

**Fifth meeting of the Adaptation Committee  
Bonn, Germany, 5–7 March 2014**

**Concept note**

**Draft template for submissions to communicate current experiences on means to  
incentivize the implementation of adaptation actions**

**Recommended action by the Adaptation Committee**

The AC, at its fifth meeting, may wish to:

- (1) Consider the information in this document,
- (2) Decide on whether it would like to issue a call for submissions and if so, which information it wishes to receive and through which modalities, and
- (3) Request AC member(s), with support of the secretariat, to develop a template, seek approval from the AC, and issue the call.

**Introduction**

The Adaptation Committee (AC), at its 4<sup>th</sup> meeting, organized the activities of its work plan along three workstreams in order to enhance coherence and synergy:

1. A workstream on technical support and guidance to the Parties on adaptation action;
2. A workstream on technical support and guidance to the Parties on means of implementation;
3. A workstream on awareness-raising, outreach and sharing of information.

Within the discussions on its work stream on technical support and guidance to the Parties on means of implementation, the AC agreed to invite submissions by developed country Parties and bilateral, regional and other multilateral channels on current experience, including criteria, priorities, and other relevant information, 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. These submissions should be invited following the development of a template by the AC at AC5.

**The call for submissions is the first in a series of activities on means of implementation.**

The call will be **followed by a scoping paper for a workshop** on means of implementation, which will take into account the submissions made in response to the call as well as the information paper on the roles of regional institutions and United Nations agencies (AC/2016/7). This information paper is based on information received in response to a previous call for submissions issued to regional institutions and United Nations agencies supporting work on adaptation to communicate their current support for adaptation in developing countries, including in relation to capacity building, including of national institutions.

The **workshop scoping paper will be followed by a synthesis paper** on means of implementation (Q4 2014), considering submissions in response to both calls and other information available. The **synthesis paper is to inform the subsequent workshop** on means of implementation (Q1 2015) as well as to enable informed discussions by the AC on how to further engage in this activity.

**Scope of this note**

This note first provides an overview on existing and upcoming information from developed country Parties and bilateral, regional and other multilateral channels on means of implementation. It then discusses the desirability of issuing a call, including reflecting on possible issues to be included in a call as well as on modalities for such a call. The note concludes with next steps the AC may wish to take.

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**Existing and upcoming information on current experience on means to incentivize the implementation of adaptation actions**Existing and upcoming information from developed country Parties and bilateral channels

Regarding, general **information on means of implementation (finance, technology and capacity-building)**, Annex I Parties recently submitted their sixth national communications (NC6) as well as their first biennial reports (BR1) to the UNFCCC secretariat.<sup>1</sup> As per COP guidance (decision 4/CP.5), the national communications should include information on financial and technological support, in particular:

- Details of measures taken to give effect to their commitments under Article 4.3, 4.4, and 4.5;
- Detailed information on the assistance provided for the purpose of assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation to those adverse effects, including through bilateral, regional and other multilateral channels;
- Report on activities related to technology transfer, including success and failure stories, on activities for financing access by developing countries to "hard" or "soft" environmentally-sound technologies, on steps taken by governments to promote, facilitate and finance transfer of technology, and to support development and enhancement of endogenous capacities and technologies of developing countries.

As per COP guidance (decision 2/CP.17), the biennial reports should included more detailed information on means of implementation, including specifically on capacity-building, in particular:

- Information on the provision of financial, technological and capacity-building support to Parties non-Annex I Parties;
- A description of national approaches for tracking of the provision of financial, technological and capacity-building support to non-Annex I Parties, if appropriate, including information on indicators and delivery mechanisms used and allocation channels tracked;
- A description of how countries ensure that the financial resources provided effectively address the needs of non-Annex I Parties with regard to adaptation;
- Information on measures taken to promote, facilitate and finance the transfer of, access to and the deployment of climate-friendly technologies for the benefit of non-Annex I Parties, and for the support of the development and enhancement of endogenous capacities and technologies of non-Annex I Parties, including information on success and failure stories;
- Information on how support for capacity-building was provided that responds to the existing and emerging capacity-building needs identified by non-Annex I Parties, including in the area of adaptation.

In addition, the COP requested Annex I Parties to provide information in a common tabular format (CTF) (decision 19/CP.18), including information on:

- Provision of climate finance (table 7) through multilateral, regional, bilateral and other channels, including for adaptation and detailed for funding source, financial instrument and sector;
- Provision of technology development and transfer support (table 8), information to include: recipient, targeted area, e.g. adaptation, measures and activities related to technology transfer, sector, source of funding for technology transfer, activities undertaken by public, private or PPP, and a status update;
- Provision of capacity-building support (table 9) to include: recipient, targeted area, programme of project title, including descriptions.

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<sup>1</sup> Submitted NC6s are available at <unfccc.int/7742> and BR1s at <unfccc.int/7550>.

COP 19 (decision 22/CP.19) requested the Secretariat to prepare a compilation and synthesis (C&S) report on the information reported by Annex I Parties in their NC6 for consideration by COP 20 (Dec. 2014). In addition, the Secretariat is developing a database to make the information included in the CTF online available in a searchable form.

In terms of forthcoming information on means of implementation for adaptation, COP 19 (decision 18/CP.19) invited:

- [...]Bilateral [...] agencies, to consider establishing or enhancing support programmes for the national adaptation plan (NAP) process within their mandates, as appropriate, which could facilitate the provision of financial and technical support to developing country Parties that are not least developed countries (LDCs), and to submit to the secretariat, by 26 March 2014, information on how they have responded to this invitation;
- Parties and relevant organizations to submit, by 26 March 2014, information on their experience with the application of the initial guidelines for the formulation of NAPs, as well as any other information relevant to the formulation and implementation of the NAPs, for compilation by the secretariat into a miscellaneous document, for consideration by the Subsidiary Body for Implementation at its fortieth session (June 2014).

In addition, there is existing and upcoming information specific to finance, technology and capacity-building. Regarding **finance**,

- The OECD Development Assistance Committee (DAC) analyses and collects statistics on bilateral assistance to adaptation, using DAC members' reporting on Rio markers to the Creditor Reporting System.<sup>2</sup> Statistics distinguish between the shares of adaptation support that target climate change as a "principal" or "significant" policy objective.<sup>3</sup> The DAC information can be analysed per donor, per recipient or per sector. The database provides information down to the activity level and includes almost 4,000 adaptation-related activities per year;
- The COP (decision 3/CP.19) requested developed country Parties to prepare biennial submissions on their updated strategies and approaches for scaling up climate finance from 2014 to 2020, including any available information on quantitative and qualitative elements of a pathway; on policies, programmes and priorities; and on how Parties are ensuring the balance between adaptation and mitigation, in particular the needs of developing countries that are particularly vulnerable to the adverse effects of climate change;<sup>4</sup>
- The Standing Committee on Finance (SCF) is undertaking a number of activities, which could generate relevant information, including its 2014 forum on mobilizing finance for adaptation from public and private sectors; its biennial assessment and overview of climate finance flows, which will include an assessment of how adaptation needs can most effectively be met by climate finance.

Regarding **capacity-building**,

- The COP (decision 4/CP.12) invited Parties to annually submit information on the activities they have undertaken pursuant to decision 2/CP.7 and 2/CP.10, which should include, inter alia, such elements as needs and gaps, experiences and lessons learned. Information for 2014 is to be submitted by 19 February;

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<sup>2</sup> For an overview see <[www.oecd.org/dac/stats/Adaptation-related%20Aid%20Flyer%20-%20November%202013.pdf](http://www.oecd.org/dac/stats/Adaptation-related%20Aid%20Flyer%20-%20November%202013.pdf)>.

<sup>3</sup> According to the OECD, an activity is classified as adaptation-related (principal or significant) if it intends to reduce the vulnerability of human or natural systems to the impacts of climate change and climate-related risks, by maintaining or increasing adaptive capacity and resilience.

<sup>4</sup> Submissions by Annex Parties related to finance are available at <[www3.unfccc.int/pls/apex/f?p=116:8:1879477569186414::NO:::](http://www3.unfccc.int/pls/apex/f?p=116:8:1879477569186414::NO:::)>.

- The Secretariat was requested by the COP (decisions 2/CP.7) to prepare a synthesis report on the implementation of the framework for capacity-building in developing countries, complemented by an addendum containing information on capacity-building activities undertaken by United Nations organizations and other institutions.

#### Existing and upcoming information from regional and other multilateral channels

Regarding, general **information on means of implementation (finance, technology and capacity-building)**, from regional and other multilateral channels, the recent call for submission by the AC to UN agencies and regional institutions had a section on support, requesting info on the scope of support, resources, beneficiaries and progress to date.<sup>5</sup>

In addition, the COP (decision 18/CP.19) invited UN organizations, specialized agencies and other relevant organizations, as well as multilateral agencies, to submit information by 26 March 2014 on establishing or enhancing support programmes for the NAP process, which could facilitate the provision of financial and technical support to developing country Parties that are not LDCs.

In addition, there is existing and upcoming information specific to finance, technology and capacity-building. Regarding **finance**, a group of Multilateral Development Banks (MDBs) comprising the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter - American Development Bank (IDB), the World Bank (WB) and the International Finance Corporation (IFC) issued a joint report on MDB climate finance 2012. It provides information on adaptation finance by institution, region, sector and distinguishes between policy-based instruments<sup>6</sup> or investments and technical assistance.<sup>7</sup>

Regarding **technology**, the CTCN is setting up a Knowledge Management System (KMS) that will promote free exchange of global, regional and national data on adaptation and mitigation technology performance and costs, together with lessons learned, best practices and online orientation. Finally, in terms of **capacity-building**, UN organizations, specialized agencies and other relevant organizations are invited to provide information by 7 March 2014 on activities undertaken to build and/or enhance the capacity of developing countries in accordance with the 15 priority areas identified in the capacity-building framework for developing countries (decisions 2/CP.7), including for vulnerability and adaptation assessments and for the implementation of adaptation measures.

#### **Possible content of the call for submissions**

A variety of information on means of implementation provided by developed country Parties and bilateral, regional and other multilateral channels either exists or is forthcoming at country-level, aggregated level or in a synthesized form.

**The AC may wish to consider the desirability of issuing a call for submissions by considering the value added**, i.e. the information it should generate which is not yet available, and which would be essential in informing the upcoming workshop and synthesis paper that are expected to enable informed discussions by the AC on how to further engage on means of implementation for adaptation. Alternatively to a call, the AC could consider synthesizing the existing and forthcoming information to inform the workshop.

Much of the available and forthcoming information, in particular as it relates to finance, is of a quantitative nature. Information on technology and capacity-building includes more qualitative elements such as experiences, lessons learned, and success and failure stories.

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<sup>5</sup> An assessment of the submissions is available in document AC/2014/7.

<sup>6</sup> Fast-disbursing financing instruments provided to the national budget in the form of loans or grants together with associated policy dialogue and economic and sector work in support of nationally driven policy and institutional reforms.

<sup>7</sup> Relates to all vehicles used by MDB clients to support specific investments covering a mix of capital and recurrent expenditures as well as advisory services and capacity building.

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The AC in its workplan had agreed to request information on current experience, including criteria, priorities, and other relevant information, 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.

**A call for submissions could focus on experiences in providing means to incentivize the implementation of adaptation actions, including:**

- How the provision of those means is **aligned with the Cancun Adaptation Framework** and with adaptation needs expressed by recipients in NAPAs or NAPs;
- How those means are **taken-up/absorbed by the recipients**, including the role of national institutional arrangements of the recipients;
- How the provision of means is **monitored and evaluated**;
- The actual **effectiveness of those means** in leading to the implementation of adaptation actions;
- Any **challenges/barriers** encountered in the provision and absorption of means;
- Any other opportunities/ways, which could incentivize/upscale the implementation of adaptation action and enable climate-resilient development and reduce vulnerability.

**Possible modalities for the call for submissions**

The AC may also wish to take into account that **many developed country Parties and bilateral, regional and other multilateral channels have just reported on means of implementation** either through the NC6 and BR1 or through responding to the previous call for submissions by the AC. The incentives for **responding to the AC's call may be low**; note that the response rate to the previous call was only a third. Information desired could also be **collected through means other than a call**, for example at the margins of relevant meetings such as the SCF Forum on adaptation finance or the meeting of the Durban Forum on Capacity-building.

If the AC, agrees to issuing a call for submissions, it may take the following considerations into mind when designing a template. The template should:

- Be succinct and strike a balance between the level of details requested and the time required to prepare the submission so as to maximize the quality and quantity of submissions;
- Assist developed country Parties and bilateral, regional and other multilateral channels in communicating their current experience on means to incentivize the implementation of adaptation actions and other ways to enable climate-resilient development and reduce vulnerability;
- Assist in enhancing comparability of, and in synthesizing, the information so that the information can inform the preparation of the scoping paper for the upcoming workshop on means of implementation as well as the synthesis paper.

Possible channels for issuing the call could include: (1) developed country Parties' national focal points; (2) an open call on the UNFCCC website; (3) focal points of relevant accredited organizations to the UNFCCC and Nairobi work programme partner organizations.

**Next steps by the AC**

The AC, at its fifth meeting, may wish to:

- Consider the information in this document;
  - Decide on whether it would like to issue a call for submissions and if so, which information it wishes to receive and through which modalities;
  - Request AC member(s), with the support of the secretariat, to develop a template, seek approval from the AC, and issue the call.
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