

The UNFCCC Standing Committee on Finance
CC: The UNFCCC Adaptation Fund
CC: RINGO Constituency group

At COP 21 in Paris, Parties to the UNFCCC reached a milestone agreement to combat climate change. To fulfil the ambitious objectives set out in the Paris Agreement, appropriate financial flows and wise hydro-climate responsive funding is a key cornerstone in building climate resilience.

The balance between adaptation and mitigation priorities in the allocation of climate funds is improving but sources remain insufficient and not fully inclusive with regard to targeting the needs of the most climate vulnerable populations. Funding decisions and allocation of support must be made on the basis of clear vulnerability assessments.

For climate funds to be accessible for the most vulnerable countries it is important to reinforce the dialogue between the donors and the stakeholders, to strengthen the capacities of these stakeholders to help them effectively to access to the climate funds. Some good examples are already implemented such as the readiness program and the enhanced direct access of the Green Climate Fund which brings a financial support for readiness and preparatory activities to enhance country ownership and access to the Fund.

Investments in climate resilient water infrastructure hold great potential. Water wise planning and strategic investments are necessary and there is prospective for competitive advantage in taking a leading role in developing business models for resilient societies to help reduce carbon emissions.

Climate change *is* water change, yet there is often a low level of awareness of the opportunities linked to hydro-climate investments. Moreover, climate variability and weather extremes, such as droughts, floods and cyclones, pose considerable risks to the delivery of sustainable water services.

The inextricable link between climate and water is not only illustrated by the impacts of climate change, but also by the challenges and responses. For instance, water and wastewater treatment is largely energy consuming, and many efforts to reduce greenhouse gas emissions rely on water availability. Therefore, facilitating the integration and application of water knowledge in relevant bodies and mechanisms under the UNFCCC is strategic in order to ensure the efficiency of adaptation and mitigation plans. Water is not a sector but a connector, whereby the water community has engaged to identify possible avenues for integrating water in climate policy and implementation.

The AGWA policy group has undertaken work on water in the NDC's and water management supporting climate finance. The policy group is following closely the UNFCCC processes and members are prepared to provide input to the Adaptation committee, and its working groups such as the TEP-A and AC-LEG; the Standing Committee on Finance, the Paris Agreement Committee and the Technical Expert Meetings to report on water's key role as a connector; its strategic place in the adaptation but also mitigation solutions; and one central components in ensuring climate justice.

Climate finance for adaptation continues to grow but is still far below what is needed, and persistent inequalities in the targeting of climate finance for adaptation continue. In 2015, just 7% of all global climate finance (US\$25 billion) was for climate adaptation, yet the cost of all adaptation activities in the least developed countries (LDCs) as reflected in their communications to the United Nations Framework Convention on Climate Change (UNFCCC) has been estimated at US\$93 billion each year. (Wateraid, 2016)

As scale is fundamental to transformational change, climate-risk must be mainstreamed into existing water development strategies, and funds must be channeled through entities with strong experience

or capacities to fund a large number of smaller-scale projects. Government institutions that are able to respond quickly after extreme events, provide early warning for disasters, insure against risk, zone land appropriately, and ensure water is managed sustainably, can often be more cost-effective and sustainable at building resilience to climate change. Non-government stakeholders should therefore work with governments and development partners to ensure climate adaptation strategies contain a significant institutional component, and that sustainability considerations and cost-effectiveness are used as the basis for all funding decisions. (Wateraid, 2016)

In conclusion, SIWI as a member of the RINGO constituency group and Coordinator of the AGWA policy group would also like to share a few more inputs to the Standing Committee on Finance as guidance to the operating entities of the financial mechanism.

Foremost, we welcome the decision of the GCF board to establish a separate activity area under the Readiness and Preparatory support programme for the formulation of national adaptation plans and delegates authority to the Executive Director to approve up to USD 3 million per country for the formula/on of NAP's and other national adaptation processes. We would also like to invite the board of GCF to consider establishing a specific activity area for supporting the implementation of policies, projects, and programmes identified by the NAP's or through other national adaptation processes. We would also like to reiterate to the operating entities of the financial mechanisms to review their adaptation relevant procedures and policies, including their programmatic priorities, referred to in decision 1/CP.16, para 12 of the Convention and more recently in Art 7.5 of the Paris Agreement. We also wish to invite the National designated Authorities and Accredited Entities to use the Project preparation Facility and the Readiness and Preparatory support Programme to prepare transformative adaptation projects, particularly reaching out to the most vulnerable countries and populations with a multistakeholder participatory approach.

We would appreciate that these contextual elements and recommendations be taken into account in the Standing Committee Finance report that will be presented at COP22 and would be honored if a member of the Committee could attend our side event organized on the 8th and 17th of November.

More info at <http://www.siwi.org> and <http://www.alliance4water.org>