21</sup> while the World Bank estimated that the costs (between 2010 and 2050) of adapting to a world that is approximately 2 °C warmer by 2050 are USD 70–100 billion per year (estimate published in 2010).<sup>22</sup> More recent estimations published in the UNEP Adaptation Gap Report suggest that these numbers will, as a minimum, be two to three times higher.<sup>23</sup>

28. **Access to funds.** Developing country Parties experience a number of challenges that constrain simplified, expeditious, flexible and practical access to finance, including issues related to co-financing and direct access procedures. In regards to co-financing, developing country Parties further underline that the distinction between adaptation versus business-as-usual development activities is often artificial, and thus the estimation of the level of required co-financing takes time and requires considerable capacity, which is difficult to meet,

<sup>14</sup> In the course of its consideration of NAP finance, the AC had agreed to consider issues concerning access to finance and programmatic approaches in depth.

<sup>15</sup> FCCC/SBI/2015/6, paragraph 45.

<sup>16</sup> GEF (2015). GEF report to COP21. Available at <[www.thegef.org/gef/node/11369](http://www.thegef.org/gef/node/11369)>.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> FCCC/SBI/2014/MISC.1.

<sup>20</sup> Report of the meeting between members of the Adaptation Committee's National Adaptation Plan Task Force (NAP TF) and representatives from UN agencies, relevant multilateral and bilateral organizations and NGOs supporting the NAP process. Available at <[unfccc.int/8858](http://unfccc.int/8858)>.

<sup>21</sup> World Bank (2015). 2014 joint report on Multilateral Development Banks' climate finance. Available at <<http://documents.worldbank.org/curated/en/2015/06/24641149/2014-joint-report-multilateral-development-banks-climate-finance>>.

<sup>22</sup> World Bank (2011). Economics of Adaptation. Available at: <[www.worldbank.org/en/news/feature/2011/06/06/economics-adaptation-climate-change](http://www.worldbank.org/en/news/feature/2011/06/06/economics-adaptation-climate-change)>.

<sup>23</sup> UNEP 2014. The Adaptation Gap Report 2014. United Nations Environment Programme (UNEP), Nairobi. Available at <[www.unep.org/climatechange/adaptation/gapreport2014/](http://www.unep.org/climatechange/adaptation/gapreport2014/)>.

particularly in LDCs.<sup>24</sup>

29. According to the LEG, LDCs have experienced problems of co-financing for NAPA implementation under the LDCF and have indicated that when moving to implementation on the ground, co-financing has never been spent for the targeted adaptation project. However, they have also recognized that co-financing has contributed to enhancing ownership of the project. Under the LDCF, co-financing refers to the financing associated to the baseline or business-as-usual scenario that an LDCF-financed project seeks to address; including, *inter alia*, investments by the private sector or development partners, national or sub-national budget expenditures, in-kind contributions by community members.<sup>25</sup>

30. The Adaptation Fund has a mandate to finance the full cost of adaptation,<sup>26</sup> which means that there is no requirement for co-financing. However, several Adaptation Fund projects include voluntary co-financing contributions from implementing entities and governments.

31. Regarding the GCF, there is no explicit requirement of co-financing in the fund's programming documents.

32. In terms of the PPCR, the implementation of each country's Strategic Program for Climate Resilience SPCR is supported by PPCR resources and additional funds, such as MDB resources and/or government and/or private sector resources.<sup>27</sup>

33. Experience with adaptation funding over the years has also shown that the diversity of procedures, access and reporting requirements under different funding channels add to the complexity of accessing finance for adaptation.<sup>28</sup> According to the fifth review of the financial mechanism, with the establishment of the GCF, the "risk of overlap among the activities financed within and outside the framework of the Convention is high". However, the review went further to point out that "although duplication is not desirable, it may not be the most important issue at this time, since, as outlined in the IPCC Fifth Assessment Report, much more significant climate financing is needed than that provided at present through all of these funds (those funds within and outside the Convention) combined". In addition, In its Governing Instrument, which has been approved by the COP through decision 3/CP.17, the GCF has laid out that it "shall operate in the context of appropriate arrangements between itself and other existing funds under the Convention, and between itself and other funds, entities, and channels of climate change financing outside the Fund".<sup>29</sup>

34. The GEF and the GCF both have a mandate to finance activities related to the NAP process. The GEF has been requested by the COP to enable activities for the preparation of the NAP process by the LDC Parties<sup>30</sup> and to consider how to enable activities for the preparation of the NAP process for interested developing country Parties that are not LDC Parties.<sup>31</sup>

35. The GCF, in its Governing Instrument has also laid out that it will provide resources for readiness and preparatory activities and technical assistance, such as the preparation or strengthening of NAPs. In addition, it will support developing countries in pursuing project-based and programmatic approaches in accordance with climate change strategies and plans, such as NAPs and NAPAs.<sup>32</sup>

36. To simplify access procedures in the future or simplify the landscape of funding instruments to reduce redundancy and possible overlaps, the funds are encouraged to collaborate with each other to learn lessons, set common performance targets and ensure complementarity.<sup>33</sup>

37. In response to previous AC recommendations, the GEF, in its report to COP21, stated that with a view to

<sup>24</sup> Interviews by the LEG with individual LDCs.

<sup>25</sup> Updated operational guidelines for the Least Developed Countries Fund. GEF/LDCF/SCCF/13.4. October 2012. Available at <[thegef.org/gef/sites/thegef.org/files/documents/Updated\\_Operational\\_Guidelines\\_LDCF\\_Oct.16.pdf](http://thegef.org/gef/sites/thegef.org/files/documents/Updated_Operational_Guidelines_LDCF_Oct.16.pdf)>.

<sup>26</sup> Decision 5/CMP.2, paragraph 1 (d).

<sup>27</sup> Climate Investment Funds (2009). Programming and financing modalities for the SCF targeted program, the pilot program for climate resilience (PPCR). Available at <[www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR\\_Programming\\_and\\_Financing\\_Modalities.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR_Programming_and_Financing_Modalities.pdf)>.

<sup>28</sup> Report of the second forum of the SCF, available at:

<[http://unfccc.int/files/cooperation\\_and\\_support/financial\\_mechanism/standing\\_committee/application/pdf/2nd\\_scf\\_forum\\_for\\_web.pdf](http://unfccc.int/files/cooperation_and_support/financial_mechanism/standing_committee/application/pdf/2nd_scf_forum_for_web.pdf)>.

<sup>29</sup> Paragraph 33 of the Governing Instrument for the Green Climate Fund, available at

<[http://gcfund.net/fileadmin/00\\_customer/documents/Key\\_documents/GCF\\_Governing\\_Instrument\\_web.pdf](http://gcfund.net/fileadmin/00_customer/documents/Key_documents/GCF_Governing_Instrument_web.pdf)>.

<sup>30</sup> Decision 12/CP.18, paragraph 1.

<sup>31</sup> Decision 12/CP.18, paragraph 4.

<sup>32</sup> Green Climate Fund (2011). Governing Instrument for the GCF. Available at <[gcfund.net/fileadmin/00\\_customer/documents/pdf/GCF-governing\\_instrument-120521-block-LY.pdf](http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF-governing_instrument-120521-block-LY.pdf)>.

<sup>33</sup> FCCC/SBI/2014/INF.14, paragraph 62 (c).

enhancing coordination, collaboration and coherence, the LDCF-financed NAP-GSP has continued to foster partnerships with a growing number of bilateral and multi-lateral agencies that provide financial and technical support towards the NAP process in developing countries. The GEF Secretariat attended the second meeting of the NAP Task Force, where emphasis was placed on coordination and coherence in the support provided by bilateral and multi-lateral funds and agencies.

38. According to the Governing Instrument of the GCF, the Board will develop methods to enhance complementarity between the activities of the GCF and those of other relevant bilateral, regional and global funding mechanisms and institutions so as to better mobilize the full range of technical and financial capacities.<sup>34</sup> A better coordination between the GCF readiness programme and the various other readiness support programmes established by bilateral and multilateral stakeholders could be a useful outcome of such effort by the GCF Board.<sup>35</sup>

39. Many developing country Parties share the view that direct access would be beneficial for expediting access to NAP funding.<sup>36</sup> They have urged developed country Parties, development partners and UN and international organizations to provide adequate financing through direct access and flexible procedures so that they could start activities that contribute to the formulation of NAPs without delay.<sup>37</sup>

40. Experience with direct access has particularly been gained under the Adaptation Fund, which pioneered the implementation of the direct access modality among all of the funds under the Convention and its Kyoto Protocol. According to the second review, the Adaptation Fund access modality has benefited recipient countries in a number of ways. It has built institutional capacity at the national level, particularly in relation to financial management. It has also improved collaboration with stakeholders, including different government entities, enhanced country ownership, increased attractiveness to funding institutions and donors, increased South-South cooperation and created efficiency gains regarding entity fees. However, coordinating direct access effectively requires specialized human, institutional and system-wide capacities in developing countries, particularly the LDCs and SIDS.<sup>38</sup> Following the observation that it was often difficult for smaller national entities, which are especially common in smaller countries such as SIDS, to achieve accreditation as NIE, the Adaptation Fund Board in April 2015 approved a streamlined accreditation process which, while using the same fiduciary standards, allows the entities new possibilities to demonstrate compliance.<sup>39</sup>

41. With regard to direct access under other funds, the GEF broadened its partnerships by approving the policies, procedures, and criteria for a pilot on accrediting new institutions, including national institutions and regional organizations, to serve as GEF Partner Agencies for the implementation of GEF projects, including under the LDCF and SCCF.<sup>40</sup> The GEF will allow direct access by the GEF accredited national institutions based in developing countries. In addition, the GEF also devotes resources to strengthen the capacity of GEF Focal Points to effectively carry out their mandates for supporting global environmental programmes in their countries and constituencies through a country support programme. The GCF is engaging with institutions working on its readiness initiatives and has set up a coordination mechanism for these institutions.

42. The GCF is similar, in that, through its accreditation process, national and regional institutions from developing countries are also able to directly access GCF resources. In complement, the GCF, through its readiness programme, also intends to foster a better direct engagement between the Fund and its recipient countries, including by supporting national and regional entities in their efforts to be accredited by the GCF.

43. To enable the identification of medium- and long-term adaptation needs and to develop and implement strategies and programmes to address those needs, as envisaged under the NAP process, **programmatic approaches** may be better suited than project-based approaches.<sup>41</sup> Different types of programmes exist that address different themes at different scales. While every programme is unique, they share some commonalities, in particular the fact that they are driven by a strategic vision anchored into medium- and long-term aspirations. The long-term nature of programmes implies that longer-term financial commitment by those who support them is needed. In order to finance programmes, different funding streams and financial instruments are often blended to cover the costs, which are considerably higher than for single projects. As financing for

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<sup>34</sup> SCF/TP/2014/1.

<sup>36</sup> Including in a recent side event organized by the GEF at COP 20.

<sup>37</sup> FCCC/SBI/2013/MISC.2.

<sup>38</sup> Ibid.

<sup>39</sup> AFB/EFC.16/7/Rev.1 and AFB/B.25/8.

<sup>40</sup> AC/2014/10.

<sup>41</sup> Decision 5/CP.17, paragraphs 2 and 3.

programmes requires a longer-term donor commitment, it also implies higher risks at the donor side. This often leads to the requirement of rigorous reporting by recipient countries to demonstrate what and how effective the committed financing is used for.

44. The LEG had discussed some of the potential benefits to countries of adopting a programmatic approach to adaptation. Such benefits include opportunities for strengthening institutional frameworks to enhance country-ownership, for scaling-up adaptation efforts, for mainstreaming adaptation at the policy and regulatory levels, and for increasing cost effectiveness through the alignment of resources and the harmonization of financial and technical partners.<sup>42</sup> The ability of programmes to take into account changes in terms of science and predicted or observed impacts of climate change is also important, and there is convergence on the need for the long-term risk of climate change to be met with long-term adaptation, and the financing hereof.

45. Programmatic approaches, however, require substantial capacity and resources at the national level. Challenges to develop and sustain a long-term programmatic strategy, particularly in LDCs, include limited human resources, unavailability of downscaled climate change models and insufficient data.<sup>43</sup> These challenges have in the past contributed to the fact that LDCs have found it easier to follow a project-based approach.

46. At the same time, some donors have tended to hesitate providing scaled-up and longer-term funds through programmatic approaches until the required fiduciary and management capacity to handle such approaches are strengthened in recipient countries. LDCs would therefore need to be supported to address these capacity-gaps.

47. Countries' programmatic approaches are, for example, being supported through the PPCR and the EU's Global Climate Change Alliance (GCCA).<sup>44</sup> Under the PPCR, through a multi-stakeholder process countries develop a Strategic Program on Climate Resilience (SPCR) comprised of a portfolio of projects. The SPCR is reviewed and endorsed by the PPCR committee, with a notional financing allocation. The specific projects under the SPCR are then developed and reviewed for financing. This type of programmatic approach links project investment to country priorities and helps provide predictability in financing as the projects are developed from concepts to full proposals. The main financing modality under the GCCA is in fact budget support (general or by sector), and countries are provided with technical and financial assistance to integrate climate change into their development policies and budgets, as well as to promote climate-resilient and low-emission development through tranche funding. GCCA and countries agree on priority areas related to adaptation in which the country needs to make progress in order to receive a tranche of the allocated funds.<sup>45</sup>

48. In order to enhance access to adaptation finance and to make use of programmatic approaches, Parties stress the need to have appropriate **domestic institutional frameworks** in place to ensure:

- a) Coordination of adaptation finance at the national level between the ministries of finance and other relevant ministries responsible for implementing adaptation projects;
- b) Assessment of adaptation finance needs;
- c) Identification of sources of funding, including external (multilateral and bilateral) and domestic sources;
- d) Tracking and reporting on funding received by all relevant stakeholders along the priorities identified in the different plans and strategies; and
- e) Monitoring and evaluation of adaptation effectiveness.<sup>46</sup>

49. In addition, mobilizing domestic and private resources would also contribute to enhancing the use of programmatic approaches, and some countries would need to be supported to do so.

50. There are important information gaps on domestic and private sources of adaptation finance as most of the finance being tracked and reported on is public funding that flows from developed to developing countries.<sup>47</sup> Since the financial potential of the private sectors is considered substantial, the information gaps about private investments in adaptation remain one of the most important gaps in the climate finance landscape. Information on the **private sector's** potential in providing finance for adaptation is constrained by:

- a) A lack of understanding of private sector actors of the incentives and benefits for them to engage in climate risk management; and

<sup>42</sup> Discussion of LEG members at the 20<sup>th</sup> meeting of the LEG.

<sup>43</sup> Ibid.

<sup>44</sup> The Global Climate Change Alliance (GCCA), since its extension in 2014, has become the GCCA+.

<sup>45</sup> FCCC/SBI/2014/INF.16.

<sup>46</sup> FCCC/SBI/2012/8.

<sup>47</sup> AC/2015/9.

- b) The difficulty of navigating the current landscape of adaptation finance and understanding the various players within the private sector and their different interests and needs when it comes to their involvement in adaptation and adaptation finance.

51. Finally, with programmatic approaches, there is a greater need to address the issue of differentiation between adaptation and development finance. The distinction is of a particular challenge when adaptation is fully integrated. For some, the distinction is often artificial and integration of adaptation into development is widely accepted as the practice on the ground.<sup>48</sup>

## 2.2 Technology

52. In 2010, the COP established the Technology Mechanism (TM)<sup>49</sup> to support action on technology under the Convention. Through its two components, the TEC and the CTCN, the TM responds to Parties' needs in terms of technology development and transfer at both the policy and the implementation levels with tangible service provided for action upon the request of developing countries. As per its mandate from the COP, the CTCN strives to balance its service delivery on a balance of adaptation and mitigation activities.

53. The **TEC** is the TM's policy arm, and as such analyses key climate technology policy issues and provides recommendations with a view to supporting countries in enhancing their efforts to address climate change. Several activities of the TEC contribute to incentivizing the implementation of adaptation actions. For instance, as part of its 2014-2015 rolling work programme, the TEC prepared, with inputs from the AC, two policy briefs on technology for adaptation in the agriculture and water sectors.<sup>50</sup> The TEC also presented at COP 20 its key messages with regard to technologies for adaptation.<sup>51</sup> In addition, in the first quarter of 2016, the TEC intends to organize a thematic dialogue to facilitate successful replication and transfer of technologies for adaptation in the context of South-South cooperation in the agriculture and water sectors.<sup>52</sup>

54. The TEC also provides policy guidance on the technology needs assessments (TNA). For example, the TEC produced a policy brief, which looks at the possible integration of TNAs in the NAP process<sup>53</sup> and is preparing guidance on how the results of TNAs can be developed into portfolios of projects that ultimately can be implemented.<sup>54</sup>

55. The CTCN promotes the accelerated development and transfer of climate technologies at the request of developing countries for energy-efficient, low-carbon and climate resilient development. The CTCN is the operational arm of the Technology Mechanism. It is hosted by the United Nations Environment Programme (UNEP) in collaboration with the United Nations Industrial Development Organization (UNIDO) and supported by a consortium of 12 partner institutions with a breadth of expertise in climate technologies. The Centre facilitates a Network of national, regional, sectoral and international technology centres, networks, organizations and private sector entities that span a range of climate technology sectors and a diversity of regions.

56. The CTCN fosters technology development and transfer through three core services:

- a) **Technical assistance:** The CTCN provides technical assistance for both climate adaptation and mitigation projects in response to requests submitted by developing countries via their nationally-selected focal points, called National Designated Entities (NDEs). Upon receipt of such requests, the CTCN mobilizes its global Network of climate technology experts to design response plans and deliver a customized solution tailored to local needs. Assistance covers all stages of the technology cycle: from identification of climate technology needs; policy assessment; selection and piloting of technological solutions; to assistance that supports technology customization, widespread deployment, and commercial maturity. Requests are based on national priorities, as defined by planning and prioritisation efforts, including

<sup>48</sup>Challenges in adaptation finance as discussed at the AC workshop on means of implementation that took place from 2-4 March 2015 in Bonn, Germany, and contained in the workshop report. Available at <[http://unfccc.int/files/adaptation/cancun\\_adaptation\\_framework/adaptation\\_committee/application/pdf/moi\\_wksp\\_2jun15\\_\(ver01.0\).pdf](http://unfccc.int/files/adaptation/cancun_adaptation_framework/adaptation_committee/application/pdf/moi_wksp_2jun15_(ver01.0).pdf)>.

<sup>49</sup> Decision 1/CP.16, paragraph 117.

<sup>50</sup> Available at <[http://unfccc.int/ttclear/misc\\_/StaticFiles/gnwoerk\\_static/TEC\\_column\\_L/544babb207e344b88bdd9fec11e6337f/bcc4dc66c35340a08fce34f057e0a1ed.pdf](http://unfccc.int/ttclear/misc_/StaticFiles/gnwoerk_static/TEC_column_L/544babb207e344b88bdd9fec11e6337f/bcc4dc66c35340a08fce34f057e0a1ed.pdf)>.

<sup>51</sup> FCCC/SB/2014/3.

<sup>52</sup> See TEC/2015/10/12-an.III available at <[http://unfccc.int/ttclear/misc\\_/StaticFiles/gnwoerk\\_static/TEC\\_column\\_L/f350716e0a074fb5a15ed59b5152f6de/ddb8f7f6e4fb45369c5247852c1db26e.pdf](http://unfccc.int/ttclear/misc_/StaticFiles/gnwoerk_static/TEC_column_L/f350716e0a074fb5a15ed59b5152f6de/ddb8f7f6e4fb45369c5247852c1db26e.pdf)>.

<sup>53</sup> TEC Brief – Possible integration of TNAs in NAMAs and NAPs, available at <[http://unfccc.int/ttclear/misc\\_/StaticFiles/gnwoerk\\_static/TEC\\_column\\_L/4f85c880f1b54a6bb1ed32a3b7e1bc94/7262a425eab84ac8a0ab4a5980d7e58d.pdf](http://unfccc.int/ttclear/misc_/StaticFiles/gnwoerk_static/TEC_column_L/4f85c880f1b54a6bb1ed32a3b7e1bc94/7262a425eab84ac8a0ab4a5980d7e58d.pdf)>.

<sup>54</sup> Decision 17/CP.20, para 13.

Intended Nationally Determined Contributions, NAPs, NAPAs, and TNAs. CTCN technical assistance services can contribute to the readiness of developing country Parties to receive and implement funding from the GCF and the Adaptation Fund.

- b) Capacity-building and access to information: the CTCN online Technology Portal serves as a gateway to the CTCN's technical assistance and capacity-building services, with special hubs for NDEs and Networks members. It is also designed to serve as a comprehensive library of climate technology information and tools, organized by adaptation and mitigation technology sector, cross-cutting enabling conditions and technology design considerations, made available through an open-source database. CTCN undertakes a growing suite of capacity-building activities, in accordance with its COP mandate and guidance from its Advisory Board, including through: convening annual regional forums; hosting thematic and regionally focused webinars; and co-convening issue-specific training sessions and workshops with consortium and network members.
- c) Scaling up international collaboration: membership in the Climate Technology Network provides access to a diverse global community of climate technology users, providers and financiers, under the umbrella of the TM. The CTCN comprises academic, civil society, finance, private sector, public sector, and research entities as well as CTCN NDEs. Network members gain the opportunity to showcase and promote relevant technologies, policies and practices.

57. The CTCN has adopted a country-driven approach to the delivery of its service offering, involving the full range of adaptation technology sectors. This includes a focus on enabling conditions and ecosystem-based, community based and gender oriented design approaches, at the request of developing country Parties.

58. The CTCN engages with countries, primarily through their National Designated Entities (NDEs) that act as focal point and coordinator with the CTCN and national entities for the development and transfer of technologies. According to the TEC, NDEs have the potential to play a key role in establishing strong linkages and maintaining coherence at the national and regional levels between the different planning processes under the Convention, including the NAP process.<sup>55</sup> The CTCN plans to further expand the Network to increase membership of organizations and institutions based in developing countries to enhance South-South cooperation on climate technologies, including technologies for adaptation.<sup>56</sup>

59. The CTCN also has a specific capacity development programme for LDCs called "Request Incubator programme" which aims to enhance the capacities of LDCs to best benefit from CTCN technical assistance through submitting sound requests that will help LDCs reach their adaptation and low carbon development targets.

60. The implementation of appropriate adaptation actions, effective coordination and integration of technologies for adaptation are greatly enhanced by cross-sectoral planning and policy formulation by local and national governments. TNAs, as well as other studies of technology needs, are rich sources of information on the needs of developing countries related to technology and should be referred to when planning adaptation. TNAs and other national needs assessment and climate change technology and adaptation prioritisation processes and reports, should ideally form the basis of requests to the CTCN.

61. With regard to the NAP process, NDEs could be encouraged to identify opportunities to coordinate with NAPs focal points/steering committee, for the formulation and implementation of NAPs. Likewise, the prioritization of technologies for adaptation should take into consideration vulnerability and adaptation assessments undertaken during the NAP process and/or contained in national communications. It is worth noting that there has been an increase interaction between the NAP-GSPs and the CTCN, in particular the NAP-GSP for non-LDCs.

62. Finally, technology transfer and diffusion could benefit from South-South and North-South cooperation, beyond the current regional training support, which could result in an improved coordination of TNAs and requests for international support. The CTCN could play an increasing role in such coordination, by helping to provide and/or suggest tools and catalyse financial support, thereby supporting national designated entities.

### **2.3 Technical and institutional support and capacity-building**

63. Building and strengthening technical and institutional capacities at local, national and regional levels is vital to enable developing countries to adapt to climate change. Four constituted bodies under the Convention

<sup>55</sup> FCCC/SBI/2013/1, paragraph 42.

<sup>56</sup> See key discussions points of the 5<sup>th</sup> meeting of the CTCN Advisory Board, available at < [http://ctcn.org/sites/default/files/AB%205\\_Key%20discussion%20points%20v1.5%20final\\_0.pdf](http://ctcn.org/sites/default/files/AB%205_Key%20discussion%20points%20v1.5%20final_0.pdf)>.

currently provide technical and institutional support that addresses some aspects of capacity-building for adaptation:

- a) The **CGE**. Over the years, the CGE has developed extensive training materials and has undertaken numerous regional hands-on training workshops on vulnerability and adaptation assessments.<sup>57</sup>
- b) The **LEG**. Initially, the LEG's focus was on providing technical support and advice to the LDCs on the preparation and implementation of NAPAs. Over the years, its mandate has been expanded and under its current term (2011-2015), the LEG also provides support to the LDC work programme and the NAP process. As part of its work programme, the LEG has organized a variety of regional training workshops to build technical capacities; developed platforms for knowledge and information sharing such as the NAP Expos and NAP Central; and produced a number of publications, including step-by-step guides and collections of best practices and lessons learned.
- c) The **AC**.
- d) The **CTCN** (see section 55-59).

64. The LEG and the AC have been collaborating on the NAP process, including through the AC's Taskforce on NAPs, which has a LEG member. Opportunities for collaboration with the CGE around NAPs exist as well. Under its current mandate (2014-2018),<sup>58</sup> the CGE is asked to provide technical advice and support to Parties, upon request, on two activities that could incentivize adaptation actions, including:

- a) The provision of recommendations, as appropriate, on elements to be considered in a future revision of the guidelines for the preparation of national communications (NCs) and biennial update reports from non-Annex I Parties, taking into account difficulties encountered by non-Annex I Parties in the preparation of their NCs and biennial update reports;
- b) The provision of information on steps to integrate climate change considerations into relevant social, economic and environmental policies and actions.

65. The provision of recommendations on the possible revision of NC guidelines is linked to relevant mandates of the NAP process through:

- a) An invitation to Parties to provide information through their NCs on what measures they have undertaken and on support provided or received relevant to the NAP process;
- b) An encouragement to LDC Parties, to the extent possible, to provide information on their NAP process through their NCs as well as other channels;

66. Such a provision could therefore contribute to the discussion on enhancing reporting related to the NAP process, which was initiated at SBI 41/COP20 and will be continued at SBI 44 (June 2016).<sup>59</sup>

67. Through the provision of information on mainstreaming, the CGE provides technical support to developing countries for achieving one of the objectives of the NAP process, namely the integration of adaptation, in a coherent manner, into relevant policies, programmes, activities and planning processes.<sup>60</sup>

68. Technical and institutional support and capacity-building is also provided outside the Convention. For example, the NAP-GSPs for LDCs and non-LDCs, which is one of several projects and programmes supported by the LDCF and SCCF to support technical and institutional capacity development, aims to strengthen the institutional and technical capacities of countries for an iterative formulation of comprehensive NAPs. More specifically, the NAP-GSPs offer:

- a) One-on-one technical assistance on demand to get started on the process to formulate and implement NAPs; for example, the programmes support countries through stocktaking missions to assist national teams in reviewing plans and activities, country-level training, including approaches to skills assessments<sup>61</sup> and basic economics of adaptation, that are of relevance to the process to formulate and implement NAPs;
- b) Tools and training to support key steps of the NAP process;

<sup>57</sup> For more information on the CGE, including links to adaptation training materials, see <unfccc.int/2608>.

<sup>58</sup> Terms of reference contained in the Annex of decision 19/CP.19.

<sup>59</sup> SBI 42 NAPs conclusions.

<sup>60</sup> Decision 5/CP.17, paragraph 1.

<sup>61</sup> The NAP-GSP project has produced guidance on how to carry out effective skills assessments (presented at NAP Expo 2015) and has built sustainable skills development plans to support NAPs.

- c) Facilitation of exchange of lessons and knowledge through South-South and North-South cooperation, including through devoting efforts to knowledge management and information sharing.

69. The NAP-GSPs are managed by UNDP and UNEP in collaboration with other partners. Thus far, 15 LDCs have received direct support from the NAP-GSP for LDCs and all have had the opportunity to send members of their national team to regional training workshops organized under the project, in close collaboration with the LEG. The NAP-GSP for non-LDCs was endorsed by the GEF Secretariat in March 2015. The project is due for launch in October 2015 and already as of 1 August 2015, 5 developing countries have requested support. In complement, a number of developing countries have participated in regional training workshops organized by the LEG and supported by the NAP-GSP.

70. Developing countries are also supported in their adaptation efforts through bilateral support, in particular for pilot adaptation actions. Bilateral partners offer technical and capacity-building support, as well as financial support. Developed country Parties communicated to the secretariat that they have provided support to developing countries through a variety of means, including support to individual countries and regional or global support through programmes such as the Africa Adaptation Programme<sup>62</sup> or the GCCA.<sup>63</sup> Although of a broader nature, developed countries recognized that the support they have provided could contribute to the NAP process while some of them have specifically directed some of their technical support to this process.<sup>64</sup>

71. Addressing adaptation at the regional level to complement national responses is a valuable approach for providing adaptation responses that can benefit multiple countries, in particular when considering issues such as transboundary water, air borne pollutants, energy and ecosystems, or early warning systems. To this end, regional centres could, and for many already, play an instrumental role in facilitating regional cooperation based on policies, programmes and assessments.

72. **Regional centres and networks** are useful platforms for creating adaptation communities of practice by offering an enabling environment for the development of regional programmes, and providing technical assessments and support for regional policies.<sup>65</sup> Many regional centres and network are aligning their adaptation work based on the needs identified in regional and national development plans, which includes NAPAs and NAPs.<sup>66</sup> Although not all are directly involved in providing direct support to countries for the NAP process, many provide support in areas relevant to this process, such as: development of tools to identify adaptation priorities; preparing a pipeline of adaptation projects capable of attracting development financing; or impact, vulnerability and adaptation assessments; to name a few.

73. The role of national training and research institutions is also important in supporting the development of more tailored and measurable skills development for adaptation, backed by relevant and context specific national analysis.

74. Some regional institutions and UN agencies communicated to the AC that there is a need to enhance the capacity of regional institutions to foster response to climate change at the national level, when possible in coordination with national training and research institutions. Support should include more integral involvement of regional entities in COP and other such meetings.<sup>67</sup> The Nairobi work programme on impacts, vulnerability and adaptation to climate change (NWP) is one avenue to address this need.

75. At the NAP Expo 2015, a group of organizations and agencies together with the LEG came together to establish a **NAP Technical Working Group** to encourage coherence in the NAP process, through developing methods and tools for integrated approaches across the various sectoral issues. The group discussed how to best encourage coherence in the NAP process through integrated approaches across the various sectoral issues, recognizing that NAPs are inherently cross-sectoral but are often dealt with in silos.

76. The group intends to conduct and document key case studies at the national level to elaborate how the integrated framework can be applied. Furthermore, various organizations are developing supplementary materials to the technical guidelines for the NAP process.

<sup>62</sup> Funded by Japan and implemented by UNDP.

<sup>63</sup> Funded by the European Union.

<sup>64</sup> For examples of technical support provided by developed countries to developing countries see FCCC/SBI/2014/INF.25, table 2.

<sup>65</sup> NAP Expo 2015 themes and key messages as contained in the report on the 27<sup>th</sup> meeting of the LEG (FCCC/SBI/2015/7).

<sup>66</sup> From presentation at AC5 on regional centres. Available at <

[http://unfccc.int/files/adaptation/cancun\\_adaptation\\_framework/adaptation\\_committee/application/pdf/agenda\\_item\\_9,\\_10,\\_11\\_-\\_list\\_reg\\_institutions\\_backstopping.pdf](http://unfccc.int/files/adaptation/cancun_adaptation_framework/adaptation_committee/application/pdf/agenda_item_9,_10,_11_-_list_reg_institutions_backstopping.pdf)<

<sup>67</sup> Information paper of the AC on strengthening the understanding of the roles of regional institutions and United Nations agencies in supporting enhanced adaptation actions in developing countries. AC/2014/7.

77. Developing countries have identified a number of support and capacity-building issues in order to enhance their adaptation actions. For example, there is a need to support LDCs in bridging NAPA implementation and the NAP process. LDCs find it difficult to address longer-term adaptation when their urgent and immediate needs are not yet addressed. Countries are also calling for additional guidance for the NAP process, with a view to:<sup>68</sup>

- a) Addressing the implementation of NAPs in order to facilitate the development of comprehensive implementation strategies that are at the right level of ambition with respect to the funding available;
- b) Including the definition of key elements of the expected outcomes, success factors and indicators of the NAP process in order to facilitate the implementation of NAPs;
- c) Further elaborating on the effectiveness of the NAP process, i.e. determining whether it should be defined at the policy level or the implementation and operational levels. This will contribute to better addressing monitoring and evaluation under the process, including reporting formats under the Convention;
- d) Developing thematic supplements to the NAP technical guidelines. For examples, several agencies/organizations have developed or are developing supplements to the guidelines, including: for examples the Global Water Partnership (GWP) on water; UNEP and Conservation International on ecosystem-based adaptation; the World Health Organization (WHO) on health; and FAO on agriculture, as well on genetic diversity.

78. Other needs identified include:

- a) In line with the IPCC's AR5, there is a need to consider how to identify the steps through which the NAP process can interact and build on the many adaptation responses taking place on the ground in order to avoid a top-down approach.
- b) Developing countries need to be supported in identifying the best climate change scenarios to select based on the findings of the IPCC. They would also need support in order to understand what different warming scenarios mean for their countries, including the impact on major sectors of the economy and vulnerable communities.
- c) More outreach materials would be needed for use by relevant stakeholders in raising awareness and creating buy-in for the NAP process at all levels, especially at the policy level, and to show how countries can build on existing adaptation activities in undertaking their NAP process.

## 2.4 Other ways to enable climate-resilient development and reduce vulnerability

79. **Risk-transfer and risk sharing approaches** contribute to enabling a more climate-resilient development and reducing vulnerability. The Executive Committee of the Warsaw International Mechanism for Loss and Damage (Executive Committee) is mandated to collaborate with the AC, the LEG and other relevant constituted bodies under the Convention, in implementing its workplan, which include work related to enhancing risk transfer and risk sharing approaches. To this end, the Executive Committee invited these bodies to consider making efforts to reduce and avert loss and damages among particularly vulnerable developing countries, vulnerable populations and the ecosystems that they depend on and to share with the Executive Committee the outcome of their work.<sup>69</sup>

80. **Provision and dissemination of knowledge and information is implemented** through the NWP. Through a diverse range of modalities, the NWP facilitates the engagement with relevant institutions and processes, and the drawing of resources and expertise outside the Convention to respond to adaptation knowledge needs, which should be addressed to reduce vulnerability and enable climate resilient development.

81. NWP partner organizations represent a broad spectrum of expertise, experience and knowledge, and play an important role in the implementation of activities under the work programme. As of August 2015, the number of NWP partner organizations stood at 307 and a total of 184 action pledges had been made to the programme.<sup>70</sup> These NWP partner organizations through their action pledges and collaborative actions under the NWP, have contributed to enhanced provision and application of information and knowledge on climate risk assessment, and adaptation planning and implementation.

<sup>68</sup> FCCC/SBI/2014/INF.14, FCCC/SBI/2015/INF.6, and FCCC/SBI/2015/8.

<sup>69</sup> The initial work plan (2015-2016) of Executive Committee of the Warsaw International Mechanism on Loss and Damage is contained in the annex of document FCCC/SBI/2014/4.

<sup>70</sup> FCCC/SBSTA/2015/INF.2, paragraph 8.

82. In response to the most recent mandate under the NWP,<sup>71</sup> the secretariat has been engaging regional centres and networks with a view to them undertaking regional activities in 2015 which focus on sharing and disseminating knowledge on good practices and lessons learned on ecosystems, water resources, health, human settlements, and on linking national and local adaptation planning. Twenty-five regional centres and networks and five UN organizations/intergovernmental organizations have confirmed that they will undertake and share the results and outcomes of regional activities through the NWP. This offers a unique opportunity for the secretariat to identify, engage and develop partnerships with regional centres and networks in order to leverage their critical role in providing the knowledge support needed for enhancing adaptation action at the regional level.

83. The NWP also promotes the involvement of the private sectors in adaptation. Under the programme, a private sector initiative was established as a platform for private sector organizations to share with the international community their innovative activities on adaptation to climate change.<sup>72</sup>

84. The **Durban Forum on Capacity-building** was established at COP 17, as an annual, in-session event organized under the auspices of the SBI. It brings together stakeholders involved in building the capacity of developing countries to mitigate and adapt to climate change to share experiences and good practices. By providing an overview of the capacity-building support being provided to developing countries, the Durban Forum provides a means to improve the monitoring and review of the effectiveness of capacity-building within the intergovernmental climate change process. Bodies constituted under the Convention and its Kyoto Protocol, including the Adaptation Committee, are invited to its meetings and given the opportunity to present their work in advancing capacity-building in developing countries.

85. With the recognition of adaptation efforts and development agenda being closely connected, several **development-led processes**, in particular those under the UN, are trying to create linkages with adaptation work under the Convention and could also offer incentives for enabling climate-resilient development.

Examples include:

- a) Sustainable Development Goals. One of the goals being proposed for adoption at the UN Summit in September 2015 calls for urgent action to combat climate change and its impacts and makes a direct reference to the UNFCCC process;
- b) The Small Island Developing States Accelerated Modalities of Action (Samoa Pathway) is an official document adopted by UN member states as an outcome of the Third International Conference on SIDS (1-4 September 2014). It aims to catalyse the implementation of sustainable development and poverty eradication in SIDS. The paragraphs 11 and 15 recognize the importance of supporting SIDS in addressing climate change, in particular climate change adaptation;
- c) The Istanbul Programme of Action (IPoA) charts out the international community's vision and strategy for the sustainable development of LDCs for the decade 2011-2020. It focuses on reducing their vulnerabilities and addresses new challenges to development including climate change.
- d) Networks supporting adaptation actions in cities and local authorities.

### 3. Recommendations for further actions

#### 3.1 Potential activities to be undertaken by the AC as part of its 2016-2018 work plan

86. Taking into account the above identified issues and challenges, the AC could consider undertaking any of the following activities, in particular in support of the process to formulate and implement NAPs, and in collaboration with other bodies and entities:

- a) Sharing lessons learned from national implementing entities of the Adaptation Fund and other funds and identifying good practices for creating the necessary enabling environments, including related to institutional arrangements and governance, with a view to providing technical support and guidance to the Parties on enhancing direct access and programmatic approaches and consequently contributing to the Parties' efforts towards the formulation and implementation of NAPs;

<sup>71</sup> FCCC/SBSTA/2014/2, paragraphs 25 and 26.

<sup>72</sup> More information is available at <unfccc.int/4623>.

- b) Assessing different national institutional frameworks for adaptation finance, including identifying good practices and lessons learned, highlighting strengths and limitations and providing examples of application;
- c) Identifying lessons learned and good practices in domestic monitoring and evaluation systems that could be applied to the process to formulate and implement NAPs, in particular to plan, budget, track, monitor and report on adaptation finance;
- d) Considering ways to strengthen the institutional and technical capacity of national training and research institutions, as well as regional centres and networks, for scaled up support to countries;
- e) Collaborating with the GEF, the GCF, the Adaptation Fund, UN agencies, relevant multilateral and bilateral organizations and NGOs supporting the process to formulate and implement NAPs to enhance communication, awareness, coordination and complementarity of donors and funds;
- f) Engaging with the GCF, the Adaptation Fund, the LEG, and other bodies and institutions that have in place initiatives to support countries in accessing the GCF to help facilitate the alignment of the GCF readiness programme with the process to formulate and implement NAPs;
- g) Exploring barriers and challenges for accessing adaptation resources and preparing recommendations for the different financial instruments of the Convention, including the private sectors;
- h) Collaborating with the SCF to undertake a mapping exercise of the various players within the private sector and their different interests and needs when it comes to their involvement in adaptation and adaptation finance;
- i) Enhancing understanding of programmatic approaches for formulating implementation strategies for the process to formulate and implement NAPs;
- j) Identifying approaches for LDCs to transition from NAPAs to NAPs, including approaches to move from projects to programmatic approaches;
- k) Developing a set of minimum benchmarks for the monitoring and evaluation of adaptation projects;
- l) Assessing different approaches for integrating adaptation into development, particularly for the process to formulate and implement NAPs;
- m) Collaborating with the LEG and the CGE, to provide guidance on ways to enhance the reporting of the NAP process as input to the SBI 44 discussions;
- n) Identifying entry points for establishing linkages with other UN processes, including the SDGs, the IPoA, and the Samoa Pathway for SIDS in order to provide technical support and guidance to the Parties on enhancing the alignment of their adaptation efforts with development priorities;
- o) Exploring ways, in collaboration with networks of cities and local authorities, to foster enhanced adaptation action in cities, including through guidance for greater alignment of their adaptation efforts with the process to formulate and implement NAPs.

87. Regarding the need for and possible scope of a joint Task Force on means of implementation, there is a continued need to join efforts to scale up support to developing countries for the full implementation of adaptation actions, in particular in the context of the process to formulate and implement NAPs. The AC may wish to continue using the existing modalities in advancing joint work and reconsider the need for a joint Task Force on the means of implementation if the existing modalities prove to be insufficient.

### **3.2 Recommendations for consideration by the COP**

88. Taking into account the above identified issues and challenges, the AC could consider forwarding the following recommendations for consideration by the COP and its subsidiary bodies:

89. For SBSTA:

- a) Request the NWP, in collaboration with relevant entities of the Convention, to prepare knowledge products on how to develop adaptation pathways into the medium and long-term, including how to transition from incremental to more transformational adaptation actions.

## 90. For SBI:

- a) Request the GCF, in collaboration with the AC and the LEG, to explore mechanisms for NAP support to countries building on established global and regional initiatives such as the NAP-GSP, the LEG regional training workshops on NAPs, and others.

## 91. For COP:

- a) Invite the IPCC to enhance outreach activities that would facilitate policy makers' understanding of the impact of different levels of warming on planning and adaptation actions;
- b) Request the TEC, in collaboration with the CTCN, the AC and the LEG, to develop guidelines for aligning the TNA with the NAP process;
- c) Request the SCF, in collaboration with the AC, to provide guidance on how developing countries could develop long-term financial strategies to support the NAP process;
- d) Request the SCF, in collaboration with the AC and the LEG, to provide recommendations for consideration by the COP on ways to replenish the LDCF with a view to support the NAP process;
- e) Request the GCF, in collaboration with the AC and the LEG, to prepare an information paper highlighting how the readiness programme can support the NAP process;
- f) Urge Annex II Parties to continue to contribute to the LDCF and SCCF to support the NAP process in developing countries, in addition to support being provided bilaterally.

## Annex 1. Inputs to the paper

- Relevant COP and CMP decisions, in particular decisions: 5/CMP.2, 1/CP.16, 3/CP.17, 5/CP.17, 12/CP.18., 3/CP.20, 17/CP.20.
- AC recommendations to the COP contained in documents FCCC/SB/2014/2 and FCCC/SB/2013/2.
- Other UNFCCC documents, in particular:
  - FCCC/SBI/2014/INF.14.
  - FCCC/SBI/2015/INF.25.
  - FCCC/SBI/2015/INF.6.
  - FCCC/SBI/2015/8.
  - FCCC/SBSTA/2014/2.
  - FCCC/SBSTA/2015/INF.2.

The initial work plan (2015-2016) of Executive Committee of the Warsaw International Mechanism on Loss and Damage is contained in the annex of document FCCC/SBI/2014/4.

  - Reports on the meeting of the LEG. Available at <unfccc.int/6099>.
  - Reports of the TEC and CTCN to the COP  
Available at <[http://unfccc.int/ttclear/templates/render cms\\_page?TEC\\_documents](http://unfccc.int/ttclear/templates/render cms_page?TEC_documents)>.
  - Progress reports of the CGE to the SBI, in particular FCCC/SBI/2014/INF.16.
  - Reports of the SCF. Available at <unfccc.int/6877>.
  - Reports of the GEF to the COP. Available at <[https://www.thegef.org/gef/reports\\_UNFCCC](https://www.thegef.org/gef/reports_UNFCCC)>.
  - Reports of the GCF to the COP. Available at <unfccc.int/5869>.
  - Report of the Adaptation Fund to the CMP. Available at <unfccc.int/4264>.
  - Summary reports on the Durban Forum on capacity-building. Available at <unfccc.int/6802>.
- Relevant submissions by Parties and organizations for the period (2013-2015). Available at <unfccc.int/5900>, and FCCC/SBI/2013/MISC.2 and FCCC/SBI/2014/MISC.1.
- AC papers to its meetings, in particular:
  - AC/2014/7. Synthesis report of regional centres current support to adaptation.
  - AC/2014/4. Report on the workshop on monitoring and evaluation of adaptation. Available at <unfccc.int/7744>.
  - Report on the workshop on means of implementation. Available at <unfccc.int/8809>.
  - AC/2015/9. Synthesis paper for the workshop on means of implementation
- AC publications, including:
  - AC thematic paper – the state of adaptation under the UNFCCC (2013).
  - AC thematic paper – institutional arrangements for national adaptation planning and implementation.
- The Adaptation Gap Report 2014 by UNEP.
- 2015 Joint Report on MDB Climate Finance.
- Liaison with entities under the Convention and its Kyoto Protocol including the TEC, CTCN, LEG, SCF, CGE, GEF, Adaptation Fund, and GCF for additional inputs and review of the draft.
- Liaison with the NAP-GSPs for additional inputs and review of the draft.