

## **Setting the Scene:**

### **Meeting Inputs, Objective, Structure and Expected Outcomes**

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Expert meeting on livelihoods and economic diversification (LED)

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# Inputs from partners of NWP

- A total of **34 case studies** were received, with only 2 under Category II.

| Category                             | Role of economic and livelihood diversification in NAP | Incentivizing economic and livelihood diversification through macroeconomic policy | Processes and tools promoting and integrating livelihood and economic diversification approaches into NAP | Unspecified | Total counts |
|--------------------------------------|--|--|---|-------------|--------------|
| Number of cases                      | 7  | 2  | 25  | 5           | 39           |
| Percentage share of total counts (%) | 18   | 5  | 64  | 13          | 100          |

# Case Highlights:

## The role of LED in NAP

- 7 cases
- Tools and activities highlighted:
  - Natural Resource Management (NRM) techniques
  - Community-based adaptation (CBA): vulnerability and capacity assessment and community adaptation action plans
  - Skills training
  - Investment in relevant economic assets
  - Gender equality
  - Distinguishing and exploring the potential of three broad avenues of autonomous adaptation to CC: agricultural change; livelihood diversification and migration.
- The case by CARE IALPA explores the optimal mix of livelihood diversification among pastoral communities, arguing that livelihood diversification is not always the best solution for certain communities

# Case Highlights:

## Processes and tools for integrating LED into NAPs

- 64% of the case studies are in this category
- A wide spread set of processes and tools reported, relating to:
  - **Capacity building**: Information dissemination (e.g. radio prog); documentation of farmers' local knowledge; training courses and skills improvement; gender mainstreaming.
  - **Technology**:
    - Agriculture-related: Integrated farming system; integrating landuse and water resource planning and cross boundary coordination; climate smart agriculture; introduction of high value crops and value chain models; re-forestation.
    - Energy-related and non-agricultural activities : Distribution of solar lightening devices; charcoal substitution and efficient stove manufacturing and adoption; handcraft
  - **Action research**: project chartering; livelihood mapping; tipping point analysis; vulnerability assessment; migration studies; development and testing of planning tools; multi-pronged strategy for improving productivity, equity and women empowerment; addressing the whole cycle of community adaptation.
  - **Finance**: funding mechanisms (e.g. PPP); asset transfer and help farmers to grow the asset; risk management scheme, including stand-alone insurance scheme or microinsurance as a component
  - **Public ownership and business practice** integration livelihood consideration

# Setting the case studies into perspective

- Raising questions regarding the relationship between diversification and resilience (**the ability to bounce forward**). The role of asset accumulation in supporting resilience.
- What are the **benefits** of diversification?
  - A wider range of options
  - Less affected by fluctuation in the performance of any single economic activity or livelihood option
- What are the **caveats** about diversification?
  - Too much a diversification dilutes the positive effects of those options that happen to benefit from steady market growth or fast technological progress.
  - Benefits of specialisation (e.g. specialised tools and skills) are lost.

# Messages from Response to Advance Questions

Q1: How can we promote economic and livelihood diversification through macroeconomic policies or other means for increased resilience at different scales?

- **Macroeconomic policies:** important to promoting **structural change** within agriculture and across the economy; creating enabling environment; encouraging investment; building alternative skills and capacity.
- **Cautious notes:**
  - LD does not automatically lead to adaptation; nor is it the best solution for everyone
  - Important to ensure that policies promoting ED does not lock HHs into future vulnerability or lead to more CC
  - Need to avoid disabling policies that may undermine livelihood of small holder farmers
  - It is not LD per se that is important, but the ability to diversify.
- **Other means** such as gender equality; social protection; asset accumulation; access to opportunities also matter
- **Multi-factors of LD:** availability and access to assets; availability of labour; ability to manage risks; access to opportunities; vision and skills; gender relationship

# Messages from Response to Advance Questions

Q2: How can we strengthen the linkages between the economic and livelihood diversification approach on the one hand, and the National Adaptation Plan (NAP) process on the other?

## 1. Mainstreaming LED through NAP

- NAPs to emphasise the LED approach and provide the **conceptual framework for LED**, including the development of **resilience indicators system**; to identify priority sectors and activities
- LED should be **a chapter in NAP**
- NAP needs to be informed by **detailed analysis of livelihood assets and their vulnerability to CC**.

## 2. Strengthening and utilising social capital

- Focus on community-based adaptation
- LD can happen either within HHs or in wider **social network** – hence the importance of **broader stakeholder engagement** in adaptation planning processes and assisting **social capital** formation

# Messages from Responses to Advance Questions

Q3: What processes and tools can effectively promote and integrate livelihood and economic diversification into adaptation efforts (including the NAP) in developing countries?

- **Processes:**
  - Capacity building, esp in environmental management and regulation at national level
  - Integrating LED into national planning processes and sectoral plans
  - Providing step-by-step guidance on how to conduct NAPs
  - Adopting participatory approach and bottom-up evidence based prioritisation process
  - Supporting the growth of SMEs
- **Tools:**
  - Vulnerability assessment
  - Community-based adaptation
  - cost-benefit analysis
  - Microcredit (is not always environmental friendly)

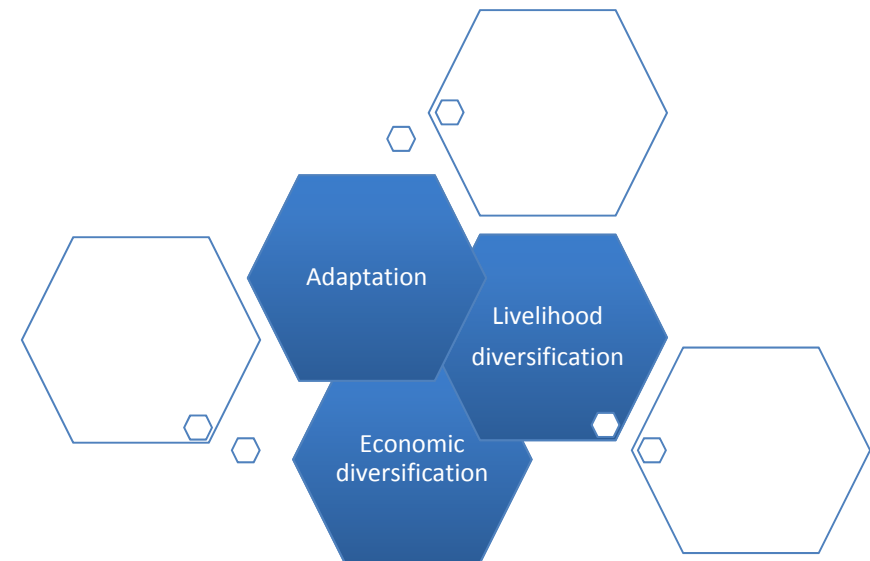


# Objectives of the meeting

- **Overall:** To identify **recommendations** on livelihoods and economic diversification (LED) for adaptation for AC and COP consideration
- **Specific**
  - To identify effective ways to promoting economic and livelihood diversification, especially through macroeconomic policies;
  - To explore the relationship between the diversification approaches and the NAP process;
  - To identify effective processes and tools for promoting and integrating livelihood and economic diversification approaches into adaptation efforts in developing countries, including within the NAP.

# Structure of the meeting

- A total of 5 sessions, four of which are substantive
- Each of the substantive sessions follows the same template:
  - A presentation plus discussants' comments, and Q&A session(30 mins)
  - Small group discussion around guiding questions (105 mins)
  - Rapparteurs' report-back (30 mins)
- Order of the sessions: We start with a session on **economic diversification (ED)** because it could set the context for **livelihood diversification (LD)** as an adaptation strategy to strengthen **resilience**.
- Session 5 is for drawing out take-home messages and identifying recommendations



# Expected Outcomes

- Improved understanding of the relationship between livelihoods and economic diversification, adaptation and resilience.
- Greater awareness of different approaches, measures, processes, tools, good practices for exploring this relationship and lessons learned
- **A list of specific recommendations** for the AC as well as for other relevant bodies, mechanisms and programmes under the Convention, including the AC, the NWP, and COPs.

# Code of Conduct

- This is an opportunity to bring together **different perspectives** and to take stock of **diverse experiences** on LED around the world.
- We are here for **open dialogue** and **collective learning** – there are no correct or wrong answers.
- Let's **listen** to each other and give everyone a chance to speak.
- Please turn off mobile and be punctual!