

Submission Adaptation Committee Paris Mandates Argentina – Brazil – Uruguay

Argentina, Brazil and Uruguay welcome the invitation by the Adaptation Committee (AC) for Parties to submit technical information concerning Decision 1/CP.21 paragraphs 41, 42 and 45 to be considered at the 11th Session of the Adaptation Committee (Bonn, March 7th -10th 2017).

This submission is divided into four sections. Section I introduces definitions and our common understanding of concepts used throughout the document. It also addresses the mandates under paragraphs 41 and 42 (b) of Decision 1/CP.21. Section II provides our views on the requests of paragraph 45 (a) of Decision 1/CP.21, while Section III does it for paragraph 45 (b). Finally, Section IV presents our contributions related to paragraph 42 (a).

Section I: ADAPTATION EFFORTS and NEEDS

Since the AC Paris Mandates in the paragraphs mentioned above are closely related to each other, we provide our common understanding and definitions of relevant concepts that will guide the content of this submission.

“EFFORTS” are understood as concrete actions of developing country Parties – either concluded, ongoing or unfinished, including their quantitative and qualitative value – related to the implementation of any stage of the national adaptation cycle.

“NEEDS” are understood as the concrete necessities of developing country Parties in relation to the provision of means of implementation, exchange of lessons learned and/or information, to be developed in the future, aimed at the implementation of any stage of national adaptation cycle, that are communicated through the adaptation communication as established in Article 7.10 of the Paris Agreement, regardless of the chosen channel, as provided for in Article 7.11 of the Paris Agreement.

“NATIONAL ADAPTATION CYCLE” is understood as the ongoing national process to achieve adaptation and consists of the following stages: observation, evaluation, planning, implementation, and monitoring and evaluation.

“RECOGNITION OF ADAPTATION EFFORTS” is understood as the process by which efforts are identified by developing country Parties at the national level and communicated at the international level through the UNFCCC communications system in order to be recognized in accordance with modalities to be decided by the CMA. In other words, not all adaptation EFFORTS are subject to RECOGNITION, but only those communicated to the UNFCCC by developing country Parties.

“MEANS OF IMPLEMENTATION” are understood as the provision of finance, technology and capacity building from developed country Parties to developing country Parties.

TYPES OF EFFORTS

We propose the following classification of efforts:

Type I: EFFORTS corresponding to completed and ongoing stages of the national adaptation cycle, executed with domestic resources, such as finance, technology and/or capacity-building.

Type II: EFFORTS corresponding to completed and ongoing stages of the national adaptation cycle carried out with means of implementation. By this type we understand as recognizable only the developing country’s national dimension of those efforts.

Such EFFORTS include national co-financing or provision of domestic resources to a project funded with international support (including all means of implementation) and/or the national participation in the direction, follow-up and accompaniment of the development and implementation of adaptation programs and / or projects. Examples of such efforts are the involvement of developing country national institutions in the design and implementation of program/project activities, as well as domestic technical capabilities that allow results to be reflected in national strategies, as well as medium and long term policies.

Type III: EFFORTS corresponding to uncompleted stages of the national adaptation cycle due to lack of means of implementation. This distinction identifies those efforts made at some stage of the adaptation cycle, which could not be completed due to insufficient provision of means of implementation.

TYPES OF NEEDS

CORE NEEDS: NEEDS corresponding to means of implementation, such as finance, technology transfer and capacity building, to adequately implement projected stages of the national adaptation cycle.

SECONDARY NEEDS: NEEDS corresponding to lessons learned and information exchange at the international level, to adequately achieve future stages of the national adaptation cycle.

RECOGNITION OF EFFORTS AND ITS RELATIONSHIP WITH OTHER SECTIONS OF THE PARIS AGREEMENT

Argentina, Brazil and Uruguay understand that the primary objectives of the recognition of adaptation efforts are (i) to acknowledge the employment by a developing country Party of relevant domestic systems and resources to carry out adaptation action and enhance national resilience, and (ii) to facilitate access to means of implementation by a developing country Party in order to ensure its continued building of resilience and enhancement of adaptive capacity.

Regarding the mandate of paragraph 41 of Decision 1/CP.21, it is necessary to point out that, in all three types of efforts identified, developing countries have performed advances in their national adaptation cycle by providing some level of action and resources. In the allocation of national budgets, mitigation and adaptation actions often compete for resources with other development-related priorities, hence the importance of recognizing such efforts.

It is also important to emphasize that type II efforts can only be recognized in terms of domestic actions and domestic resources involved. In order to achieve RECOGNITION, an estimate of the qualitative and/or quantitative value of adaptation efforts is required. The effort that a developing country carried out with the provision of means of implementation is informed through different channels, generally both by the donor country through its Biennial Report and by the recipient country in its adaptation communication or National Communication. In addition, support is reported through the program and/or project monitoring system provided by each institution, including the Financial Mechanism of the UNFCCC and its related instruments. This is why the recognition of efforts should be limited to the national dimension of adaptation action.

Recognition of type III efforts allows for the identification of cases when countries initiate actions aimed at completing any stage of the national adaptation cycle, but those actions are interrupted due to the lack of means of implementation. This sheds light on the insufficient international support available for concrete and ambitious adaptation actions.

It is also important to highlight the strong correlation that exists between adaptation efforts and needs, and mitigation actions. Different temperature scenarios influences the levels of adaptation efforts and needs required to meet them. The recognition of adaptation efforts and the assessment of needs of developing countries must take into consideration the evolution of global average temperature, since those might change in the future, depending on the level of ambition of global mitigation action.

The information on needs and efforts provides the basis for an adequate analysis both at the individual and aggregate levels.

The aggregate level is closely linked to the Global Goal of Adaptation (GGA) and the Global Stocktake (GST) referred to in Article 13. The GST process provides an opportunity to simultaneously analyze needs and efforts linking them to the means of implementation provided. In this way, and with reference to Article 14, paragraph 3, Parties may update and reinforce their actions and support in order to achieve the objectives set out in Article 2 of the Agreement.

Both the individual and the aggregate dimension must be considered to clarify the transparency of actions and support, in accordance with Article 13. Individual actions registered in terms of efforts and needs, included in the adaptation communication - may help to draw a comparison between the support provided and envisaged by developed countries under Article 4.4 of the Convention and Articles 9.5 and 9.7 of the Paris Agreement.

TYPES OF NEEDS

We suggest establishing a classification that distinguishes between CORE NEEDS and SECONDARY NEEDS of developing countries that may not be addressed with domestic resources or at the domestic domain. Core needs are those associated with means of implementation, and would be classified as follows: "financing needs", "technology transfer needs" and "capacity building and strengthening needs". Secondary needs would include: "provision and exchange of information" and "exchange of good practices and lessons learned".

For each stage of the national adaptation cycle, developing countries identify, in a nationally determined manner, their specific needs for the two main categories of needs, and the five subcategories.

This approach results in a classification exercise that should not generate additional burden during the implementation of the successive stages of the national adaptation cycle. Furthermore, the classification and proposed methodology does not intend to generate a parallel process for the identification of needs, since it is well integrated into the national adaptation cycle.

This approach must also recognize the links between needs and efforts with the modalities related to the recognition of such efforts, since, according to the interpretation of Argentina, Brazil and Uruguay, there is a chronological *continuum* between the efforts - undertaken in the past and/or ongoing- and the needs, which are for future implementation-.

With regard to the existence of methodologies and their strengths and weaknesses, there may be a significant diversity of approaches to the analysis of needs. The main requirement, however, is that they abide by the provisions of the Convention. This means that the ways of identifying those needs should be nationally determined but analyzed from a multilateral perspective, since there may be needs for adaptation that

may not be covered under the Convention. The classification we are proposing is based precisely on the organization of needs according to well-known and highly developed categories within the scope of the Convention.

A possible challenge of this and other methodologies is the requirement of considering aspects of quantification of needs more strongly. Developing subsidiary mechanisms would be necessary so as to make such quantifications in a robust way. The latter also addresses the last question proposed by the Adaptation Committee regarding barriers and gaps in the implementation of potential methodologies. Quantification is an indispensable attribute in at least some of the typologies of needs hereby identified, this is clearly the case of the financing needs. This is also in line with Article 4.4 of the Convention and the context of the quantitative targets for the scale of climate financing agreed by the COP.

*In this regard, we propose that the AC recommends the CMA to request the Secretariat to prepare a **report** divided into two parts, that:*

Part I

- Compiles information on the aggregate and the individual dimensions of efforts, including the following information: efforts subject to recognition made by developing countries, adaptation needs of developing countries; and means of implementation provided, including those communicated by recipient and donor countries, and those related to the technology transfer and capacity building.

Part II

- Analyzes the actual provision of adaptation finance from developed country Parties to developing country Parties in relation to adaptation “financial needs” of developing countries. Assessment of the actual provision of finance to adaptation in relation to the Paris Agreement temperature goal and in comparison to the temperature scenario arising from the aggregate analysis of mitigation contributions.

-Draws a comparative assessment of the existing procedures to access finance to adaptation through the operational entities of the Financial Mechanism of the Convention and the Paris Agreement, including the Adaptation Fund, as well as other relevant multilateral funds.

-Assesses the transparency of those entities in relation to adaptation finance and proposes alternatives to achieve greater homogeneity, simplicity and unity in the procedures designed to access finance to adaptation, including direct access to such funds so as to expand the possibilities of direct access for national entities of developing countries.

This report should inform the collective process to be developed in the GST so as to highlight adaptation-related gaps and help solve them. It should also constitute a step forward in the continued enhancement of the multilateral financial climate architecture which is an inescapable step in the process of ensuring the adequacy and effectiveness of adaptation support (paragraph 45), according to the needs of developing countries.

This assessment can improve clarity on the transparency of action and support, and the identification of the support developing countries have received and the support developed countries have provided, as well as the capacities needed for action, the quantification of actions and the tracking of resources at the national level. It contributes also to an integrated view of mitigation and adaptation, since the recognition of efforts would be intertwined with the mitigation ambition scenario at the point in time when the adaptation actions for which recognition was requested will be developed. Part II of this report would also be directly related to the effectiveness and adequacy of adaptation support, addressed in Section III.

Table 1: Section I Summary

PAST- PRESENT EFFORTS	FUTURE NEEDS
<p><i>Concrete and quantifiable actions, including their qualitative value, aimed at the implementation of any stage of the national adaptation cycle concluded or in progress.</i></p> <p>Type I: Complete and ongoing stages of the national adaptation cycle, executed with domestic resources, such as finance, technology and/or capacities.</p> <p>Type II: Complete and ongoing stages of the national adaptation cycle, carried out with means of implementation.</p> <p>Type III: Uncompleted stages of the national adaptation cycle due to lack of means of implementation.</p>	<p><i>Stages of the concrete and quantifiable future national adaptation cycle, communicated through the adaptation communication, regardless of the chosen channel</i></p> <p>Core needs: those associated with means of implementation:</p> <ul style="list-style-type: none"> - Financing needs - Technology transfer needs - Capacity building and strengthening needs <p>Secondary needs:</p> <ul style="list-style-type: none"> - Provision and exchange of information - Exchange of good practices and lessons learned

Section II:

METHODOLOGIES TO FACILITATE THE MOBILIZATION OF SUPPORT FOR ADAPTATION IN DEVELOPING COUNTRIES, IN THE CONTEXT OF THE LIMIT TO GLOBAL AVERAGE TEMPERATURE INCREASE.

The mandate of article 45 (a) involves three equally relevant and closely interrelated aspects: the development of methodologies and recommendations; that these developments facilitate the mobilization of support for the adaptation of developing countries, and that such methodologies and recommendations be developed and implemented in the context of the temperature goal. This last aspect is essential since adaptation actions - both current and potential - should be contrasted considering temperature scenarios, and future adaptation actions should be tailored to the levels of mitigation reported in the contributions as a vehicle for climate change action.

From our perspective, and given the existing financial arrangements under the Convention, it is important to better understand the multilateral climate finance architecture in order to improve the monitoring and disbursement of adaptation finance. This would particularly help to link efforts and action to the temperature goals, as well as to identify the challenges that developing countries undergo to access funds, especially through the GCF, the GEF, the Adaptation Fund, other international and bilateral funds, as well as with private investment. In this regard we reaffirm our position that the Adaptation Fund should serve the Paris Agreement as soon as possible.

In addition to financing, it is imperative to match adaptation needs with their respective technology and capacity building needs. To this end, we deem it relevant to further explore synergies between the Technology Mechanism of the Convention with the Financial Mechanism. In that sense, it is important to promote and translate the mitigation-adaptation balance aimed by the GCF to the technological needs under the Convention. These needs must involve both the transfer, and especially the endogenous development of technology, covering the entire technological cycle.

One of the hurdles to reaching such balance is that developing countries experience difficulties in identifying the needs for adaptation technologies that can be addressed by the Technology Mechanism. To this end, it would be relevant for the Mechanism to make an additional effort to communicate and disseminate the verifiable results and lessons learned in the process of accessing CTCN adaptation projects. The experience of the CTCN in working with the AF and the GCF is relevant for this exercise and should be considered in this context.

With regard to capacity building, we believe that the pillar of action of the Paris Committee on Capacity-Building (PCCB) should be for each country to develop its own process of identifying capacity building needs, quantifying them, and communicating them. Likewise, that the view of capacity building may involve all phases of the national adaptation cycle, as is also the case of financing and technology. All of this is linked to the essential importance of direct access whilst building national capacities to

manage climate finance, and strengthening national institutions at all stages of the adaptation cycle.

The Adaptation Committee and the LEG have the opportunity, at this early stage of the PCCB, to establish a relationship through an institutionalized system of meetings, which should, in turn, involve the Technology Mechanism and the Financial Mechanism of the Convention.

Section III: ADEQUACY AND EFFECTIVENESS OF ADAPTATION AND SUPPORT

We consider relevant to differentiate the methodologies and recommendations that refer to the effectiveness and adequacy of adaptation actions from those related to the effectiveness and adequacy of support for adaptation in order to give an input regarding paragraph 45 (b) of Decision 1/CP.21.

Regarding the first aspect, we understand that the particularities of adaptation action must be recognized, since adaptation action is not only national but also local, and adjusted to the geographical, economic, social, political and cultural conditions of States and communities. The Paris Agreement recognizes the relationship between adaptation at the domestic level through planning and action (Article 7.9) on the one hand, and at the international level through the communication of priorities and support needs (Articles 7.10, 7.11) on the other.

The Paris Agreement combines both areas of adaptation in a harmonious way. Each State responds to its own citizens and communities through planning and implementation of actions to address their adaptation needs. In turn, the Agreement includes an individual dimension of the adaptation action through the adaptation communication of article 7.11, and a collective dimension that can be seen in articles 2, 7.1 and 7.14.

From our perspective, measuring the effectiveness of our adaptation actions and their adequacy is part of the domestic political process of adaptation, in the different stages of the national adaptation cycle.

In this regard, we consider that there are no universal metrics that can fit the different realities and needs of the Parties and that there is no single formula that can be valid for all. This does not mean that other instances could be developed to share experiences and lessons learned, or that domestic metrics can be used individually, registered through adequate communication vehicles under the Convention, and considering national adaptation goals.

With regard to the development of methodologies and recommendations for review of the effectiveness and adequacy of adaptation support, we understand that this mandate coincides with the differentiation established under the Convention and reaffirmed in the Paris Agreement.

Developing countries experience significant gaps in support in relation to their adaptation needs, in terms of financing, technology and capacity building. With respect to the adaptation finance gap, UNEP recognizes that the current costs of adaptation are two to three times greater than the available public funding (See UNEP Adaptation Finance Gap Report, 2016).

Considering that adaptation needs are incremental and that they will vary according to unpredictable phenomena and according to evolution of the temperature goal, it is vital that the mechanisms under the Convention and the Paris Agreement provide the opportunity to clearly identify developing countries adaptation needs while, at the same time, developed countries meet their commitments to provide biennial quantitative and qualitative information on financing provided and projected from public sources.

We understand that the methodologies to be developed should be based on information from Parties on the provided and received support, which should be collected at the aggregate and individual levels by the secretariat, as stated in the preceding paragraphs.

Section IV: REVIEW OF THE WORK OF ADAPTATION-RELATED INSTITUTIONAL ARRANGEMENTS UNDER THE CONVENTION

This section addresses the mandates of paragraph 42 (a) of Decision 1/CP.21.

A valid and constructive interpretation of the institutional arrangements, guided by the political balance between the various elements of the Convention and the Paris Agreement, would imply a broad definition of the scope of which institutional arrangements are related to adaptation under the Convention. In this understanding, the Adaptation Committee would have a unique and specific role regarding adaptation, but several other institutional arrangements under the Convention are also relevant in their relations with adaptation, some of them key to the real implementation of adaptation under the Convention.

From our point of view, the institutional arrangements that decide on, advice on and support adaptation action under the Convention (**Table II**) are directly related to adaptation and require review on the accomplishment of their mandates and analysis about the synergies and coherence between them.

This last aspect is related to the second part of the mandate in paragraph 42 (a), which focuses on the coherence of institutional arrangements in their adaptation work. While there may be generic approaches to coherence between institutional arrangements, Argentina, Brazil, and Uruguay understand that a timely approach to the issue of coherence has to do with the definition of a general objective or a strategic result that guides such coherence between arrangements in order to assess the coherence not from a generic point of view -whether institutional arrangements are "coherent with each other"- but rather whether they are "coherent with each other in the achievement of a

particular objective or result." This interpretation of consistency over an objective allows the analysis to be fine-tuned, and as a result, to provide more effective recommendations to CMA1 where institutional arrangements - and their coherence - are not only an end in itself but a means for a higher objective, which in this case is the one of more and better adaptation under the Convention.

Argentina, Brazil and Uruguay understand that the mandate in paragraph 42 of Decision 1/CP.21 is fully linked to the purpose of the Paris Agreement included in Article 2, as it relates adaptation to the temperature goal, as well as with Article 7.1 which sets the Global Adaptation Goal (GGA) of: "*enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal*".

Accordingly, we believe that the mandate of paragraph 42(a) of 1/CP.21 should be guided by increased coherence in responding adequately to the needs of Parties, in pursuit of the GGA, taking into account that the attribution of defining their priorities and needs according to the national adaptation cycle and its stages lies with the Parties. The inclusion of the GGA as the reference for the analysis of the coherence of the work of the institutional arrangements also helps to overcome the generic logic of "needs of the Parties" making it possible to speak of the "needs of the Parties in relation to pursuing the GGA".

Regarding the potential gaps in the work of institutional arrangements under the Convention that may need to be addressed in order to respond adequately to the needs of the Parties, there are no *a priori* gaps in terms of mandates to address the needs of Parties.

In addition to the notorious gaps in the scale of financing needed for adaptation, institutional arrangements for technology transfer and capacity building present some imbalances in the prioritization of adaptation work, although these arrangements are more recent, and one of them -the PCCB- is not yet operational.

As for the overlapping of mandates, there would *a priori* seem to be some, even though they are not yet clear. Despite the existence of multiple institutional arrangements, many of them present convergent elements that could increase their coherence in the future, although all of them have a certain specificity that makes them unique. During the review, the possibility of migrating and/or integrating specific mandates and merging some key specificities into a single institutional arrangement may arise, rather than having several arrangements with relatively similar mandates.

With regard to the institutional arrangements to be strengthened, it seems important to us to rethink the links between them, besides considering the arrangements themselves. For example, how can we strengthen the relationship between the Financial, Technological and Capacity Building Mechanisms so that adaptation support needs are efficiently met?

In addition, it is important to recognize that the Adaptation Committee is a key arrangement to ensure that adaptation efforts are consistent.

It is important to strengthen the relationship between the Adaptation Committee and the COP, as well as between the AC and the Parties.

With regard to the modalities for cooperation and collaboration between institutional arrangements related to adaptation, the mixed mandates set out in Decision 1 CP 21 paragraphs 41 (AC with LEG) and 45 (AC, LEG and SCF) are an example of a possible modalities for coherence. These kinds of mandates from the COP, allow for coherent development of actions that can also be enriched and more effective when developed by institutional arrangements with different experiences which would lead to more robust, multidimensional recommendations. In this regard, priority should be given to strengthening or creating new modalities, improving the response to financing needs, technology transfer needs and capacity-building needs in relation to adaptation.

With reference to adaptation financing needs, a specific mandate could be created with the participation of the AC and the SCF, and the participation of other institutional arrangements related to the provision of adaptation financing, in relation to the provisions of Article 4.4 of the Convention.

Other mixed mandates could also be created between the AC and the TEC- for assessing the provision and transfer of technology for adaptation- and between the AC, the PCCB and the LEG- for assessing processes of capacity building-.

Table II: Adaptation-related Institutional Arrangements

ADAPTATION-RELATED INSTITUTIONAL ARRANGEMENTS	
Institutional Arrangements for Decision Making on Adaptation issues within the UNFCCC	<ul style="list-style-type: none"> Conference of the Parties (COP) Conference of the Parties serving as the Meeting of the Parties of the Kyoto Protocol (CMP) Conference of the Parties serving as the Meeting of the Parties of the Paris Agreement (CMA)
Institutional Arrangements for advising on Adaptation issues within the UNFCCC	<ul style="list-style-type: none"> Subsidiary Body for Scientific and Technological (SBSTA) Subsidiary Body for Implementation (SBI) Adaptation Committee (AC) Least Developed Countries Expert Group (LEG)
Institutional Arrangements in relation to means of implementation to support Adaptation	<ul style="list-style-type: none"> Financial Mechanism (FM) Standing Committee on Finance (SCF) Green Climate Fund (GCF) Global Environment Facility (GEF) Adaptation Fund (AF) Technology Executive Committee (TEC) Climate Technology Center and Network (CTCN) Paris Committee on Capacity Building (PCCB) Nairobi Work Program (NWP) Cancun Adaptation Framework (CAF) Technical Examination Process on Adaptation (TEP-A)