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Report **Transboundary climate risks** Wednesday 13 – Friday 15 March 2019 | WP1670

With support from:



In association with:





Report Transboundary climate risks

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With support from the Global Center on Adaptation. In association with the Overseas Development Institute (ODI), the Stockholm Environment Institute (SEI) and the Institute for Sustainable Development and International Relations (IDDRI).

Executive summary

In partnership with the Overseas Development Institute (ODI), the Stockholm Environment Institute (SEI) and the Institute for Sustainable Development and International Relations (IDDRI), and with support from the Global Center on Adaptation, Wilton Park convened a dialogue in March 2019 on the theme of transboundary climate risks.

As a systemic risk that intersects with other risk drivers (such as conflict and economic instability), climate risk is in many cases 'borderless' or 'transboundary' in nature. The dialogue examined challenges and approaches to understanding and addressing transboundary climate risk resulting from two distinct factors: 1) the transboundary impacts of climate change; and 2) the transboundary consequences of deliberate adaptation to climate change, both positive and negative.

Greater connectivity between countries means that climate impacts in one country can resonate in other parts of the world via at least four types of risk 'pathways': biophysical, trade, people and financial. Similarly, adaptation measures in one part of the world can have positive or negative effects elsewhere – for example by affecting supply chains or diverting international watercourses for irrigation.

The dialogue was convened with the recognition that, despite the explicit acknowledgement in the Paris Agreement on climate change that adaptation is a 'global challenge ... with ... international dimensions', it continues to be framed and addressed primarily at the local, subnational and national levels. Yet transboundary climate risk will affect all countries, regardless of their level of development, in accordance with the extent and nature of their integration into the global economy and their specific links with vulnerable countries.

The Wilton Park dialogue, which convened 40 stakeholders from 19 countries to discuss the emerging topic of transboundary climate risk, provided an opportunity to explore and analyse critical issues:

- Approaches to considering and integrating transboundary climate risks in national socio-economic planning and climate adaptation plans, as well as in regional adaptation processes.
- The implications of transboundary climate risks for global governance frameworks and the need for coherence between international conventions (such as the UN Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (UNCBD), the Convention to Combat Desertification (UNCCD) and the Refugee Convention).
- The role of non-state actors, the importance of shared learning and the incentives

that could be harnessed to better account for transboundary risks across sectors, geographies and communities (scientific, legal, policy and/or practice).

• Key events and opportune moments to raise the profile of transboundary climate risks, particularly in the context of the Climate Action Summit being hosted by the UN Secretary-General in September 2019.

Key findings and recommendations

- A call to action to the climate adaptation community and beyond was published under the title <u>The Wilton Park agenda on adapting to transboundary climate risk</u>. The following is a more detailed summary of discussions during the dialogue.
- 2. Transboundary climate risks cross national borders and affect all countries, irrespective of their location or level of development. While every effort to mitigate greenhouse gas emissions will help to reduce transboundary climate risks, some level of risk is unavoidable, and needs to be jointly managed by all countries. Yet managing transboundary climate risk is currently 'no one's job', incentives are not currently aligned to stimulate action on transboundary risk management, and adaptation planners are already overburdened in many sectors and countries. Current levels of investment in adaptation globally are insufficient.
- 3. Climate risks at the regional scale are often easiest to understand and receive more attention from scientists, policy-makers and adaptation practitioners than other forms of transboundary climate risk. For example, existing institutions have begun to assess, monitor and in some cases jointly manage climate risks in regional river basins. However, there is less evidence of cooperative adaptation across regional forests, drylands, fisheries and oceans. Risks that are 'teleconnected' (that flow between distant countries that do not share a border) or 'systemic' (that spread throughout a complex web of countries) are even less well understood: they are abstract, difficult to assess and imply a need for coordinated management by multiple countries in order to build climate resilience over significant distances.
- 4. Countries often lack the capacity to gather sufficient data on transboundary risks, while the large volumes of data that do exist (at various levels, including the local and subnational) are too often underutilised or not sufficiently granular to be useful to policy-making processes. Improved capacity to generate and analyse data will be critical for assessing the magnitude and flow of transboundary climate risks, as well as managing them in equitable and effective ways. One way to motivate countries to consider transboundary climate risks is to clearly outline the mutual benefits of transboundary adaptation, such as reducing the cost of data through joint spatial modelling and assessments, and harnessing economies of scale in purchasing data on transboundary biophysical resources from private databases and satellite imagery. User-oriented guidance and evaluation methods should be developed to support the inclusion of transboundary climate risks in National Adaptation Plans. Greater transparency is also needed in adaptation processes: sharing information on climate vulnerabilities, exposures and intended adaptations will help others to assess the potential transboundary implications of climate change impacts, and of adaptation measures themselves.
- 5. Adaptation is not necessarily a benign process: 'effective' adaptation, as seen from one perspective, might increase vulnerability elsewhere or redistribute vulnerability and exposure between countries. It is essential that the transition towards a climateresilient future is a just transition. Transboundary climate risks highlight the need to consider how adaptation in one place will impact people far away, especially the most vulnerable. Dialogue to address this issue may be difficult and politically sensitive, but it is necessary. It must be facilitated sensitively, in appropriate fora, in a spirit of solidarity and mutual trust.

6. Beyond the UNFCCC, regional, sectoral and financial institutions should explore their respective roles in exchanging knowledge and managing transboundary climate risk, not only to increase investment in adaptation, but also to explore the implications for markets, trade and financial flows, as well as the governance of transboundary ecosystems, and the migration and displacement of people. Key examples of this include the World Economic Forum, the World Trade Organisation and relevant UN Conventions. Adaptation should be redefined as a process that delivers global public goods. New coalitions of Parties to the UNFCCC and non-state actors could be formed to advance this agenda within the UN and other fora, based on the common interests that are revealed by recognising transboundary climate risks. As such, transboundary climate risk provides a powerful opportunity to re-embrace multilateralism.

Understanding transboundary climate risks

- 7. Transboundary climate risk is an emerging concept in climate change adaptation research. As such, it is still being developed as a theoretical concept and object of study. Early conceptual work by SEI proposed that climate change impacts could flow across national borders via at least four risk pathways: biophysical, trade, people and financial.¹ Subsequent joint work by SEI, ODI and IDDRI suggests that transboundary climate risks can be further categorised based on 1) how they are triggered; 2) where they flow; 3) how they propagate; and 4) how they are managed.
- 8. This section discusses each pathway, identifying its central characteristics, followed by good practice examples from dialogue participants, outstanding issues and needs and opportunities for action.

Biophysical pathway

9. The biophysical pathway refers to transboundary climate risks that manifest through alterations to flows within biophysical systems – including river basins, arid lands or oceans – or natural processes like air currents and biogeochemical cycles. The biophysical pathway is often considered the most straightforward entry point to analysis of transboundary climate risks as it refers to more 'visible' biophysical resources than the other pathways. There are many existing initiatives to manage these risks, notably River Basin Commissions, and it will be critical to build on these existing institutions and practices, rather than developing entirely novel approaches.²

Good practice examples

- 10. The Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat (also known as the Convention on Wetlands) and the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (the Water Convention) are two examples of international processes governing transboundary risks associated with the biophysical pathway. The Water Convention, notably, did not include climate change in its original remit, but has moved in the last decade to incorporate this aspect into its activities, including initiating the 2006 Task Force on Water and Climate, producing the 2009 Guidance on Water and Adaptation to Climate Change and managing several pilot projects.
- 11. The Mekong River Commission and Okavango River Basin Water Commission (OKACOM) are two examples of River Basin Commissions managing transboundary climate risks. Participants suggested that OKACOM in particular could offer ample learning opportunities to facilitate further action.

¹ M. Benzie, National Adaptation Plans and the indirect impacts of climate change, SEI Policy Brief, 2014.

² R. Nadin and E. Roberts, *Moving towards a global discourse on transboundary adaptation*, ODI Briefing Paper, March 2018.

12. At the ecosystem level, transboundary adaptation strategies have been developed for the Danube, Rhine, Neman, Dniester, Mekong and Nile rivers, providing good examples of basin-wide planning processes and concrete adaptation measures, such as ecosystem restoration and joint information management platforms.

Outstanding complications and needs

- 13. Some transboundary climate effects in the biophysical pathway may have positive and negative impacts simultaneously. For instance, fish stock migration can, owing to changes in sea temperatures, have negative impacts on livelihoods in one location, and positive impacts in another. Managing these trade-offs and potential tensions will be critical. It will be important to focus on collaborative approaches that highlight the mutual benefits of adaptation.
- 14. Significant knowledge gaps remain, particularly regarding less visible transboundary risks. Atmospheric hazards, for instance, have multiregional impacts, but current science provides little indication of how those hazards may change in the future, or interact with existing vulnerabilities.
- 15. Work remains to be done to demonstrate the cross-cutting impact of biophysical transboundary climate risks to multiple stakeholders, including government departments for which climate change is typically a peripheral concern. Efforts to co-produce adaptation strategies and interventions with these stakeholders should be pursued, including by improving the accessibility of climate services.
- 16. Many existing initiatives and partnerships have limited capacity to engage with climate data, develop bankable adaptation projects or programmes and raise funds. Efforts to build this capacity should be prioritised.
- 17. There are legal issues surrounding the status of and rights held by submerged areas due to rising sea levels, particularly for territories which may end up entirely underwater.

Opportunities for action

- Develop a stocktaking exercise of existing regulatory and legal frameworks on the regulation of transboundary biophysical systems and seek opportunities to embed climate risk in these governance processes.
- Invest in awareness-raising and capacity-building for actors in this governance space.

Trade pathway

- 18. The trade pathway refers to transboundary climate risks that manifest through disruptions to the price, quality and availability of goods and services on international markets and supply chains. These risks are often less visible than biophysical risks and can be more difficult to govern. Climate risks of this type can cascade through different networks and supply chains, affecting a multitude of actors, often vast distances apart.
- 19. A country's vulnerability to transboundary climate risk via trade policies and practices can be a product of climate impacts and adaptation responses taken thousands of miles away. Senegal, for example, is dependent on rice imports for its food security, and the effect of climate risks on key exporting countries, including Thailand, Vietnam and India, will determine Senegal's exposure. Policy measures taken by rice-exporting countries (such as export bans), and by rice-importing countries (such as hoarding stocks) determine how global prices react to poor harvests as a result of extreme or unusual weather.³

³ M. Benzie and A. John, *Reducing vulnerability to food price shocks in a changing climate*, SEI Discussion Brief, 2015.

"The study concluded that transboundary climate risks to the German economy flowing in the trade pathway are at least as significant, if not more so, than direct climate risks."

Good practice examples

- 20. Global institutions including the World Economic Forum and World Trade Organisation are becoming increasingly interested in the intersection of climate change and trade. Building alliances with communities of experts in these organisations could be a useful entry point for increasing the visibility and salience of transboundary climate risks in relevant policy communities.
- 21. The German government commissioned a study investigating Germany's exposure to transboundary climate risks, including via the import and export of goods and damage to mining or transport infrastructure in other countries.⁴ The study concluded that transboundary climate risks to the German economy flowing in the trade pathway are at least as significant, if not more so, than direct climate risks. More studies of this kind should be commissioned and used in decision-making.
- 22. Businesses often have a nuanced understanding of risks to supply chains, including climate risks. This experience should be built on, including by identifying best practice, partnering with industry associations and working to translate climate data into actionable, timely information for private actors. Particular sectors may also present opportunities to build networks for future action, including supply chains for particular crops (e.g. cocoa) or products (e.g. microchips).
- 23. The Task Force on Climate-related Financial Disclosures (TCFD) is a powerful example of an existing initiative to mainstream climate risk disclosure among private sector actors and embed climate risk in decision-making processes.

Outstanding complications and needs

- 24. Levels of awareness of and capacity to evaluate climate risk vary widely among both public and private stakeholders. Multinational corporations, for instance, have much greater access to data and resources than micro, small and medium enterprises (MSMEs). Yet, even where data is available, methodologies for climate risk assessment are limited and need to be further developed, particularly methodologies that translate climate risk into financial terms.
- 25. Private sector incentive structures for managing transboundary climate risks in the trade pathway may not align with the broader aim of building the resilience of vulnerable communities. When faced with an identified supply chain risk, some actors may prefer to invest elsewhere, adversely affecting already climate-vulnerable communities. There is a role here for policy actors in mitigating these effects and facilitating approaches to adaptation that are equitable and just.

Opportunities for action

- Policy-makers should work with vulnerable trade partners to enhance their resilience; strengthen awareness across government ministries and relevant offices to better align policy with climate change science; develop and implement processes to facilitate interactions across government on climate change risk and contribute to national adaptation strategies; and pursue partnerships with private sector actors to leverage expertise regarding supply chain risk and climate risk management opportunities.
- There is a need for a stocktaking exercise of assessment methodologies for transboundary risks in the trade pathway, and to continue to develop these approaches, particularly with regard to climate shocks and slow-onset changes and their financial implications.

⁴ See 'How climate change is affecting German foreign trade', INFRAS, <u>https://www.infras.ch/en/projects/how-climate-change-affecting-german-foreign-trade/</u>

People pathway

- 26. The people pathway refers to transboundary climate risks that manifest through changes to the flow of human beings around the world, including migration and tourism. Contrary to popular belief, most migration takes place within geographical regions, and there is a need to develop adaptation approaches that address both intra-regional and inter-regional flows of people, and that recognise their different characteristics.
- 27. This session addressed both how transboundary climate risks may lead to changes in human mobility, including migration and displacement, and how changes in mobility may themselves be perceived as transboundary climate risks. The session also considered how institutions and legal frameworks can be strengthened to preempt and respond to population movements, and the emerging challenges climate change creates for migration governance.⁵

Good practice examples

- 28. New initiatives in the security community are beginning to recognise that climate change, migration and conflict are interconnected risks which will require 'nexus solutions'. Two examples are the Sustainable Services at Scale (Triple-S) Initiative, which focuses on improving access to water supplies for the rural poor, and the Stockholm Climate Security Hub.
- 29. The UN Security Council recently recognised climate change as a 'threat multiplier' and is continuing to explore the relationship between climate change, peace, and international governance.

Outstanding complications and needs

- 30. Emigration is viewed as a last-resort option by many countries vulnerable to the impacts of climate change, particularly among Small Island Developing States (SIDs) and Least Developed Countries (LDCs). The voices of these actors should be highlighted and heard throughout formal negotiation processes and adaptation planning see, for example, <u>https://www.wiltonpark.org.uk/event/wp1631/</u>
- 31. Public discourse on migration and displacement can be highly political and polarising. The climate change community should take account of these dynamics and seek appropriate entry points into this policy discourse. Regional institutions may be wellplaced to build 'mini-multilateralism' and cooperation at the subnational level, including between local administrators and politicians.
- 32. Migration as a result of climate-induced displacement will also have cross-border impacts and, if not accounted for in national adaptation planning, will strain both migration-producing and recipient nations. In this context, challenges may arise related to securing access to human rights, livelihoods and equal opportunities for displaced people. This will require adapting the social contract between governments and citizens of recipient nations, who may be less receptive to receiving migrants if they believe that their economic and social interests will be adversely affected.
- 33. Migration is likely to interact with other risk pathways, including the biophysical pathway related to health risks, and the trade and finance pathways, via changes to production and consumption patterns. This may make studying and managing transboundary climate risks of this type more difficult.

Opportunities for action

 While the discipline of climate attribution science is developing apace, attribution of migration flows to climate change remains a key challenge; further research in this area is needed.

⁵ S. Opitz Stapleton et al., *Climate change, migration and displacement: the need for a risk-informed and coherent approach*, ODI Report, November 2017.

- In the UNFCCC context, opportunities to integrate transboundary climate risks along the people pathway may exist as part of the Warsaw International Mechanism for Loss and Damage (WIM), which focuses on addressing loss and damage associated with the impacts of climate change, including both extreme and slow-onset events.
- Outside of the UNFCCC, the Global Compact on Migration may have a role to play, particularly under Objective 2, which aims to 'minimize the adverse drivers and structural factors that compel people to leave their country of origin', including promoting the implementation of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda on Development Finance, the Paris Agreement on Climate Change and the Sendai Framework for Disaster Risk Reduction.

Finance pathway

- 34. The finance pathway refers to the transboundary impacts of climate change that manifest when climate events, slow-onset changes or adaptation actions alter the return on overseas investment and shift remittance flows.⁶ Similar to the trade pathway, transboundary climate risks flowing through the finance pathway often have low visibility and can therefore be more difficult to assess and govern. This session explored how climate change might affect the flow of capital, what global trends need to be accounted for and some of the implications for foreign direct investment and remittances. The session also identified how these impacts can be managed through adaptation responses and existing financial institutions and systems.
- 35. Foreign direct investment is an important vehicle for the 'globalisation of local risks'. Research indicates that, owing to the interconnected nature of insurance markets from the local to the global level, only a fraction of risk exposure may remain within a country's boundaries, with a significant portion moving out to global markets.⁷

Good practice examples

36. Multilateral development banks (MDBs) publish annual reports on climate risks, which summarise initiatives and opportunities to address these risks via different financial mechanisms and schemes. MDBs also have internal mechanisms to screen projects for climate risks. Private sector actors could learn from this example; many do not report on these risks or employ similar screening procedures.

Outstanding complications and needs

- 37. While there was broad agreement that environmental and climate risks are not properly understood and encoded in financial systems, the session also raised a number of wider questions. How can climate risks be better incorporated into investment decisions? How can the benefits of resilience be properly reflected within assessments of risk? How should resilient infrastructure be defined? How can actors justify high capital expenditure in the short term in favour of reduced operational costs in the long term?
- 38. Many investment decisions that do account for climate risk often do so superficially, and rarely consider opportunities to invest in building resilience. Policy options to address this imbalance should be considered, possibly in the form of tax credits, ratings systems or other incentives to promote public goods and minimise public harms.

⁶ J. Hedlund et al., 'Quantifying transnational climate impact exposure: new perspectives on the global distribution of climate risk', *Global Environmental Change*, 52, 75–85, 2018.

⁷ S. V. R. K. Prabhakar and R. Shaw, *Globalization of local risks through international investments and businesses: a case for risk communication and Climate Fragility Reduction*, Institute for Global Environmental Strategies and Keio University, n.d.

Opportunities for action

- To facilitate lesson-learning regarding transboundary risks and the private sector, participants suggested that those responsible for preparing country development strategies engage with private sector stakeholders to share knowledge and build capacity.
- An opportunity exists to create a 'Working Group on Transboundary Risks to Private Banks and Financial Institutions', drawing on the experience of MDBs and innovative methodologies to share lessons and build a community of practice in this area.

Governing transboundary climate risks across scales

- 39. Building on earlier discussions, the dialogue then turned to how transboundary climate risks can be governed equitably and effectively across scales. Opportunities exist for managing transboundary climate risks at their sources, along risk pathways and at their destinations. In this context, global, regional, national and local actors should work in concert to manage transboundary risks in a way that centres on the experiences of people and promotes adaptation as a global public good.
- 40. Participants noted in particular that the organisations and mechanisms tasked with managing transboundary risks need the capacity and legitimacy to do so, and should ideally build upon existing regulatory and policy frameworks. In some cases, it will be necessary to develop new tools or involve new actors, potentially including regional adaptation plans or sector-specific strategies linking teleconnected actors across supply chains.
- 41. Key messages related to the governance of transboundary climate risks across scales include:

At the global scale

- Climate change will affect people in all countries, and managing transboundary climate risks will require the concerted effort of all countries, working in cooperation with neighbours and partners globally. Raising awareness of transboundary climate risks should be done in a way that does not exacerbate tensions between countries, focusing instead on the benefits of developing a common understanding of problems and identifying relevant solutions.
- Governance can be difficult when knowledge is incomplete. Efforts are needed to
 outline the positive and negative impacts of adaptation and to evaluate how risk
 profiles might change as transboundary risks become better known. Given the
 urgency of the climate challenge, the global community should begin to develop
 flexible policy frameworks and take action grounded in research and experience.
- The Adaptation Committee under the UNFCCC has a mandate to strengthen the coherence of adaptation policy within and beyond the UNFCCC process. This includes transboundary climate risk governance, although the Adaptation Committee has not yet identified this as a policy priority. The Global Commission on Adaptation could be important in drawing the attention of the Adaptation Committee and others to the nature and importance of transboundary climate risk governance.
- Opportunities exist to integrate transboundary climate risk in funding mechanisms, with the Green Climate Fund (GCF) highlighted as a source of potential financing. The GCF takes a country-driven approach, which may make it difficult to finance adaptation projects that focus on transboundary risks. Even so, participants suggested that, if countries were to approach the GCF and request support for building capacity to assess and manage transboundary climate risks, including potentially developing project pipelines in partnership with other countries, financing such activities would be possible. The GCF Readiness Programme and Project Preparation Facilities may be important vehicles for building capacity around transboundary climate risks and developing bankable projects or programmes for submission.

 There are roles for governing transboundary climate risks outside the UNFCCC, including via actors focused on particular systems or sectors, such as the World Trade Organisation, the Food and Agriculture Organisation the UN High Commissioner for Refugees, or UN Conventions such as the UNCBD and UNCCD.

At the regional scale

- There are historical examples of effective mechanisms for governing transboundary climate risks at the regional scale, including some discussed elsewhere in this report. In many cases, cooperation is limited to managing a single common resource, such as the Latin American dry corridor. Participation is often voluntary and may be insufficient for some transboundary climate risks.
- Regional Adaptation Plans were identified as one possible mechanism for improving adaptation planning related to transboundary climate risks. While participants agreed that broader adaptation planning was needed, a variety of views were expressed about the utility of regional or sectoral adaptation plans.
 - Supporters of regional adaptation planning pointed to the need for more integrated planning across borders, as well as leveraging resources by countries with limited capacity.
 - Others were critical of the already burdensome nature of National Adaptation Planning, particularly for LDCs and SIDS, and suggested that additional complexity and processes were unlikely to gain political support. Likewise, considerations of state sovereignty and the country-driven nature of UN processes could cause complications, and regional adaptation plans are unlikely to deal effectively with non-contiguous transboundary risks such as those in the trade and finance pathways.

At the national scale

- Preparations for National Adaptation Plans (NAPs) may present an opportunity to include transboundary climate risks in adaptation planning processes. By employing systems-level analysis, countries could use NAP preparations to analyse their transboundary risk exposure and develop approaches to managing these risks.
- In many cases, transboundary climate risks are cited in National Adaptation Plans and similar documents, though they are often not referred to in these terms. Common instances include conflict, migration and food supply and production. The Fiji National Adaptation Plan Framework, for example, addresses the possibility of planned relocation in the event of sea-level rise.
- There are concerns that NAPs may be insufficient tools for collaborative planning or for facilitating adaptation across borders. However, there is a widely felt need for further knowledge management and data pooling mechanisms between countries, suggesting that in some cases this constraint may be overcome by identifying areas of clear mutual interest for cooperation.
- Broad stakeholder consultation will be an important element in developing NAPs that account sufficiently for transboundary climate risks, including with subnational planners, experts and planners from other countries.

At the subnational scale

 Subnational actors often have closer connections to local communities and it is often at this level that day-to-day decisions on adaptation are taken and implemented. Civil society can be included in this dialogue by working with local officials to share concerns and expertise. Local cross-border networks are often also more resilient in the face of national and global geopolitical change; building capacity at the local level is vital to building resilience. Regional networks of local and subnational actors can be harnessed to raise awareness of transboundary climate risks and ensure that countries have ownership of issues and responses. There are examples of cooperation at subnational level (such as the C40 Cities Climate Leadership Group) and city level (such as Cape Town), which may offer valuable networks for managing transboundary climate risks.

Moving forward: next steps and recommendations

42. Based on these discussions, a number of options for next steps were identified. They have been broadly categorised into four groups: 1) Visibility; 2) Evidence; 3) Influence; and 4) Convening. Action on all four of these pillars will be required to engender a paradigm shift in how we approach adaptation as a global public good.

Visibility

- 43. There is a continued need to raise awareness of transboundary climate risks to enable actors at all levels to understand, measure and explicitly acknowledge the costs of inaction and non-cooperation, and the benefits of adaptation, regional resilience and global multilateralism.
- 44. Raising awareness of transboundary climate risks among civil society and other nongovernment agencies will be crucial to stimulate demand for associated activities and responses. Such an approach would also offer opportunities to gain greater understanding of local and subnational political processes and entry points at different scales.
- 45. Cross-government participation in national adaptation planning and awarenessraising on transboundary climate risks among key sectoral ministries involved in national development planning (including ministries of finance) should be a priority – aided by robust guidance and practical tools for effective decision-making.
- 46. Putting transboundary climate risks on the radar of financing mechanisms will accelerate their integration into project terms of reference and avoid lengthy delays associated with planning processes. Raising awareness of transboundary climate risks among key climate financing mechanisms, including but not limited to the Green Climate Fund, will also be crucial to drive adaptation on a sufficient scale.
- 47. Other opportunities to raise awareness and enhance capacity to manage transboundary climate risks exist within UN agencies and global frameworks. Participants noted that links between transboundary climate risk impacts and the Sustainable Development Goals (SDGs) are not yet fully recognised and should be further articulated.

Evidence

- 48. Advancing this agenda will require building up the evidence base to better identify, govern and manage transboundary climate risks.
- 49. An analysis of NAPs on the extent to which they identify and account for transboundary climate risks is an important first step in addressing data gaps. Findings from the Intergovernmental Panel on Climate Change (IPCC)'s 6th Assessment Report may also shed light on transboundary risks and responses as they pertain to perceptions of cost–benefit ratios, adaptation and mitigation options and societal responses, and via the IPCC's review of regional and sectoral climate information. Modelling is a valuable tool, and should be harnessed to enhance understanding of multiple or compounding risks, unforeseen sectoral impacts and future unknowns.
- 50. Access to data is a challenge for both public and private sector actors. Where data on transboundary climate risks is available and scientifically robust, it is often either too complex for non-climate specialists or insufficiently granular to support decision-making. In the private sector, companies are reluctant to share data for competition

and confidentiality reasons, while national governments lack capacity and incentives. In both cases, steps must be taken to build the necessary trust to facilitate and promote cooperation.

- 51. More sophisticated data is required on the impact of investing in adaptation (or resilience) to better frame incentives for the private sector, overcoming the challenge of slow-onset climate impacts and the longer-term realisation of the benefits of adaptation responses.
- 52. Data should be tailored, targeted and synthesised to communicate effectively within and across government ministries (for instance, providing an interface for transboundary climate risks with health and well-being impacts that policy-makers in health ministries can visualise).
- 53. Assessing and analysing transboundary climate risks will also require datasets beyond the impacts of climate change, including on human health, financial wellbeing and other socio-economic factors, to establish the risk rationale for adaptation action.

Influence

- 54. Processes under the UNFCCC have a high degree of legitimacy and provide ample entry points to raise the profile of transboundary climate risks and strengthen their governance. There is a concrete opportunity to issue guidance (to which many countries are receptive/responsive) to the NAP process and to revisions to NDCs (due to be completed by 2020). The UNFCCC also offers opportunities to identify and integrate transboundary risks in sectoral adaptation strategies/approaches and provides a framework under which Parties can promote and coordinate cross-border adaptation activities. There are opportunities for collaboration with the Least Developed Countries Expert Group, the Koronivia Joint Work on Agriculture, and the Executive Committee for the Task Force on Displacement.
- 55. Climate risk assessments should also be integrated into the risk and vulnerability assessments that support NAPs. Guidance could be issued on qualitative scenario planning, political economic analysis and appropriate adaptation methods and channels to facilitate cross-government and cross-sector collaboration. Bridging the gap between decision-makers and implementers will be key.
- 56. Its flexible workplan 2019–2021 provides the Adaptation Committee and interested partners with opportunities to consider transboundary climate risk, including via:
 - Technical papers under Workstream A on adaptation action (where transboundary dimensions could be added to existing local and national dimensions), including those on connecting short-, medium- and long-term adaptation plans and monitoring and evaluation systems.
 - Cooperation with Workstream B on the means of implementation including the Standing Committee on Finance (SCF) and the Green Climate Fund, as well as the technology mechanism and Paris Committee on Capacity-building (PCCB).
 - Collaboration with Workstream C on awareness, and the Adaptation Forum 2020 (where transboundary climate risk could be proposed as a topic).
- 57. There is a need to develop better approaches for translating climate data into action. For example, governments and funding mechanisms could consider making transboundary risk assessment and disclosure a mandatory component in public procurement on infrastructure projects (such as building hydropower plants). MDBs can also embed guidelines on transboundary climate risk into regional project design.
- 58. There is also a need to develop compelling arguments and associated incentives to move from the predominance of emergency response towards an approach focused on building resilience, long-term strategic planning and effective transboundary climate risk management. Countries could highlight successful case studies of transboundary adaptation to help contributor countries build a practical rather than political case for greater funding.

Convening

- 59. Any approach to global adaptation without borders should harness existing networks and inspire new coalitions to raise the profile of transboundary climate risk and harness advocacy or policy entry points.
- 60. Successfully managing transboundary climate risks will involve dialogue between communities, including business, finance, trade and agriculture. To ground and focus such conversations, and attract the right interlocuters, a series of entry points should be posited (supply chain sustainability, for instance).
- 61. Opportunities should be sought to build 'coalitions of the willing' (from the global North and South) to position adaptation as a global issue on a par with mitigation. Such an approach would help to avoid the politics of attribution and retribution which emerged during the mitigation debate. It would also help provide the necessary encouragement to countries, irrespective of their level of wealth or development, to prioritise risk assessments and adaptation responses that recognise and account for their vulnerability to transboundary climate risk.
- 62. The following organisations and initiatives also offer opportunities for the integration of transboundary climate risk: the Africa Adaptation Initiative; the African Observatory for Migration and Development; the Asia-Pacific Ministerial Forum; the Hindu Kush Himalaya Forum; the Asia-Pacific Economic Cooperation (APEC) forum; the Association of South-East Asian Nations (ASEAN); Economic Commission for Latin America and the Caribbean (ECLAC); Pacific leaders in various fora; and the Pacific Islands Forum Secretariat (PIFS).

Authors

Olena Borodyna Research Officer, ODI

Katy Harris Communications Manager, ODI

Kevin M. Adams Research Fellow, SEI

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