

AOSIS Input into the Assembly Paper on Adaptation

IV. Enhanced action on adaptation

Action on adaptation should respond to the impacts that are already occurring and be sufficient to address the impacts that are expected to occur in the future. Action should be achieved through a structured but flexible approach to adaptation that provides for:

- institutional arrangements under the Convention process that co-ordinate adaptation efforts at the international and regional levels to support country-driven priorities;
- national-level adaptation planning and implementation mechanisms, establishing and building on existing processes and methodologies where available and appropriate, for example national reports including National Communications or NAPAs as appropriate;
- new, additional and predictable financial resources separate and apart from ODA that are supported by appropriate institutional mechanisms;
- a Convention Adaptation Fund
- a Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts, with Insurance, Rehabilitation/Compensatory, and Risk Management Components.
- Enhanced capacity at all levels in the most vulnerable countries, in particular LDCs and SIDS, as an integral part of this enhanced action on adaptation.
- Priority actions under adaptation targeting the needs of the most vulnerable countries and communities, in particular the LDCs and SIDS.
- Knowledge sharing and transfers of adaptation technologies.

The UNFCCC must play the key role in enhancing adaptation and demonstrate greater leadership on mobilizing adaptation action both in the short and long term.

A. International cooperation to support urgent implementation of adaptation actions

Adaptation planning and implementation

94. On the context of adaptation planning and implementation:

There is a need to know what to expect from climate change to be able to: 1) build resilience to the negative impacts of climate change; 2) develop measures to address the impacts for which it is difficult or impossible to build resilience; and 3) plan and implement adaptation actions both for urgent and immediate needs and for the long term. It is necessary to consider climate risks for national planning; the streamlining and scaling up of financial and technological support; enhancing knowledge sharing; and creating effective institutional arrangements for adaptation.

95. On the nature of adaptation plans:

AOSIS calls for a flexible structured approach to adaptation under the Convention, which provides for, *inter-alia*, 1) institutional arrangements under the Convention process that coordinate adaptation efforts at the international and regional levels; 2) financial arrangements; 3) support for national level adaptation planning, establishing and building on existing processes and methodologies where available and appropriate, for example, second national communications and NAPAS, with an adaptation support mechanism in order to assist countries in strategic planning, including provision of guidelines and expertise to assist in priority identification; and 4) enhanced capacity to respond to disasters that are exacerbated by climate change, including risk management arrangements.

National adaptation plans for developing countries should build on the lessons learned from the review of the existing NAPA process in the context of other processes within the Convention. This expanded national adaptation planning process should be formalised and provided with support and guidance through the Convention process. Recognising that national planning processes are conducted on different time scales depending upon national circumstances, where adaptation priority activities have been identified by Parties through national communications or other processes, implementation should proceed and national plans should not be a conditionality for access to funding.

96. On the integration of adaptation into national policy:

Climate change adaptation places an additional burden on SIDS, above and beyond that of ensuring that development is sustainable. International cooperation can support the consideration of climate risks to sustainable development as well as identification and implementation of measures to address the exacerbated risks of climate change in national policies. Support to address the additional burden of climate change adaptation activities must be new, additional, predictable and separate from ODA and available over the long term.

97. On vulnerability and adaptation assessments to support adaptation planning and implementation:

Given the limited capacity of many SIDS, SIDS require international support to produce packages of scenario outputs that are appropriately downscaled, incorporate uncertainty ranges, and address information ownership concerns. The production of such SIDS-specific scenario output information packages could be through international cooperation and support for regional or international institutions.

There is still the need to strengthen climate change data collection and analysis at the local level. Support the implementation of regional GCOS plans will provide better climate observation data to inform vulnerability assessments. Improved access to satellite imagery and other data relevant to the mapping of impacts is also needed. Further development, transfer and deployment of soft adaptation technologies is a critical element for improving the capacity of SIDS to perform and update V&A assessments.

The use of participatory approaches to vulnerability assessments has proven effective for SIDS communities and capacity building programmes for these approaches are required.

98. On incentivizing adaptation, and creating enabling environments:

The successful demonstration of locally-appropriate adaptation technologies with positive on the ground outcomes for local communities provides a clear incentive for adaptation.

The creation of enabling environments, including through fiscal measures, regulatory policies, legislative changes, national capacity-building and environmental impact assessments must be

twinned with actual implementation of adaptation activities on the ground. Policies in and of themselves will not resolve practical adaptation needs.

99. On the context of streamlining and scaling up financial support and technological support for adaptation:

Access to financial resources for adaptation should be direct and simplified, with priority access given for the urgent, immediate and pressing adaptation needs of particularly vulnerable developing countries, SIDS and LDCs. Funding should be provided in the form of grants rather than loans

The Convention Adaptation Fund proposed by AOSIS would scale up financial support for adaptation.

The Multi-Window Mechanism proposed by AOSIS would also scale up financial and technological support for adaptation through its Insurance Component, and Risk Management Component.

Technologies for adaptation, including endogenous technologies require multi-sectoral support for their development and dissemination in a measurable, reportable and verifiable manner.

100. Financial support should be directed at:

- The implementation of adaptation planning, concrete projects and activities, including priorities identified through a flexible structured approach to adaptation under the Convention
- A Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts, which includes Insurance, Rehabilitation/Compensatory and Risk Management Components
- Country-driven adaptation activities

101. Technological support should be directed at:

The development and transfer of technologies for adaptation must be given equal weight as that given to mitigation technologies. SIDS require a range of adaptation technologies, including soft adaptation technologies, based on the particular vulnerability of SIDS to climate change impacts. AOSIS is of the view that greater emphasis should be given to the implementation of early warning systems, flood management systems, drought monitoring and management, disaster risk management, hazard-resilient construction and impact prediction modelling.

It is important that technology be locally-appropriate and barriers to development deployment transfer and diffusion be overcome.

Enhancing knowledge sharing

102. On the context of enhancing knowledge sharing:

There are several of sources of knowledge on adaptation that when shared can greatly enhance the timely and appropriate implementation of adaptation activities.

Scientific knowledge is clearly important, and from the outset has guided decision-making in the Convention process. AOSIS notes that gaps in scientific information on the impact of climate change on SIDS continue to exist. For example, more work needs to be done to

understand the impacts of climate change on ocean habitats, which are fundamental to the livelihoods and well-being of island citizens. .

Another important source of knowledge on adaptation is the experience and lessons learned in implementing adaptation projects, including the management of risks, the uses of technology and the tailoring of approaches. The implementation of adaptation actions is a balance between top down and bottom up approaches. While the exchange of experience and lesson learned can be an important method for facilitating both approaches, it is particularly useful in facilitating the dissemination of locally-developed adaptive techniques. The sharing of traditional knowledge - experience built up over years of practice - is a key element of bottom up approach to implementing adaptation.

103. On the ways to enhance knowledge sharing:

- a) The following are needed to enhance knowledge sharing:
 - Strengthening of information networks;
 - Support for education, training, public information and awareness;
 - Establishment and maintenance of data management systems and repositories of adaptation-related information;
 - Preparation and dissemination of compilations and syntheses of best practices for adaptation;
 - Availability of professional development opportunities through scholarships, fellowships and other forms of access to training;
 - Study visits and professional exchanges between technical personnel from different countries and regions;
 - The publication of peer-reviewed documents/journals.
- b) Regional centres should be established in regions where they do not exist, and existing regional centres enhanced as a means to deliver information and training
- c) In delivering information and training through networks and regional centres, the following are needed, *inter alia*:
 - Learning institutions to assist vulnerable communities to identify long-term needs;
 - International, regional and national adaptation research and technical support centres;
 - Exchange of experiences on endogenous technologies.

Institutional arrangements

105. On context of institutional arrangements for adaptation

In order for action on adaptation to respond to the adverse impacts of climate change that are already occurring and be sufficient to address the impacts that are expected to occur in the future, such action must be underpinned by the appropriate institutional arrangements under the Convention process. These institutional arrangements should have the objective of advancing the development and implementation of adaptation activities under the Convention, including the co-ordination of adaptation efforts at the international and regional levels to support country-driven priorities.

The successful implementation of adaptation actions will require a country-driven, integrated approach, at a national and sectoral level. This approach should involve cooperation among various stakeholders (the private sector, governments, the donor community, bilateral and multilateral institutions, non-governmental organizations and academic and research institutions) under the umbrella of the Convention.

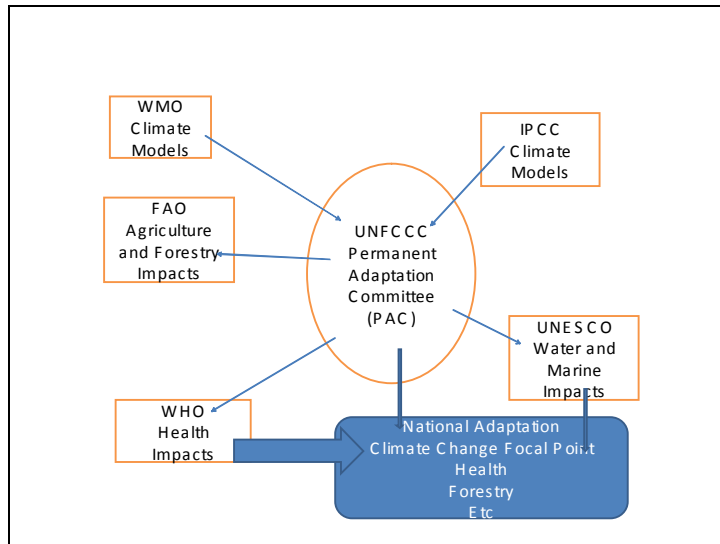
106. On nature of institutional arrangements

AOSIS proposes the establishment of a Permanent Adaptation Committee (PAC) under the Convention. The role of this committee would be to facilitate adaptation to the adverse effects of climate change for vulnerable developing countries, especially SIDS and LDCs. This facilitative role would be fulfilled by

- providing advice and technical support to Parties;
- interfacing with the mechanisms that provide financing for adaptation, both for the most urgent and immediate needs of SIDS and LDCs and for longer term adaptation actions (including a Convention adaptation fund and a multi-window mechanism to address loss and damage from climate change impacts);
- developing mechanisms for transfer of adaptation technologies;
- supporting capacity building;
- disseminating guidance on best practices in adaptation; and
- identifying opportunities for learning by doing through practical application of adaptation activities at the national and community levels.

The PAC would be managed by a Board comprised of Party members nominated for fixed terms, similar to the CDM Executive Board and the Adaptation Fund Board. While Board members would have adaptation expertise, the Board would also be able to marshal the expertise of Parties not on the PAC Board as well as major agencies involved directly in adaptation implementation efforts such as those now involved in the NWP.

The PAC would act as an umbrella to draw together the fragments of adaptation activities currently operating under the Convention, providing a bridge between SBSTA and SBI. Going forward, it would be responsible for developing, implementing and coordinating future actions on adaptation taken under the Convention. As with other Convention bodies, the PAC would operate under the guidance and supreme authority of the COP.



Proposed structure of the Permanent Adaptation Committee (PAC)

B. Risk management and risk reduction strategies, including risk sharing and transfer mechanisms such as insurance

111. On context, AOSIS notes that

The Bali Action Plan requires the Parties to address enhanced action on adaptation, including, inter alia, in the context of paragraphs 1(c)(ii) and 1(c)(iii) of decision 1/CP.13.

112. In the view of AOSIS, an essential part of the post-2012 agreement must be a ***Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts*** in SIDS and other developing countries particularly vulnerable to the impacts of climate change. This new Multi-Window Mechanism would consist of three inter-dependent components:

- Insurance Component
- Rehabilitation/Compensatory Component
- Risk Management Component

These three components play different and complementary roles and comprise necessary components of an integrated approach to risk reduction, risk transfer and risk management efforts. Taken together, the three components aim to enhance adaptive capacity of SIDS and other countries particularly vulnerable to the impacts of climate change.

- An *Insurance Component* is needed to help SIDS and other particularly vulnerable developing countries manage financial risk from increasingly frequent and severe extreme weather events; many SIDS either cannot access insurance or find it increasingly difficult to afford commercial insurance to address impacts on national economies and require support in addressing the burden of increasing risks due to climate change.
- A *Rehabilitation/Compensatory Component* is needed to address the progressive negative impacts of climate change, such as sea level rise, increasing land and sea surface temperatures and ocean acidification that result in loss and damage. Even with financial risk management mechanisms in place and efforts to reduce physical risks and exposure, some measure of loss and damage due to climate change impacts will be unavoidable and must be addressed.
- A *Risk Management Component* is needed to support and promote risk assessment and risk management tools and facilitate and inform the *Insurance Component* and *Rehabilitation/Compensatory Component*.

Support for the establishment and maintenance of such a ***Multi-Window Mechanism to Address Loss and Damage*** is appropriately viewed as adaptation assistance.

On Institutional arrangements:

- The *Multi-Window Mechanism* would be situated under the umbrella of the Convention and housed within the UNFCCC Secretariat.
- A *Multi-Window Mechanism Board* would provide oversight and have a transparent governance structure.
- Institutional arrangements would include technical, financial and administrative functions.
- A *Technical Advisory Facility* and a *Financial Vehicle/Facility* would provide support to all three components, providing different services to different components.
- The *Technical Advisory Facility* would provide advice and assistance, and receive input from the insurance and reinsurance sectors, the disaster risk reduction community, UN agencies and other organisations.
- The *Financial Vehicle/Facility* would manage funds held by the Multi-Window Mechanism. It would be created inside the UNFCCC but could be housed in a financial institution outside the UNFCCC.
- The UNFCCC Secretariat would provide administrative support.

MULTI-WINDOW MECHANISM TO ADDRESS LOSS AND DAMAGE FROM CLIMATE CHANGE IMPACTS		
MULTI-WINDOW MECHANISM BOARD		
1. Insurance Component	2. Rehabilitation / Compensatory Component	3. Risk Management Component
To address climate-related extreme weather events such as hurricanes, tropical storms, floods and droughts, which result in loss and damage	To address progressive negative impacts , such as sea level rise, increasing sea and land temperatures and ocean acidification, that result in loss and damage (e.g., land loss, coral bleaching, impacts on potable water availability, reduction in fisheries, desertification, etc.)	To promote risk assessment and risk management tools and strategies at all levels; to facilitate the implementation of risk reduction and risk management measures
Triggers - e.g. might include precipitation, wind speed, storm surge	Parameters - might include sea level rise, temperature increases, loss of land, damage to coral reefs, loss of fisheries, salinisation of aquifers, or use an all-risk parameter	
A. TECHNICAL ADVISORY FACILITY		
With respect to Insurance Component: - Provides advice and guidance to countries on types of available instruments - Advises on best practices and innovative approaches for identified needs - Provides technical support for the establishment of appropriate risk sharing and risk transfer schemes as requested (e.g., risk pooling arrangements; indexed insurance mechanisms such as catastrophe bonds, weather derivatives; reinsurance schemes; public private partnerships etc.)	With respect to Rehabilitation / Compensation Component: - Works with countries to establish baseline parameters in local context - Verifies when parameter thresholds exceeded - Considers means to graduate parameters to reduce basis risk	With respect to Risk Management Component: - Provides advice to countries on risk management techniques in the context of climate change - Facilitates collection of weather data and analysis (e.g., that can support development of insurance tools) - Identifies hazards and provides support to risk assessments - Recommends appropriate investments in risk reduction - Assists in building capacity for managing risk and reducing risk exposure
B. FINANCIAL VEHICLE / FACILITY		
With respect to Insurance Component - Enables / administers / supports risk sharing / risk transfer schemes as required / requested through start up financing, subsidization - Manages and invests reserves accumulated from assessed Annex I Party contributions, from premiums / contributions from covered private and public sector institutions and from other donor sources	With respect to Rehabilitation / Compensation Component Accumulates funds from - assessed Annex I Party contributions, preferably through the proposed Convention Adaptation Fund based on GHG emissions (responsibility) and GDP (capacity) - other donor sources - Pays out when parametric threshold crossed	With respect to Risk Management Component - Fund measures to support risk reduction and risk management measures - e.g., data collection, hazard mapping, risk assessments
C. ADMINISTRATION - UNFCCC SECRETARIAT		

C. Disaster reduction strategies and means to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change

114. On Context

Building resilience to climate change often also enhances resilience to disasters. The links between disaster risk reduction strategies and adaptation should be encouraged and facilitated.

115. AOSIS is of the view that an essential part of the post-2012 agreement must be a new *Multi-Window Mechanism to Address Loss and Damage from Climate Change Impacts*. The Multi-Window Mechanism would consist of three inter-dependent components:

- Insurance Component
- Rehabilitation/Compensatory Component
- Risk Management Component

These three components play different and complementary roles and comprise necessary components of an integrated approach to risk reduction, risk transfer and risk management efforts. Taken together, the three components aim to enhance adaptive capacity and address loss and damage from climate change. (For a full description see Section B. above.)

D. Economic diversification to build resilience

117. The livelihoods of communities in AOSIS member States are heavily dependent on a limited number of economic activities including tourism, agriculture and fisheries that are particularly vulnerable to climate change impacts. Support to identify options and build capacity for small island developing states to diversify from dependence on specific vulnerable natural resource-based economies is required, and could be provided through the mechanisms and institutional arrangements proposed by AOSIS as part of a flexible structured approach to adaptation.

E. Ways to strengthen the catalytic role of the Convention in encouraging multilateral bodies, the public and private sectors and civil society, building on synergies among activities and processes, as a means to support adaptation in a coherent and integrated manner

119. The consideration of adaptation in the UNFCCC process must be consolidated and strengthened internally. Enhanced action on climate change should be delivered under the UNFCCC umbrella in a manner that enables particularly vulnerable Parties to access adaptation support in a simple and coherent manner, with multilaterally-agreed criteria and institutional, technical, and financial support. The UNFCCC must play a proactive role in bringing together resources from multilateral bodies, the public and private sectors, and civil society, to enable SIDS and LDCs, the countries most vulnerable to climate change, to cope with the additional burdens of adaptation. Financial flows for adaptation should be monitored and reported in a transparent manner.

The Convention Adaptation Fund and the Multi-Window Mechanism to Address Loss and Damage from Climate Impacts would both catalyse action under the Convention to encourage a range of actors to support adaptation to the adverse effects of climate change in a coherent and integrated manner.