First part of the seventh session Bangkok, 28 September to 9 October 2009

Non-paper No. 8

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# CONTACT GROUP ON ENHANCED ACTION ON ADAPTATION AND ITS MEANS OF IMPLEMENTATION

# Further streamlining of text contained in the consolidated text (FCCC/AWGLCA/2009/INF.2)

### Non-paper by the co-chairs\*

[The Parties to the United Nations Framework Convention on Climate Change, hereinafter referred to as "the Convention".

- PP.1 Being guided by Articles 2, 3.2, 3.3, 4.1, 4.3, 4.4 and 4.7 of the Convention, and the Bali Action Plan adopted as decision 1/CP.13 by the Conference of Parties (COP),
- PP.2 Recognizing existing commitments and agreements under Principle 21 of the Stockholm Declaration, the Monterrey Consensus, the Paris Declaration on Aid Effectiveness, the Barbados Programme of Action and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States,
- PP.3 Acknowledging the findings of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change,
  - PP.4 Emphasizing the urgency and immediacy of the climate change problem,
- PP.5 Acknowledging the need to accelerate action to address the adverse effects of climate change and the adverse impact of response measures,
- PP.6 Recognizing that climate change, arising from the historical cumulative GHG emissions of developed countries, poses a serious threat to the social and economic development of all Parties and constitutes an additional burden on all developing country Parties, especially those that are particularly vulnerable, in reducing poverty, developing strategies to address social vulnerabilities, attaining sustainable development and achieving the United Nations Millennium Development Goals,
- PP.7 Further recognizing that adaptation is also an additional burden on developing countries, and that those particularly vulnerable to the adverse impacts of climate change and to the adverse impact of response measures will suffer disproportionately,

<sup>\*</sup> This streamlined text retains brackets only in cases where two or more mutually exclusive options are proposed. Please note that the submissions provided in document FCCC/AWGLCA/2009/INF.1/Add.1 have been integrated into the current text, also without the use of brackets pending further consideration.

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- PP.8 Noting that environmental, economic and social conditions and levels of development differ among Parties, which will lead to different prioritizations of adaptation activities,
- PP.9 Recognizing that adaptation occurs at local, regional and national levels, and is an inherent part of development planning and implementation,
- PP.10 Noting that adaptation efforts and funds, and mitigation efforts, should be given equal consideration,
- PP.11 Recognizing that early and ambitious emission reductions by developed country Parties, and deep cuts in global emissions, will be required to achieve the ultimate objective of the Convention, decrease the effort and funding needed for adaptation, and reduce damage to areas beyond national jurisdictions,
- PP.12 Also recognizing that poor mitigation commitments and actions will impose a higher demand on adaptation measures which will require additional funding,
- PP.13 Further recognizing the value of leveraging the work of existing organizations and institutions already involved in addressing climate-related risks and opportunities,

### A. Objectives, scope and guiding principles

#### **Objectives**

- 1. Parties, working collectively and taking into account their common but differentiated responsibilities and respective capabilities, agree that adaptation is an urgent global problem and a challenge shared by all; that it requires urgent and immediate, medium- and long-term actions that are coordinated, based on solidarity and a shared responsibility for facilitating and mobilizing support and action; and commit to reducing and better managing risks associated with climate change, and undertaking activities to improve risk management and risk reduction through strategies that link adaptation with development and disaster risk reduction.
- 2. International cooperation on adaptation action [shall] [should] be enhanced through the [establishment] [adoption] of a comprehensive, strategic, robust, catalytic, flexible, cooperative, structured, action-oriented and country-driven adaptation [framework] [programme], with a view to:
  - (a) Enhancing long-term cooperative action on adaptation, now, up to and beyond 2012, in a manner that prevents, reduces or minimizes the adverse effects of climate change and the adverse impact of response measures, reduces vulnerability and promotes climateresilient development;
  - (b) Facilitating and supporting the implementation of urgent and immediate, medium- and long-term adaptation action at local, subnational, national, regional and global levels and in a range of sectors to respond to current and future impacts of climate change, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change and to the adverse impact of response measures;
  - (c) Mobilizing international and national support, including financial resources, technology and capacity-building, for all developing countries, especially those that are particularly vulnerable;
  - (d) Integrating adaptation into development, disaster risk reduction and sectoral policies and practices to ensure overall coherence, effectiveness and sustainability;

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- (e) Enhancing cooperation between Parties and intergovernmental, regional and nongovernmental organizations that are implementing adaptation and related activities with the goal of maximizing synergies and avoiding duplication of effort;
- (f) Promoting coherence in the way that adaptation is addressed under the Convention.
- 3. The adaptation [framework] [programme] [shall] [should] include provisions for, inter alia:
  - (a) Implementation of adaptation action as elaborated in section B;
  - (b) Means of implementation, including financial resources, technology transfer and capacity-building as elaborated in section C;
  - (c) [Risk reduction, management and sharing] [Risk management and risk reduction strategies, including risk sharing and transfer mechanisms such as insurance] [Risk reduction and management] as elaborated in section D;
  - (d) Institutional arrangements as elaborated in section E;
  - (e) [Monitoring and review of [adaptation action and support] [enabled and supported adaptation action]] [Measures to facilitate adequate adaptation to climate change] [Review of progress] as elaborated in section F.
- 4. In the implementation of the adaptation [framework] [programme], including implementation of action related to finance, technology and capacity-building, priority should be given to the following, whose needs, concerns and specific circumstances need to be addressed at all levels:
  - (a) [All] [Particularly vulnerable] developing countries;
  - (b) Particularly vulnerable sectors;
  - (c) Particularly vulnerable rural populations, people, groups and local communities, whose capacity is low and who require special protection, especially the poor, women, youth, children, the elderly, indigenous peoples, minorities, those suffering from disability and the artisanal fisherfolk, among others;
  - (d) Particularly vulnerable ecosystems and species.

Scope

5.

#### Option 1

Adaptation should encompass only action to respond to the adverse effects of climate change in all developing countries, especially those that are particularly vulnerable. It is aimed at reducing the vulnerability and increasing the resilience of ecological, social and economic systems to present and future climatic changes, in order to minimize the threats to life and livelihoods, assets, amenities, ecosystems and sustainable development.

#### Option 2

Adaptation should encompass action to respond to the adverse effects of climate change on vulnerable developing countries and particularly the LDCs (Article 4.8 and 4.9), reducing vulnerability to climate variability and climate change, and to the impact of the implementation of response measures (Article 4.10).

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- 6. "Particularly vulnerable developing countries" are developing country Parties that are particularly vulnerable to the adverse effects of climate change and to the adverse impact of response measures, are least able to adapt, will suffer disproportionately and would have to bear a disproportionate or abnormal burden, including:
  - (a) Least developed countries and small island developing States and countries in Africa and Asia affected by drought, desertification and floods;
  - (b) Those identified in paragraphs 19 and 20 of the preamble and in Article 4.4, 4.8 and 4.9 of the Convention and in the Bali Action Plan, taking into account Article 3.2;
  - (c) Low-lying and other small island countries; countries with low-lying coastal, arid and semi-arid areas, forested areas and areas liable to forest decay or areas liable to floods, drought and desertification; archipelagic countries; developing countries with fragile ecosystems, including mountainous, terrestrial, highland and other ecosystems, including estuaries, coastal wetlands, mangroves, coral reefs, seagrass beds, and sand dunes, taking into account sedimentation; landlocked and transit countries; countries with unique biodiversity, tropical and mountainous glaciers; countries with areas prone to natural disasters; economically vulnerable countries and countries with economies that are highly dependent on income generated from the production, processing and export, and/or consumption of fossil-intensive products and/or the use of fossil fuels for which such countries have serious difficulties in switching to alternatives; and countries with areas of high urban atmospheric pollution.
- 7. The level of vulnerability shall be determined, inter alia, by national circumstances, respective financial and technical capabilities, levels of risk and impacts, as well as levels of poverty and climate change exposure.

### Principles

- 8. The implementation of enhanced action on adaptation, including the implementation of the adaptation [framework] [programme], [shall] [should] be guided by the following:
  - (a) Be country-driven, including:
    - (i) Recognizing and supporting national governments and institutions in identifying and communicating adaptation needs, priorities and responses;
    - (ii) Integrating adaptation into, and ensuring consistency with, local, sectoral, subnational, national and regional priorities and development objectives, programmes, plans and policies as well as existing and future planning and decision-making structures, tools and budgets through facilitating and promoting an integrated, cross-sectoral, best-practice, programmatic approach, including integrated land, water, coastal and ocean resources management;
    - (iii) Addressing, implementing and coordinating adaptation at the most appropriate level in order to respond to context-specific needs in line with the principle of subsidiarity;
    - (iv) Coordinating at regional level, where appropriate, especially between countries with shared natural resources, aimed at enhancing collective adaptation actions without compromising countries' sovereignty;

- (b) Be undertaken holistically by avoiding maladaptation, conflict, [stand-alone] [a fragmentation of] adaptation action and the support thereof, and ensuring that adaptation actions deliver no-regret and multiple-benefit measures;
- (c) Be practical, flexible, bottom-up, equitable, socially acceptable, effective, economically efficient, accountable, coherent, timely, and results-based, and promoting on-the-ground results in line with environmentally, economically and socially sound development;
- (d) Be planned, implemented, supported, monitored and reported on in an inclusive, transparent, well documented way that is open to public scrutiny and discourse, through engaging all relevant stakeholders, including the private sector through public-private partnerships for example, civil society, representatives of vulnerable communities, marginalized groups, women, children, indigenous peoples, national and international organizations, research and academia at every stage of the process, as appropriate, with a view to enhancing ownership and joint robust governance at all levels;
- (e) Bear in mind that the involvement of the private sector and other stakeholders should supplement and not substitute the role of the developed country Parties;
- (f) Be based on, guided and informed by sound, best available science and scientific evidence, including emerging scientific findings, analytical tools and technological knowledge; indigenous and traditional knowledge and practices and continuous learning and evidence-based vulnerability assessments and observation; as appropriate;
- (g) Take into account:
  - (i) Ecosystem-based approaches;
  - (ii) Community-based approaches;
  - (iii) Gender considerations;
  - (iv) Potential synergies between adaptation and mitigation measures, in particular in the area of reducing emissions from deforestation and forest degradation in developing countries;
- (h) Be consistent with, and guided by, the principles of, and commitments under, the Convention;
- (i) Be based on the polluter pays principle, taking into account historical emissions, and adhere to the precautionary principle;
- (j) Build upon experiences and lessons learned from past and ongoing adaptation actions, programmes and methodologies including the national adaptation programmes of action by least developed countries (NAPAs), other national adaptation plans and strategies, the Nairobi work programme, national communications, technology needs assessments, and the financial needs assessments under the UNFCCC NEEDS project, and adopt a learning-by-doing approach;
- (k) Take into account linkages and promote opportunities for synergies, where possible, with principles of, and similar activities undertaken under, relevant conventions, declarations, international instruments, obligations and laws.

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#### B. Implementation of adaptation action

- 9. The adaptation [framework] [programme] [shall] [should] support and enhance the implementation of concrete national adaptation programmes, projects, actions and plans in all developing countries, especially those that are particularly vulnerable. Developing country Parties shall be supported by developed country Parties in developing and implementing adaptation activities, projects, programmes, plans, strategies and actions in line with the provisions of section C below and by institutional arrangements in line with the provisions of section E below.
- 10. All Parties shall undertake adaptation actions to reduce vulnerability and to build their resilience to the impacts of climate change. Parties should commit to promoting adaptation to climate change by:
  - (a) Setting as their common goal sustained and effective action to address adaptation to the impacts of climate change;
  - (b) Taking immediate 'no regrets' adaptation actions, wherever possible, using existing knowledge, resources, plans and processes.
- 11. [Particularly vulnerable] [developing country] [all] Parties [shall] [should] [may] [formulate] [develop] and implement multisectoral [national adaptation plans] [national adaptation programmes of action] [thematic adaptation plans] [within [X] years] [at different time scales, depending upon national circumstances,] as a means of:
  - (a) Assessing current and potential impacts of climate change;
  - (b) Identifying, costing and prioritizing on a continuous basis their country-specific urgent and immediate, medium- and long-term adaptation needs, options and priorities, including needs related to risk management, reduction and sharing, taking into account their existing capacities and past and current adaptation activities;
  - (c) Developing and implementing strategies and programme to reduce impacts of climate change.
- 12. The national adaptation plans, programmes and activities [shall] [should] [could] be developed through broad consultations of stakeholders and approved by the highest political levels within the country, in line with the objectives and modalities in **annex I**.
- 13. National adaptation plans should periodically be reviewed, updated every [three] [four] years, reported on and made available to the COP. Their implementation should be ongoing and iterative, and their activities [should be] [could be] reported as part of a country's national communication. National adaptation plans by the most vulnerable developing country Parties will be examined on a country-by-country basis, which should result in prioritizing actions that require assistance for implementation.
- 14. To promote capacity-building, knowledge sharing and enabling [activities] [environments] needed to enable and support the implementation of adaptation actions, projects, programmes, Parties [shall] [should] [may] implement actions elaborated in **annex II**.
- 15. The [Convention process [can] [shall]] [Copenhagen Agreement should] facilitate the provision and sharing of knowledge, expertise, appropriate information, experience, scientific and technical aspects of adaptation at local, subnational, national, regional and international levels.
- 16. The scope of activities undertaken under the Nairobi work programme should be enhanced, building upon its outcomes and lessons learned, with view to promoting understanding of impacts, vulnerability and adaptation to climate change, including by enhancing the role of regional centres as

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hubs, where necessary; and the programme should itself become a hub for knowledge and information sharing and capacity-building, at regional, subregional and national levels.

- 17. Adaptation action will be country driven, and may include:
  - (a) Specific short-, medium- and long-term programmes, projects, activities, strategies and measures for implementation at all levels and sectors, , including those:
    - (i) Identified in the NAPAs and other national, regional and local adaptation plans; national sustainable development strategies; risk reduction strategies; poverty reduction strategies; national communications; technology needs assessments and in integrated climate territorial plans and other relevant strategies, taking into account gender considerations;
    - (ii) Identified in decisions 5/CP.7 and 1/CP.10;
    - (iii) To assess, reduce, manage and share short-, medium- and long-term risks associated with climate change, including through, inter alia, early warning systems, insurance-related activities, the implementation of the Hyogo Framework for Action, and activities addressing loss and damage from climate change impacts, such as those arising from extreme weather events and gradual changes;
    - (iv) To enhance support and promote traditional adaptation methods which have been implemented successfully in the past;
    - (v) To build resilience and enhance adaptive capacity to climate variability and change into economic development activities and institutions, including through economic diversification:
    - (vi) To minimize adverse social, environmental and economic impacts on developing countries identified in Article 4, paragraphs 8 and 9, of the Convention;
    - (vii) To undertake sound impact, vulnerability and adaptation assessments, including costs and benefits, at the local, national and regional levels, employing a range of decision-making tools and methodologies;
    - (viii) Enhance rural development projects through strategies building upon specific need-oriented rural infrastructure to impede rural poverty;
  - (b) Activities related to national and international [migration of] [displacement of] [planned relocation of] individuals and peoples displaced by extreme climate events, the adverse impact of climate change and the adverse impact of response measures.
- 18. In order to bridge short-term actions to medium and long term actions, Parties [shall] [should] engage in a three-year pilot phase of adaptation activities by establishing a short-term work programme implemented cooperatively with a view to:
  - (a) Catalysing rapid learning about adaptation good practice by supporting enhanced implementation of demonstration projects, programmes and policies in vulnerable regions, sectors, communities and ecosystems within all developing countries;
  - (b) Supporting the preparation and implementation of NAPAs, the strengthening of observation systems, the creation of databases for climate data, downscaling and targeted capacity-building for long-term planning.

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### C. Means of implementation

19. The provision of means of implementation, including financial resources, technology transfer, and capacity-building, is a commitment under the Convention that must be urgently fulfilled in accordance with Article 4.3, 4.4 and 4.5 of the Convention. Commitments made by [Annex II] [developed country] Parties to support the implementation of the adaptation [framework] [programme] shall be legally binding.

Activities to be supported by means of implementation

- 20. Developing country Parties<sup>1</sup>, especially particularly vulnerable developing countries, and Parties with economies in transition [shall] [should] be provided with financial resources from the Convention Adaptation Fund and with technology and capacity-building to support:
  - (a) Adaptation action as elaborated in section B;
  - (b) Action related to [Risk reduction, management and sharing] [Risk management and risk reduction strategies, including risk sharing and transfer mechanisms such as insurance] [Risk reduction and management] as elaborated in section D;
  - (c) Action related to institutional arrangements as elaborated in section E;
  - (d) Action related to [Monitoring and review of adaptation action and support] [Monitoring and review of enabled and supported adaptation action] [Measures to facilitate adequate adaptation to climate change] [Review of progress] as elaborated in section F.

#### Finance<sup>2</sup>

21. Taking into account the principles underlying the implementation of the adaptation [framework] [programme], the provision of financial support shall be guided by the following:

- (a) Financial support [shall] [must] be substantially scaled-up, new, adequate, predictable, sustainable, stable, timely, sufficient, commensurate, country and demand driven and additional to and separate from resources provided by developed country Parties to meet their official development assistance (ODA) targets;
- (b) Access to financial support [shall] [must] be:
  - (i) Simplified, expeditious and direct, allowing access to governments and community organizations in accordance with national policies or legislation;
  - (ii) Not conditional on the completion of national adaptation plans;
  - (iii) Inversely proportional to Parties' contribution to greenhouse gases in the atmosphere;
- (c) Financial support [shall] [should] generally be provided to developing country Parties, especially those that are particularly vulnerable:
  - (i) Based on mandatory contributions from developed country Parties and other developed Parties included in Annex II to the Convention;

<sup>&</sup>lt;sup>1</sup> Those Parties eligible to borrow from the World Bank (IBRD and/or IDA) or eligible recipients of UNDP technical assistance through its country indicative planning figure (IPF).

<sup>&</sup>lt;sup>2</sup> Parties may find it helpful to refer to ongoing work by the contact group on enhanced action on the provision of financial resources and investment, which may have relevance to their consideration of this text.

- (ii) Based principally on public-sector funding forming the core revenue stream, while additional sources could be considered;
- (iii) On a grant basis and as concessional loans;
- (iv) Through a programmatic approach and for project-based, stand-alone adaptation action going beyond the integration of adaptation into sustainable development plans;
- (v) On the basis of entitlements to receive regular flows of periodic grant instalments;
- (vi) On a continuous basis;
- (vii) To [meet] [assist in meeting] the agreed full costs and agreed full incremental costs of adaptation action incurred by such Parties;
- (viii) Requiring no co-financing in terms of additionality;
- (ix) By ensuring recipient country involvement during the stages of identification, definition and implementation, rendering it truly demand driven;
- (d) Financial support should be provided through the enhanced financial architecture and be under the authority and guidance of, and fully accountable to, the COP;
- (e) In delivering financial support, complementarity and coherence [shall] [should] be ensured between adaptation funding provided under the Convention and bilateral and multilateral funds provided outside the financial mechanism of the Convention, in accordance with the commitments of Parties and the guidance provided by the COP. Complementary funds outside the Convention may be used on the understanding that they will not be the main source of funding for adaptation actions.
- 22. The scale of financial flows to support adaptation in developing countries must be [at least USD 67 billion] [within a minimum range of USD 50–86 billion] [in the range of USD 70–140 billion] [at least [0.5] [0.7] per cent of the GDP of developed country Parties] per year by 2020 and be regularly updated in the light of new emerging science, financial estimates and the degree of emission reductions achieved.
- 23. Sources of financial support for [adaptation] [the Convention Adaptation Fund] [shall] [may] include:
  - (a) Assessed contributions from developed country Parties and other developed Parties included in Annex II to the Convention, taking into account their adaptation debt;
  - (b) Auctioning of assigned amounts and/or emission allowances from developed country Parties;
  - (c) Levies on carbon dioxide emissions from Annex I Parties in a position to do so;
  - (d) Taxes on carbon-intensive products and services from Annex I Parties;
  - (e) [Levies on] [Shares of proceeds from measures to limit or reduce emissions from] international aviation and maritime transport;
  - (f) Shares of proceeds on the clean development mechanism (CDM), and extension of shares of proceeds to joint implementation and emissions trading;

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- (g) Levies on international transactions among Annex I Parties;
- (h) Fines for non-compliance of Annex I Parties and with commitments of Annex I Parties and Parties with commitments inscribed in Annex B to the Kyoto Protocol (Annex B Parties);
- (i) [Additional ODA] [ODA additional to ODA targets] provided through bilateral, regional and other multilateral channels (in accordance with Article 11.5 of the Convention).

### Technology<sup>3</sup>

- 24. In the implementation of the adaptation action, developed country Parties [shall] [should] support the following:
  - (a) Research and development, deployment, diffusion and transfer of and access to technologies for adaptation, including related capacity-building, taking into account sector-specific, inter-sectoral, ecosystem-scale, endogenous, national or regional technologies for adaptation;
  - (b) Access to appropriate technologies, knowledge and expertise to address adaptation, especially in particularly vulnerable developing countries, including the creation of enabling environments for the successful adoption of such technologies.

#### Capacity-building<sup>4</sup>

- 25. In the implementation of the adaptation action, developed country Parties [shall] [should] support capacity-building, including institutional, local and needs-oriented capacity-building activities for adaptation at all levels, including through specific targeted training and technical support for:
  - (a) Operational planning of adaptation, including for detailed project design, costing of adaptation, implementation of adaptation actions and increasing adaptive capacity;
  - (b) Systematic observation, data collection and archiving, analysis, modelling, dissemination and application;
  - (c) Applying climatic information in sectoral planning as well as in cross-sectoral planning such as integrated water resources management;
  - (d) Running and interpreting complex models;
  - (e) Improved emergency response capabilities, including governance structures that encourage efficient use and coordination of local, national and international resources;
  - (f) Analysing institutional vulnerabilities in developing countries in order to build national capacities in specialized areas, such as modelling, adaptation planning and implementation, and strengthen the relevant institutional capacities.

<sup>&</sup>lt;sup>3</sup> Parties may also find it helpful to refer to ongoing work by the contact group on enhanced action on the development and transfer of technology, which may have relevance to their consideration of this text.

<sup>&</sup>lt;sup>4</sup> Parties may further find it helpful to refer to ongoing work by the contact group on enhanced action on capacity-building, which may have relevance to their consideration of this text.

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# D. [Risk reduction, management and sharing] [Risk management and risk reduction strategies, including risk sharing and transfer mechanisms such as insurance] [Risk reduction and management]

- 26. To support developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change and to the adverse impact of response measures, and particularly vulnerable regions, communities, groups, sectors and ecosystems therein, in minimizing and addressing loss and damage from climate change impacts, a multi-window mechanism, [supported by] [as part of] a dedicated financing window in the financial mechanism, for risk reduction, management and sharing [could] [must] be established:
  - (a) To provide an integrated approach to loss and damage from climate change impacts;
  - (b) To serve as a window to provide rapid financing to cope with the aftermath of extreme climate events, including as a [insurance] [compensation] mechanism.
- 27. Taking into account the objectives and principles underlying the implementation of the adaptation [framework] [programme], [this mechanism] [these mechanisms] shall function at the international level, guarantee equitable access and governance, consider all relevant sectors and stakeholders, and coordinate [its] [their] operation with other insurance and reinsurance institutions, United Nations organizations and other relevant international organizations associated with disaster risk management.
- 28. This mechanism [shall][will][could] consist of the following distinct but interlinked and interdependent components:
  - (a) A risk reduction, management and prevention component, which shall:
    - (i) Develop, promote and support risk assessment and management tools and strategies at all levels in the developing countries mentioned in paragraph 26 above;
    - (ii) Facilitate, promote and support the implementation of appropriate risk reduction and risk management measures to minimize loss and damage;
  - (b) An insurance component, with insurance payments for particularly vulnerable developing countries facilitated through the financial mechanism, which shall:
    - (i) Address climate-related extreme weather events, and risks to crop production, food security, water availability, and local livelihoods, and risk of an increase in diseases;
    - (ii) Facilitate the design, establishment and operation of insurance-related risk sharing and risk transfer mechanisms tailored to the needs of particularly vulnerable developing countries, especially LDCs and SIDS, to address financial risk associated with increasingly frequent and severe climate-related extreme weather events, including hurricanes, tropical storms, floods and droughts, which result in loss and damage, and leverage public and private funding to enhance adaptive capacity;
  - (c) A rehabilitation [and][or] [compensation][compensatory] component shall address loss and damage resulting from the current and progressive negative impacts of climate-related slow-onset events, including sea level rise, increasing sea and land temperatures, and ocean acidification (e.g. land loss, coral bleaching, impacts on potable water availability, reduction in fisheries, desertification, etc.);

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(d) Innovative financial instruments, for example venture capital funds and climate insurance funds, integrated into the financial mechanism, for addressing the risks associated with climate change.

#### E. Institutional arrangements

- 29. Institutional arrangements shall operate under the authority and guidance of, and be fully accountable to, the COP and shall have an equitable and geographically balanced representation of all Parties within a transparent and efficient system of governance. They shall make use of existing institutional arrangements and expertise to the extent possible. Taking into account the objectives and principles underlying the implementation of the adaptation [framework] [programme], their objectives shall be:
  - (a) To support and promote the implementation of the adaptation [framework] [programme] in all countries, particularly developing country Parties, at the most appropriate level, including at local, subnational, national and regional levels, recognizing the important roles of state and regional governments;
  - (b) To guide and coordinate adaptation actions at the international and regional levels to support country-driven priorities, including cooperative action by all Parties and by relevant international, regional and national organizations and institutions, and to ensure the provision of financial resources, technologies and capacity-building by developed country Parties;
  - (c) To continue to work cooperatively with other organizations on the broad range of initiatives required to address adaptation;
  - (d) To ensure that a coherent and coordinated effort is made to support developing country Parties to build their resilience to the impacts of climate change and avoid climate change related disasters.
- 30. In order to support the implementation of the adaptation [framework][programme], existing institutional arrangements at the international and regional levels [shall][should] be enhanced and one or more<sup>5</sup> of the new institutional arrangements mentioned below should be established, in line with the tasks mentioned in **annex III**.
  - (a) A permanent adaptation committee comprising the following, and as elaborated further in annex IV:
    - (i) A Facilitative Branch;
    - (ii) A Clearing House and Information Dissemination Branch;
  - (b) A Subsidiary Body for Adaptation;
  - (c) An expert [group][body] on adaptation under the [Subsidiary Body for Adaptation] [adaptation committee];
  - (d) An adaptation advisory panel evolving from the Least Developed Countries Expert Group;
  - (e) A facilitative mechanism under the Convention;

<sup>&</sup>lt;sup>5</sup> Brackets within the listing of any proposed institutional arrangement indicate alternative conceptions of the form of that arrangement.

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- (f) [A Financial and Technology Mechanism on Adaptation under which an Executive Body on Finance and Technology for Adaptation (EBFTA)][An Executive Body on Technology] shall be established. The functions are elaborated further in **annex IV**;
- (g) Institutional arrangements for a Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts, as defined in section D above, and as elaborated further in **annex IV**.
- 31. Parties should designate a national focal point for adaptation to enable the effective implementation of the adaptation [framework][programme], in particular the development and implementation of national adaptation plans. All Parties should promote the efforts of national coordinating mechanisms, entities and focal points. Particularly vulnerable developing countries shall be provided with financial and technical assistance to support the work of the national adaptation focal points. National coordinating [bodies][entities] [centres and networks] should be established, or enhanced where they exist, to address all aspects of the means of implementation for adaptation, including gender-balanced participation, and to strengthen the institutional capacity of national focal points and all stakeholders.
- 32. Regional adaptation centres, including virtual centres, networks, organizations, initiatives and coordinating [bodies] [entities] should be established and/or strengthened in developing country regions under the authority of the Subsidiary Body for Adaptation to facilitate action on adaptation. Regional centres will be a key source of guidance, information and expertise within the regions, and Parties will be encouraged to interact with their regional centres for such support.
- 33. An international adaptation centre should be established.
- 34. The centres shall perform the functions specified in **annex V**.

# F. [Monitoring and review of adaptation action and support] [Monitoring and review of enabled and supported adaptation action] [Measures to facilitate adequate adaptation to climate change] [Review of progress]

- 35. Progress in the compliance of financial and technology transfer commitments of Annex II Parties, including in the delivery of means of implementation to all developing country Parties, in particular those that are particularly vulnerable to the adverse effects of climate change and to the adverse impact of response measures and in [building resilience and reducing vulnerability] [the implementation of the adaptation [framework][programme]] which is necessarily linked to finance, transfer of technology and capacity-building. All of these aspects, including the delivery of means of implementation to [all] developing country Parties [, particularly those that are particularly vulnerable to the adverse effects of climate change and to the adverse impact of response measures], [should][must] be [monitored][reviewed][and evaluated] in a measurable, reportable and verifiable manner, utilizing scientific as well as gender-disaggregated socioeconomic data and in the context of transparency, mutual accountability and robust governance, to ensure:
  - (a) [The agreed full implementation of adaptation actions] [International actions on adaptation to climate change];
  - (b) [Commitments of developed country Parties under Article 4.3, 4.4 and 4.5 of the Convention, including on the means of implementation] [Compliance with commitments and pledges made by developed country Parties, and other Parties that voluntarily elect to do so, to provide financial support to particularly vulnerable developing countries].
- 36. All Parties, with additional financial and technical support provided to developing countries, should enhance reporting on:

- (a) [Measures to facilitate adequate adaptation to climate change][Progress and experience of adaptation action];
- (b) [Support received or provided to facilitate the monitoring and review of adaptation commitments under the Copenhagen Agreement][The implementation by developed country Parties and other developed Parties included in Annex II to the Convention, of their commitment under Article 4.4 of the Convention].
- 37. To ensure transparency, mutual accountability and governance, Parties should strive to integrate the monitoring of adaptation actions within existing country and organizational monitoring and evaluation systems. A [mechanism][system] for monitoring, reporting [verification][review] and/or providing feedback [shall][should] be established in accordance with the objectives mentioned in paragraph 35 above [through national communications][as part of a compliance mechanism][through a committee of experts on the implementation of commitments contained in paragraph 4 of the Convention] [through utilizing existing mechanisms to monitor and evaluate the provision and effectiveness of adaptation support, such as through multilateral funding and ODA channels].
- 38. The [mechanism][system] mentioned in paragraph 37 above entail, inter alia:
  - (a) Monitoring and recording financial resources provided by developed country Parties;
  - (b) Monitoring [technology transferred to developing country Parties] [actions by Parties];
  - (c) Monitoring [and recording actions by Parties] [financial resources provided by developed country Parties] to create enabling environments for capacity-building, technology transfer and systematic research and observation [in developing country Parties][within their respective countries];
  - (d) Evaluating, monitoring and reviewing the [effectiveness][outcomes] of the implementation of adaptation actions, projects and programmes and support;
  - (e) Evaluating the sufficiency of financial and technology support to developing country Parties every four years;
  - (f) Ensuring that effective outcomes are realized from that support;
  - (g) Determining, and reporting to the compliance committee, any discrepancies between financing and emission reduction commitments and quantities of resources delivered and reductions achieved on a country-by-country basis.]

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#### Annex I

#### Objectives and modalities of national adaptation plans, programmes and activities (paragraph 12)

- (a) [Catalyse] [Support] actions in and across different sectors, promoting efficient and effective use of the financial resources for adaptation provided by developed country Parties under the Convention:
- (b) Indicate areas of immediate action and support in terms of means of implementation;
- (c) Develop plans in a flexible fashion such that they can be updated on the basis of new information and learning;
- (d) Inform domestic action and the [provision] [allocation] of increased international financial support, possibly forming a component of a country's sustainable development plan and low-emission development strategies;
- (e) Be used to report on the effectiveness of adaptation actions in meeting stated objectives;
- (f) [Include] [Enable] regional assessments of vulnerability and impacts of adaptation actions and measures undertaken between countries and in the context of shared and transboundary resources;
- (g) Take into account land degradation;
- (h) Be consistent with, or incorporate elements of, national risk management plans and disaster risk reduction;
- (i) Systematically integrate risk reduction measures in national, subnational and sectoral development planning and programming;
- (j) Include [at least] [inter alia]:
  - (i) Vulnerability assessments;
  - (ii) Prioritization of actions;
  - (iii) Financial needs assessments;
  - (iv) Capacity-building and response strategies;
  - (v) Means for integrating adaptation actions into [thematic areas] [sectoral] and national planning;
  - (vi) Identification of specific projects and programmes;
  - (vii) Identification of means to incentivize the implementation of adaptation actions;
  - (viii) Ways to enable climate-resilient development and reduce vulnerability;
  - (ix) Disaster risk reduction, management strategies, preparedness and extreme weather forecast contingency plans;
  - (x) Means to diversify the economy as an adaptation strategy;
  - (xi) Strengthened risk observation, risk analysis and risk information dissemination;
  - (xii) Early warning systems;
  - (xiii) Emergency response and recovery;
  - (xiv) Risk transfer mechanisms, including insurance.

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#### Annex II

#### [Enabling activities] [Activities to promote enabling environments] (paragraph 14)

- (a) Promote the integration of adaptation concerns into national, subnational, and sectoral sustainable development; public policies, tools and strategies; programmes and priorities; planning processes and poverty reduction plans, at the local, national, regional and international levels and across sectors, developing national adaptation plans as appropriate, and reviewing and reporting on these activities;
- (b) Integrate sustainable development into economic diversification strategies;
- (c) Provide incentives to adaptation through, inter alia, regulatory policies, legislative changes, removal of barriers, well-functioning markets that provide a foundation for increased flows of investment, involving women as active participants, and other supportive approaches;
- (d) Minimize incentives that encourage maladaptation and unsustainable land uses, and reduce negative economic incentives (e.g. tax breaks) for vulnerable activities;
- (e) Creating legal and regulatory conditions that facilitate adaptation, including disaster resilience (for example, building codes, land-use planning, risk-sharing tools, and strengthening policy coherence among sectors);
- (f) Support the supply and availability of climate information (including through research and systematic observation), tools, methods and models, particularly in the most vulnerable countries:
- (g) [Engage in] [Enhance] education and training programmes, research and public awareness-raising, including public and stakeholders education and continued outreach;
- (h) Share knowledge, information, data and experience among public and private stakeholders, including through appropriate arenas and fora, and utilizing the services of relevant institutions at local, national, regional and international levels, consistent with international agreements;
- (i) Enhance or develop the needed information and knowledge base (both biophysical and socio-economic), including improving scientific research, data systems and data collection, to support adaptation and catalyze adaptation investments. This includes enhancing observations and data, and making that data available, to inform assessment and planning for adaptation and provide inputs for approaches such as parameterized insurance;
- (j) Integrate knowledge, experiences and lessons learned from existing activities, including those carried out at the community level as well as activities from ongoing initiatives such as the Nairobi Work Programme, into adaptation planning;
- (k) Improve knowledge of the socio-economic aspects of climate change and promote the integration of socio-economic information into impact and vulnerability assessments;
- (l) Exchange experiences and opportunities relating to the development and dissemination of measures, methodologies and tools aimed at increasing economic resilience;
- (m) Exchange experiences and lessons learned in economic diversification, including ways to develop institutional capacity, and improve understanding of how economic diversification can be integrated into sustainable development plans, especially those that promote sustainable economic growth and eradication of poverty;

- (n) Elaborate best practices that can guide immediate actions with an eye to building longterm resilience to extreme events and disasters, including through implementation of the Hyogo Framework for Action;
- (o) Encourage pilot projects to increase and create synergy and champions, related to microinsurance and global risk pooling, improving adaptive capacity, as appropriate, within a country-driven approach to adaptation that does not impose additional burdens on the already vulnerable;
- (p) Educating stakeholders at all levels about adaptation options and the benefits of reducing vulnerability to climate-related risks;
- (q) Using meteorological, earth observations, socio-economic information, and local and indigenous knowledge to best coordinate disaster planning and response;
- (r) Establishing systems of accountability such as institutional checks and balances and open administrative systems. Establishing the rule of law through means and processes for enforcement;
- (s) Improving the environment for doing business particularly for small and medium enterprises by combating corruption and reducing bureaucratic barriers (i.e. red tape) to private-sector business activity;
- (t) Improving availability and application of climate and environmental information, including but not limited to remote sensing, and decision-making tools;
- (u) Clarifying and securing land tenure and planning i.e. allocation, ownership and control over lands and resources:
- (v) Strengthening environmental and natural resources management and enforcement.

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#### Annex III

### Possible tasks of institutional arrangements (paragraph 30)

- (a) Developing broad guidance for developing national adaptation strategies, and providing support for particularly vulnerable countries, and those least able to adapt, in developing these strategies;
- (b) Strengthening, consolidating and enhancing the sharing of information, knowledge, experience and good practices, at local, national, regional and international levels, consistent with relevant international agreements, through creating [arenas][platforms] and by creating forums where different public and private stakeholders can discuss concrete challenges, recognizing the role of national focal points;
- (c) Disseminating information through regional centres;
- (d) Assisting particularly vulnerable developing countries, to, inter alia, develop guidelines for undertaking vulnerability and adaptation assessments, the preparation of national adaptation plans, and integrating adaptation actions into sectoral and national planning; and identifying sources of funding and technical assistance to support specific adaptation actions;
- (e) Encouraging [international organizations and institutions to support (through their programmes on, inter alia, financial cooperation, capacity-building and institution-strengthening mechanisms)] the integration of adaptation into local, national and regional development plans, including funding for adaptation activities, strategies, programmes, and priorities;
- (f) Providing advice and technical support to Parties;
- (g) Designing and implementing a new work programme on adaptation;
- (h) Enhancing scientific monitoring activities to develop ways and means to adapt to the effects of climate change on the ocean;
- (i) Enabling and supporting the creation of partnerships among companies and research institutions of developed and developing countries, and the Parties, for adaptation technologies and the implementation of adaptation activities;
- (j) Achieving accessibility, affordability, appropriateness and adaptability of the technologies required by developing countries for enhanced action on mitigation and adaptation;
- (k) Developing non-exclusive and additional mechanisms for the transfer of adaptation technologies;
- (l) Achieving adequacy and predictability of funds for technology transfer;
- (m) Achieving removal of barriers for technology development and transfer;
- (n) Supporting the development and enhancement of endogenous capacities and technologies of developing country Parties;
- (o) Overseeing [the level of adaptation][adaptation needs] of developing countries, assessing capacity-building needs including finance, technology and capacity-building;
- (p) Enabling direct access to funding by the recipients, and ensuring the provision of new and additional, adequate and predictable financing resources for technology transfer;

- (q) Receiving and evaluating financial support applications from developing countries for implementation of adaptation projects, programmes and actions;
- (r) Planning, organizing, coordinating, monitoring and evaluating international actions on adaptation to climate change, including on the means of implementation;
- (s) Monitoring compliance with commitments and pledges made by developed country Parties, and other Parties who voluntarily elect to do so, to provide financial support to particularly vulnerable developing countries;
- (t) Overseeing the creation of the necessary funds and insurance mechanisms, and the effectiveness of funds allocated to adaptation, including to enable and support the creating of partnerships among companies and research institutions of developed and developing countries for adaptation technologies and the implementation of adaptation activities;
- (u) Achieving provision of full costs and full incremental costs, as per Article 4.3 of the Convention:
- (v) Ensuring the full, effective, and sustained implementation of the Convention, related to the implementation of commitments for the provision of financial resources. This is mandated under Articles 4.1, 4.3, 4.4, 4.5, 4.8 and 4.9 of the Convention in accordance with Article 11 defining the financial mechanism under the Convention.

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#### Annex IV

# Possible functions of proposed institutional arrangements (paragraph 30, subparagraphs (a), (f) and (g))

(a) A permanent adaptation committee;

The modalities for operation of the Adaptation Committee shall comprise the following:

- (i) A Facilitative Branch responsible for assessing ongoing work and promoting understanding of the scientific and methodological underpinning of adaptation:
  - Interacting with Parties, agencies and international institutions engaged in existing implementation of adaptation actions;
  - Analysing existing work and identifying best practices for use in relevant circumstances;
  - Identifying gaps in existing work and enhancing action to respond to gaps in existing work;
  - Monitoring compliance by Parties of their commitments to support adaptation;
- (ii) A Technical Advisory Branch which is responsible for:
  - the technical advisory group established to support the Executive Board of the Multi-Window Mechanism;
  - advising on technical matters arising from the work of the Adaptation Committee;
- (iii) A Clearing House and Information Dissemination Branch responsible for dissemination of information generated by the Facilitative and Technical Advisory branches to users at the national level. Its outputs will include:
  - Information on best practices appropriate for specific circumstances;
  - Information on methods and tools;
  - Facilitating the sourcing of relevant expertise for Parties in need of such;
  - Facilitating and implementing training and capacity-building activities at the national and regional levels;
- (iv) The COP shall be responsible for elaborating the modalities for operation and composition of the Adaptation Committee;
- (v) Adaptation actions identified and prioritized by developing country Parties in their national adaptation plans may be submitted to the Adaptation Committee for publication. Adaptation actions submitted for publication should be consistent with national policies, plans and programmes;
- (vi) The Adaptation Committee shall provide guidance and expertise to developing country Parties in the identification and prioritization of adaptation actions for urgent and immediate implementation;
- (vii) The Adaptation Committee shall assist with matching these prioritized adaptation actions to financial and technological support provided by developed countries.
   The Adaptation Committee will facilitate the review of new and additional developed country commitments under the Convention;

- (viii) Developing countries may seek financial and technological support for adaptation actions through other means;
- (f) [A Financial and Technology Mechanism on Adaptation under which an Executive Body on Finance and Technology for Adaptation (EBFTA)] [An Executive Body on Technology] shall be established and will govern an Adaptation Fund to be also created under the Convention, and be supported by four technical panels on:
  - (i) Research and development;
  - (ii) Capacity-building;
  - (iii) Transfer of technologies for adaptation;
  - (iv) Observation systems and information management;
- (g) Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts, which is hereby defined:
  - (i) The Multi-Window Mechanism shall be subject to the authority and guidance of the COP and be supervised by an Executive Board of the Multi-Window Mechanism:
  - (ii) The membership of the Board shall be determined by the COP, taking into account the need to ensure that Board members have the appropriate expertise in climate-related insurance matters;
  - (iii) A technical advisory group shall be established under the Technical Advisory Branch of the Adaptation Committee to support the Executive Board of the Multi-Window Mechanism;
  - (iv) The purpose of the technical advisory group shall be to:
    - Facilitate advice and guidance on existing and innovative risk management, risk transfer and risk sharing approaches, including insurance;
    - Identify key climate risk factors and thresholds for insurance payments;
    - Estimate the potential physical and economic impacts of key climate risk factors;
    - Receive reports that key climate risk factor thresholds have been exceeded;
    - Facilitate the verification that key climate risk factor thresholds have been exceeded;
    - Recommend to the Board appropriate financial compensation payments once climate risk factor thresholds have been exceeded.
  - (v) Members of the technical advisory group shall represent a range of technical expertise in the areas of hazard mapping, disaster risk reduction, and insurance and reinsurance.

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### Annex V Functions of centres (paragraph 34)

- (a) [Facilitating][Assisting] the development and implementation of national adaptation [action[s]] [plans] in all vulnerable developing country Parties, through promoting research, knowledge sharing, training, capacity-building and the voluntary development, diffusion and transfer of adaptation technology, consistent with relevant international agreements;
- (b) Facilitating the implementation of adaptation actions, capacity-building, knowledge sharing, technology development, diffusion and transfer;
- (c) [Assisting and raising funds for] [Financing the planning] Planning, designing, implementing, monitoring and evaluating adaptation activities, and facilitating informed decision-making at all levels, including the national and regional levels, especially between countries with shared natural resources, taking gender considerations into account:
- (d) Assisting Parties to build endogenous capacity for, inter alia: developing analytical tools; undertaking adaptation research and implementation activities; research, development, deployment and transfer of adaptation technologies; awareness-raising; support for pilot projects; and publication of studies on adaptation;
- (e) Exchanging lessons learned and best practices, and, based on the best scientific evidence available, enhancing the assessment of the vulnerability of oceans and coasts to the effects of climate change in order to facilitate the implementation of adaptation measures;
- (f) Contributing to the effectiveness of actions implemented by the relevant bodies established to enhance action on technology transfer;
- (g) Coordinating and disseminating free and timely dissemination of information related to systematic observation and regional impacts and response modelling, for improved vulnerability and adaptation assessments;
- (h) Collecting, analysing and disseminating information on past and current practical adaptation actions and measures, including projects, short- and long-term strategies, and local and indigenous knowledge;
- (i) Enhancing the capacity of national-level interdisciplinary resource groups that include representatives from universities, scientific research institutions, government, industry and NGOs;
- (j) Developing a training programme that allows urban planners to integrate climate risk management into long-term development planning;
- (k) Generating and sharing knowledge, and enabling transformation of this knowledge into action:
- (l) Strengthening institutions and aiding in development of knowledge platform to enable sharing of research, expertise and data;
- (m) Engaging science and policy communities in dialogues to promote effective decision-making related to environment and development issues;
- Seeking opportunities and partnerships to build capacity for the use of vulnerability and adaptation assessment methods and tools through new education programmes and advanced study institutions;

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- (o) Studying the stresses generated by climate change and variability, and estimation of past, current and future climate-related risks (e.g. sea level rise, intensification of storms, especially sand storms.) as well as risks to human health;
- (p) Assisting with the formulation and dissemination of guidance for the development of national adaptation plans;
- (q) Providing guidance to the financial mechanism on appropriate criteria for approval and disbursement of financing for adaptation;
- (r) Provide feedback to the Adaptation Committee on gaps at the national and regional levels that need to be addressed.

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