

BRIEFING NOTE

Key Messages for COP 21

Call to Action on Water in the Climate Change Negotiations



Overall objective: *To support Parties in the implementation of Article 4 (e) of the United Nations Framework Convention on Climate Change which commits the Parties to develop appropriate and integrated plans for coastal zone management and water resources.*

Key messages GWP urge Parties:

- to call for investments in water resources management by the Green Climate Fund
- to access innovative finance mechanisms for climate resilience and water security
- to fulfil the commitments to the Least Developed Countries Fund to ensure project implementation

Key Message 1. GWP urges Parties to call for investments in water resources management by the Green Climate Fund

Purpose: To ensure a sustainable finance mechanism which supports water resources management as an adaptation activity

The Green Climate Fund (GCF) recently approved USD 168 million for the first eight projects to access funding through the fund. Two projects directly support water security. In 2016, the GCF plans to approve USD 2.5 billion for climate change projects.

Parties need to ensure further support to water resources as provided for in Article 4 (e) of the Convention, as climate change is manifested through water, and water resources management is a key adaptation measure.

The Intergovernmental Panel on Climate Change (IPCC) projects the frequency of water-related disasters such as floods and droughts to increase as a result of climate change.

Water-related disasters account for 70 per cent of all deaths related to natural disasters, impacting also patterns of migration and displacement.

Our analysis estimates that 88 per cent of national adaptation programmes of action (NAPA) submitted to the UNFCCC have water as a priority. Water is identified as a key priority for adaptation in the intended nationally determined contributions (INDC) from countries providing also synergies between adaptation and mitigation efforts.

Increased funding by the GCF to water resources management will provide a mechanism to scale up investments in water infrastructure, information and institutions, leading to concrete action on adaptation and increased resilience to climate change.

Key Message 2. GWP urges Parties to access innovative finance mechanisms for climate resilience and water security

Purpose: To ensure diversified innovative finance mechanisms for climate resilience and water security

Parties are encouraged to provide funding to developing countries to put in place comprehensive financial and risk management systems using innovative finance instruments.

Financial instruments and tools for climate resilience have been recognised by the Executive Committee of the Warsaw International Mechanism for Loss and Damage. This includes risk management, catastrophe risk insurance, contingency finance, climate-themed bonds and catastrophe bonds.

In 2015, G7 leaders made a commitment to provide climate risk insurance for up to

400 million people in countries vulnerable to the effects of climate change.

Risk insurance schemes such as the African Risk Capacity (ARC) and the Caribbean Catastrophe Risk Insurance Facility (CCRI) are emerging and provide regional options for finance.

The green bond market has also grown substantially with the aim to increase capital allocations for projects with environmental benefits, including categories such as sustainable water management and adaptation.

Investments for country-driven risk management approaches in combination with innovative finance increase climate resilience and address already occurring loss and damage from the effects of climate change.

Commitments for innovative finance

In the 2014 Climate Summit heads of state and business leaders made several commitments to mobilise funds to climate resilience and low carbon growth. For example, leading commercial banks announced plans to issue \$30 billion of Green Bonds by 2015, with a plan to increase the amount placed in climate-smart development to 10 times the current amount by 2020; and the insurance industry committed to double its green investments to \$84 billion by the end of 2015.

Key message 3. GWP urges Parties to fulfil the commitments to the Least Developed Countries Fund to ensure project implementation

Purpose: To ensure that projects already approved are funded for implementation of national adaptation planning projects

Parties are encouraged to continue to provide funding to the Least Developed Countries Fund (LDCF) to ensure implementation of the remaining elements of the national adaptation programmes of action (NAPA), as part of the LDC work programme.

The priority of the LDCF is to support least developed countries to address urgent adaptation needs, with water identified as one of the key priorities by the countries.

By June 2014, cumulative pledges to the LDCF amounted to USD 906 million, of which USD 872 million were received. With 146 NAPA implementation projects approved there is a gap in contributions to the fund for the continued implementation of projects.

The main sources of funding for NAPA implementation comes from co-financing solutions. To ensure full implementation there is need to ensure continued contributions to the LDCF for the urgent and long-term adaptation needs of the least developed countries to be addressed.