

Laos/LDCF



Mainstreaming Climate Change into Planning



UN
DP

*Empowered lives.
Resilient nations.*

Dr. Pradeep Kurukulasuriya
Head, Climate Change Adaptation
UNDP-GEF

- 15+ years of Supporting Adaptation
- More than \$1 billion of grants from multiple sources
- More than 160 programmes/projects in over 90 countries
- Leveraging Finance and Partnerships



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Resilience to Climate Change – a necessity

Scale of Damage in Thailand (2011)

Estimated Losses: \$15-20 billion (Swiss Re/Munich Re)

\$21 billion (prop. damage); \$22 billion (opp. costs) (World Bank)



**Climate Change can
no longer be
treated as only as
environment issue**





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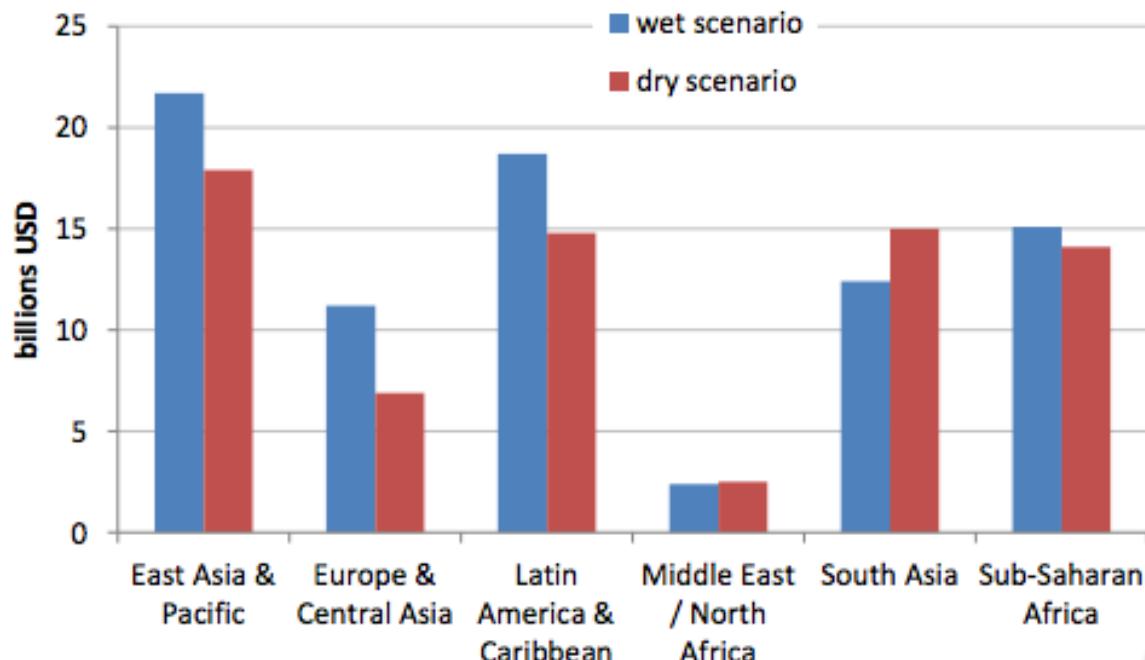
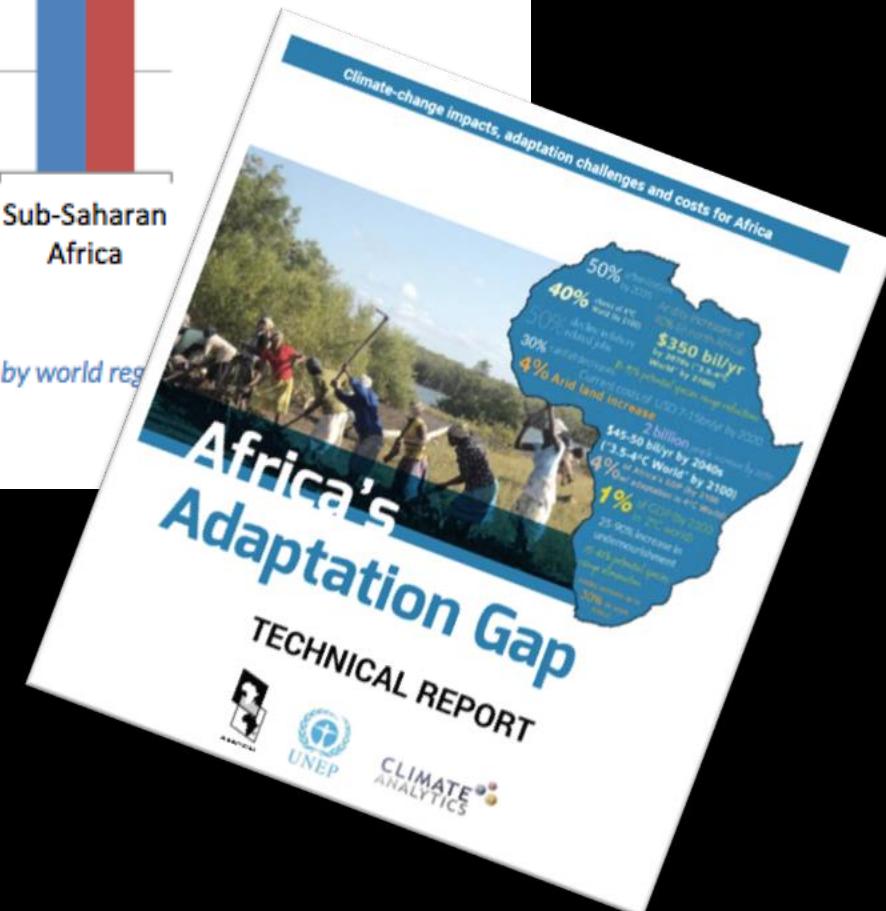


Figure 4.1 Average annual costs between 2010 and 2050 of adapting to 2°C warming globally by 2050, by world region (2010b)



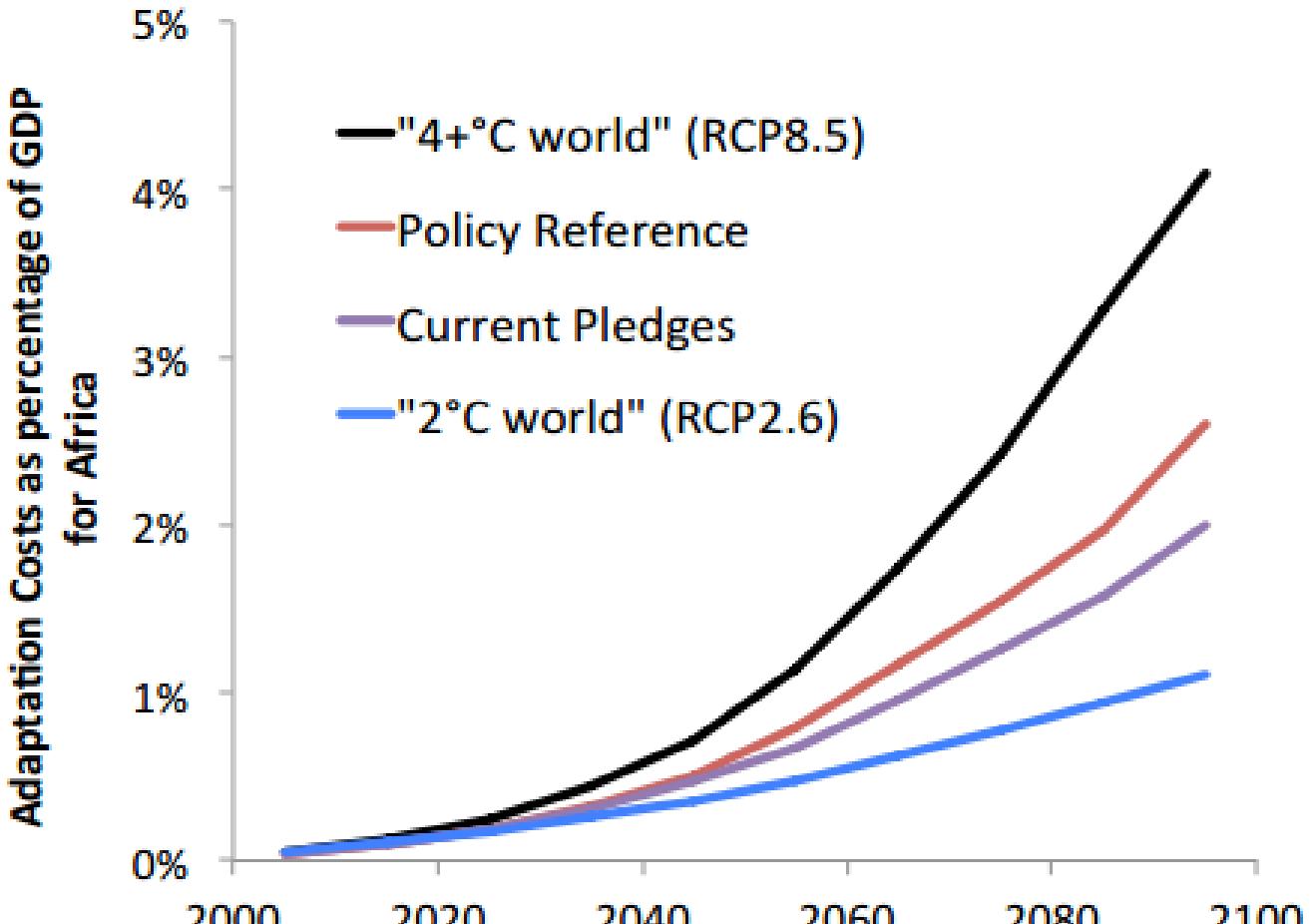


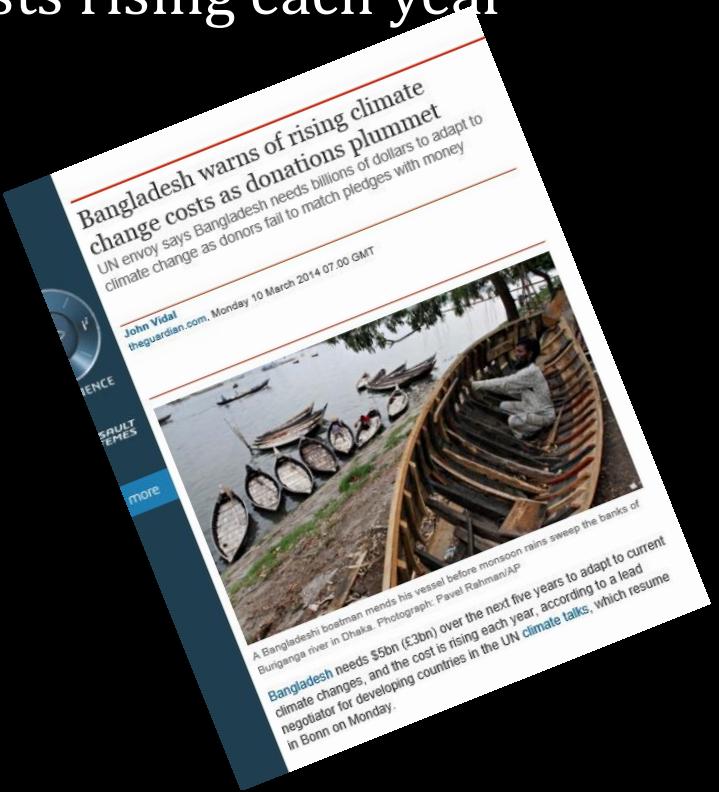
Figure 4.5 Total adaptation costs for all sectors as a percentage of Africa's GDP over time

Source: own calculations using the AD-RICE model.



Scale of Finance for Adaptation

Bangladesh - \$5b over next 5 years to address current climate change with costs rising each year



Malawi- The National Climate Change Investment Plan (2014) and includes a USD 5 billion investment over next 5 years in adaptation, mitigation, capacity development and research & technology.



Take away messages

- 1. Countries have established foundations for integrating climate change into medium- and long-term planning**
- 2. Adaptation finance from multiple sources**
- 3. Critical to focus on “whole of government” approach that supports iterative planning and budgeting that takes climate change into account**





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Objectives of the NAP process

- i) To reduce vulnerability to the impacts of climate change, by building adaptive capacity and resilience;
- ii) To facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.



Ref: Decision 5/CP.17, paragraph 1

A number of challenges to overcome...

- Making National Policy and Planning more coherent
- Strengthening governance and institutional capacity
- Co-ordination and Accountability – National and sub-national for a
- Transparency, Tracking and MRV - Links with national budget and reporting systems
- Supply driven vs. demand led – Getting communities more involved
- Programmatic vs. strategic approach
- Sectoral vs. National mainstreaming approach
- Evaluation



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1. The NAPA Process - Going beyond urgent and immediate -

Advancing the NAP process: integrating CCA into policies, plans

- 47 LDCF projects integrate CCA into **106 national development policies, plans and frameworks in 35 LDCs**
- 49 projects will allow **33 LDCs** to enhance their national hydro-meteorological and **climate information services**
- institutional, technical and human capacity building is being provided to **251 key, national and sub-national agencies/ institutions**; with more than **460,000** people receiving training on CCA



2. Through poverty reduction strategies and development strategies



Rwanda
Vision
2020



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N
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P

COOK ISLANDS

Te Kaveinga Nui
(Pathway for Sustainable Development in the Cook Islands)

Living the Cook Islands Vision – A 2020 Challenge

National Sustainable Development Plan
(2007- 2010)

Agenda 2050 A – Sustainable Development in the Cook Islands
National Sustainable Development Strategy (2002-2005)

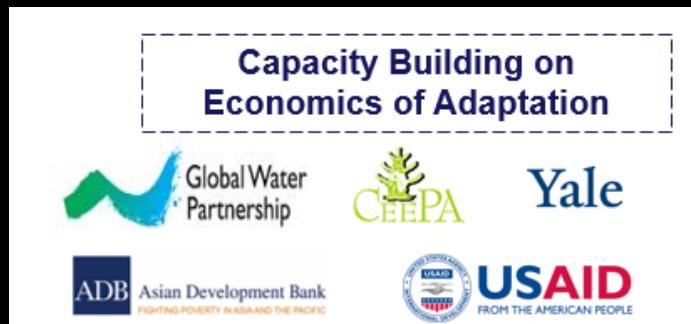
The crest of the Royal Government of Cambodia, featuring a central shield with a golden lion, flanked by two lions, all under a golden umbrella.

KINGDOM OF CAMBODIA
Nation, Religion, King

ROYAL GOVERNMENT OF CAMBODIA

National Strategic Development Plan
(2014-2018)

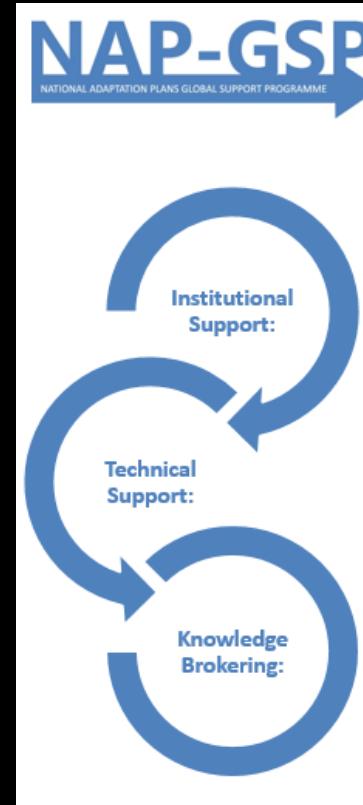
3. Targeted capacity building initiatives



Capacity building on Climate Expenditure and Institutional Reviews (CPEIRs)



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Capacity building on Climate Information Systems in Africa



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- *Source of finance for adaptation - numerous*
- *Public finance – internal (domestic) and external (donor)*
 - *Public finance alone is not currently sufficient; Public finance alone is not going to be sufficient*
- *Private Sector (Domestic, international)*
 - *Innovative finance*



Adaptation Finance is unlikely to be at the scale required without an effort to remove a few key barriers

- Need to ***create conditions that attract finance*** without compromising development goals and sharing cost burden on end-users.
- ***Multiple stakeholders*** (investors, end-users, policy makers, supply chains, etc)
- Broad ***spectrum of policies, incentives and support mechanisms*** to
 - (a) reduce risks (i.e. lower cost of capital)
 - (b) increase rewards (i.e. premium prices, credits, etc)



Making Systems and Institutions Climate Finance Ready is Important



Financial Planning

- Assess needs and priorities, and identify barriers to investment
- Identify policy mix and sources of financing

Accessing Finance

- Multiple access channels
 - Blend and combine finance
- Formulate project, programme, sector-wide approaches to access finance

Delivering Finance

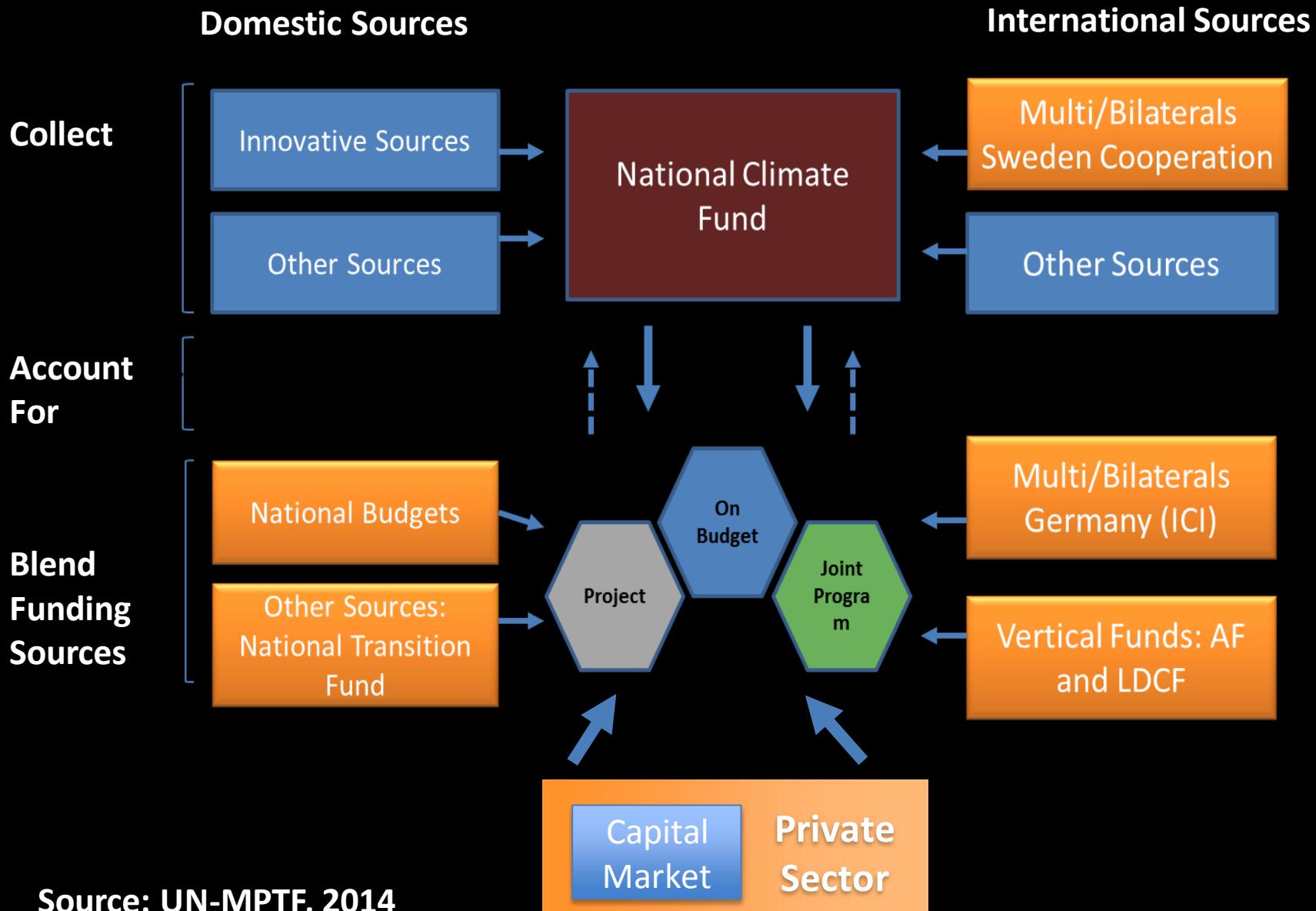
- Implement and execute project, programme, sector-wide approaches
- Build local supply of expertise and skills
- Coordinate implementation

Monitor, Report & Verify

- Monitor, report, and verify flows of results and funding
- Performance-based payments

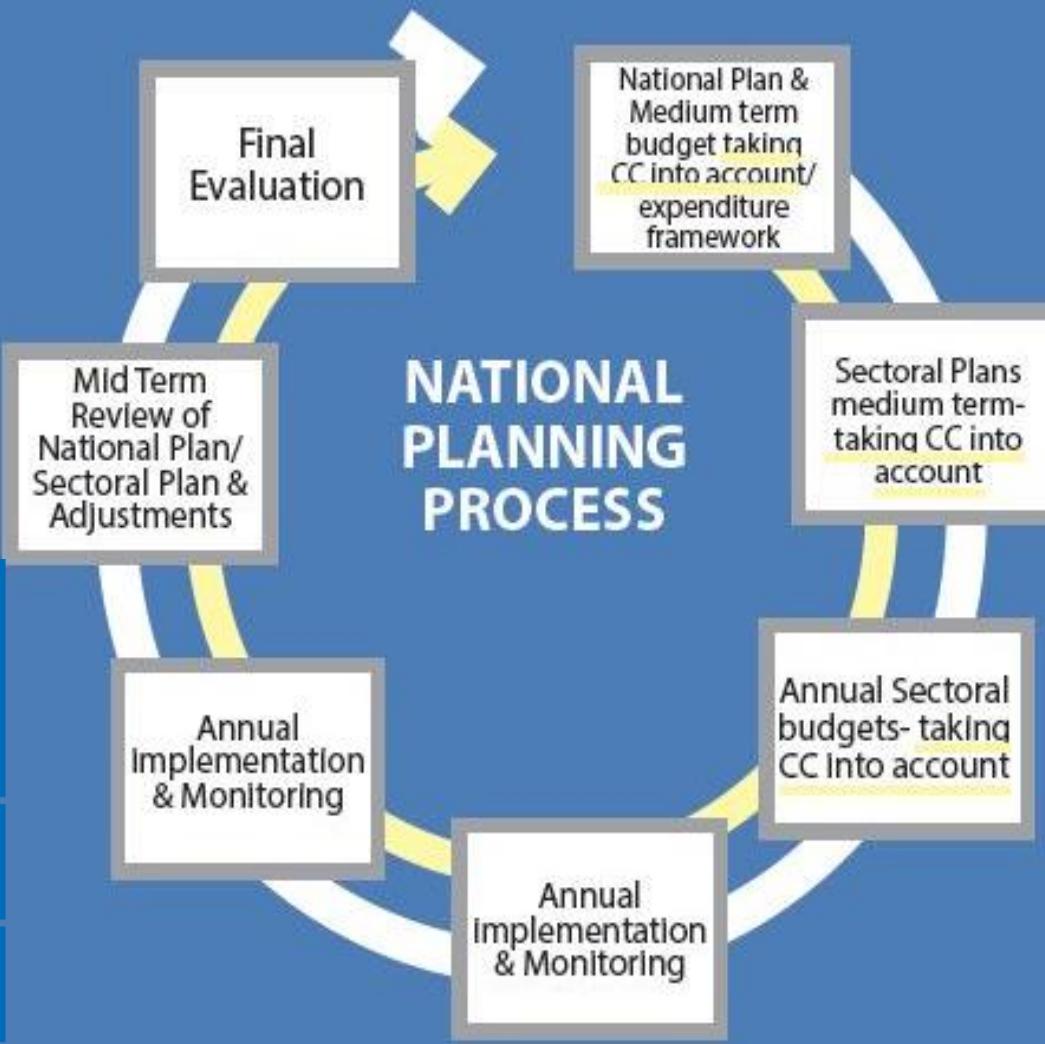
- **Elements are not one-size-fits-all**
- **Efforts don't need to start from scratch**
- **Readiness is an ongoing process**

Integrated Model ‘Blended Finance’

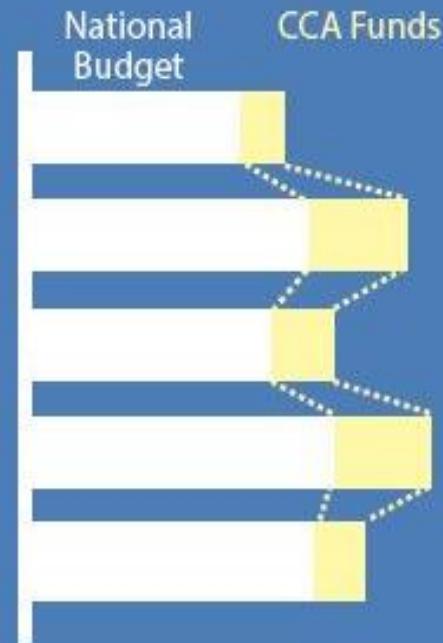


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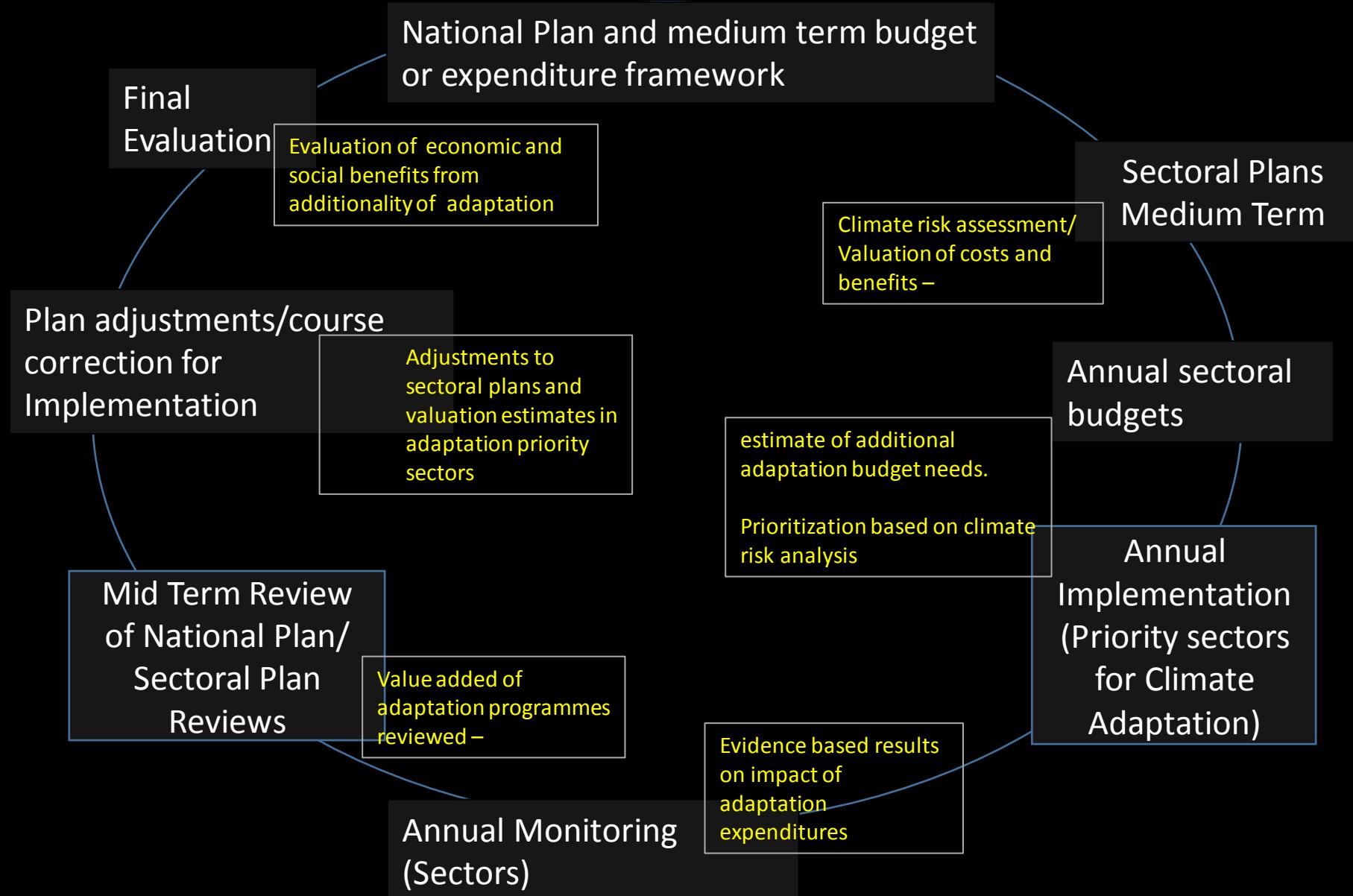


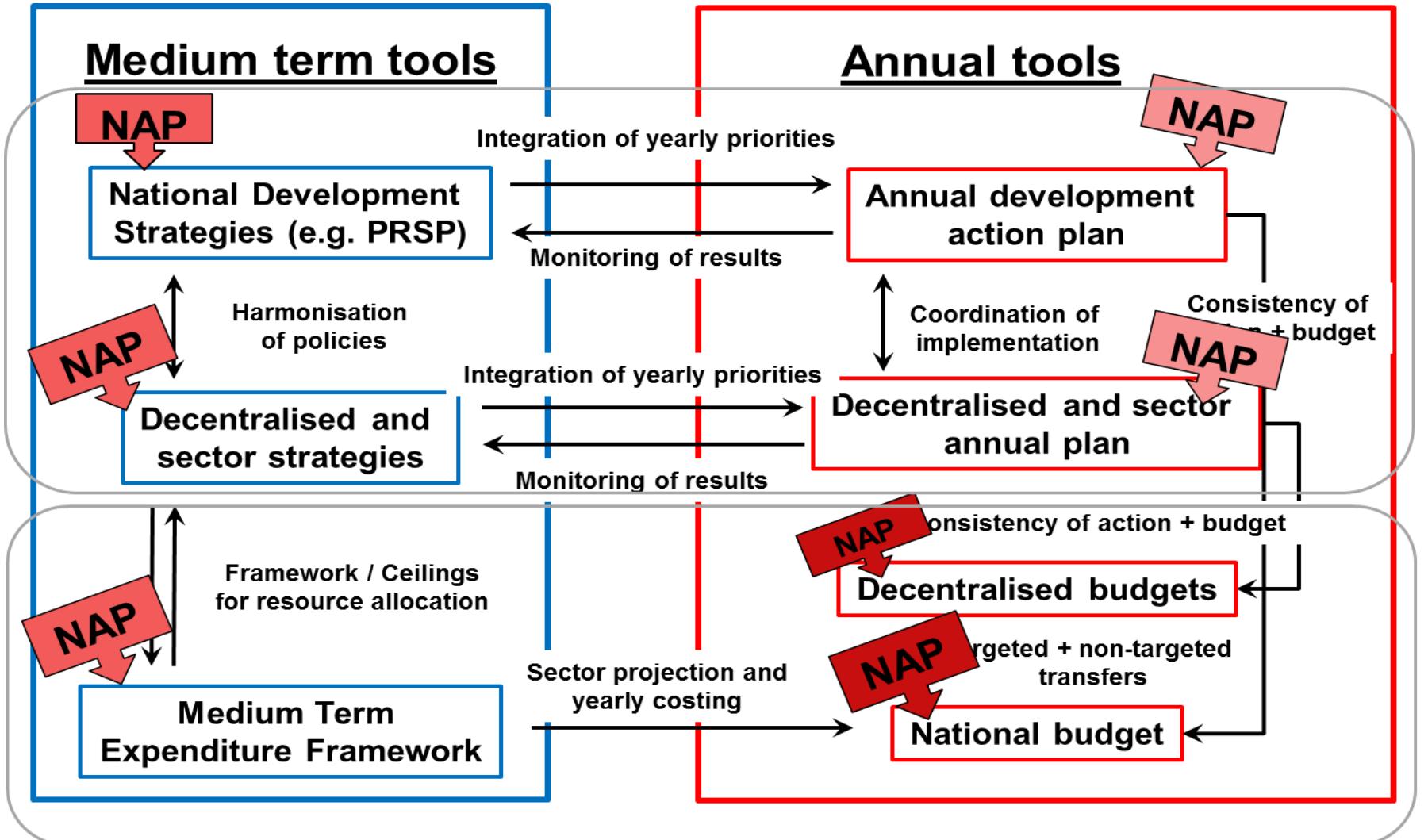
NATIONAL BUDGETING PROCESS



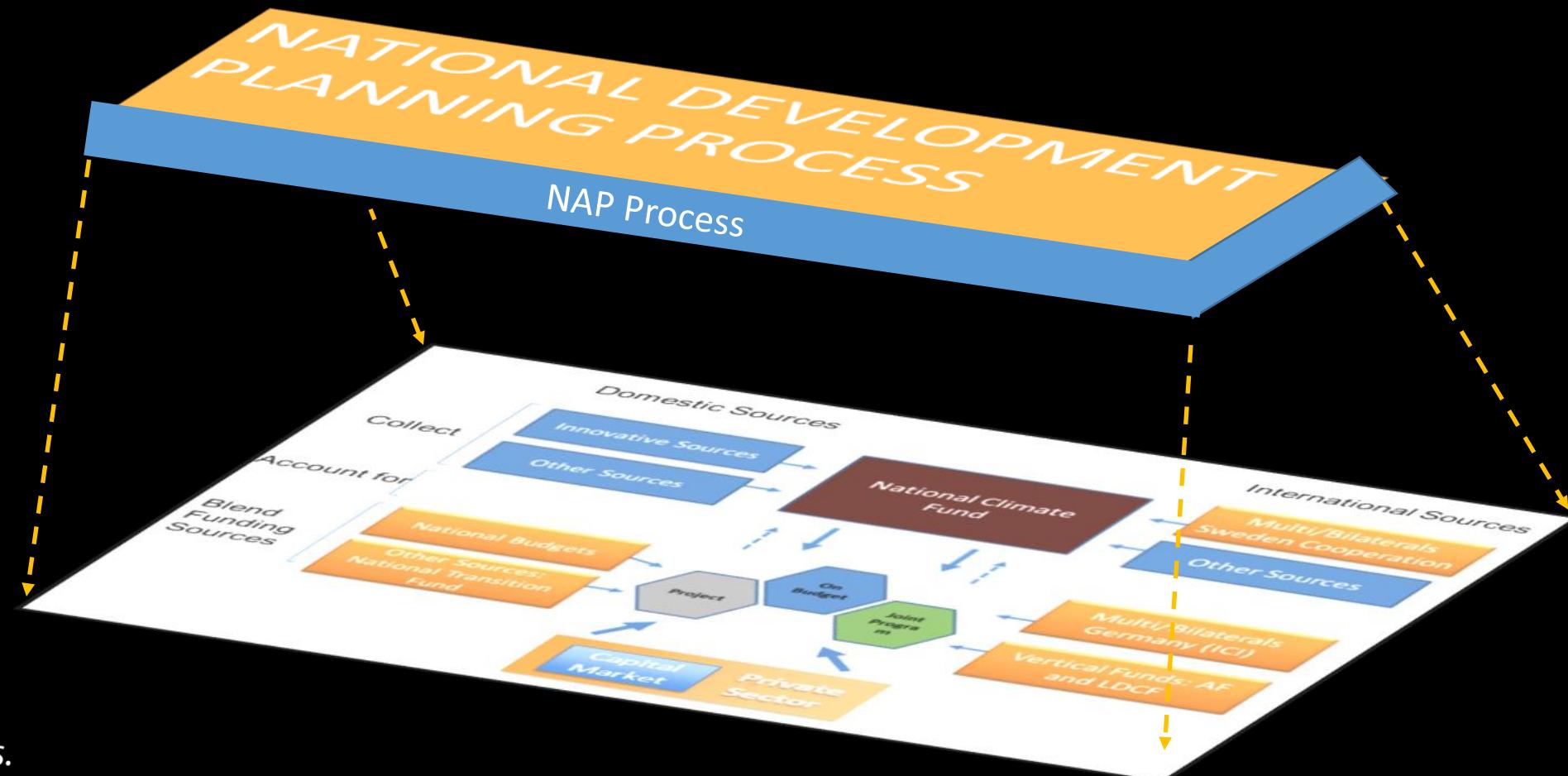
National Planning and Budgeting Cycle: Country X

Entry points and Tools for Addressing Climate Risk





A Defining Framework for Medium and Long-Term Climate Change Adaptation Challenge



So, What Does This All Mean?

Making Sure that Efforts Have an Impact on the Ground

Cambodia/LDCF



Guatemala/SPA



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Vanuatu/SCCF



Laos/SCCF

Some lessons to bear in mind

Focus on the process – Inclusive national dialogue and strong ownership from multiple stakeholders

- Establish institutional structures and mechanisms that are demand led and enable innovation, accountability and transparency
- Strengthen capacities of national institutions to plan, budget, track and monitor climate finance
- Build public capacity to design and implement national programmes and projects that are results (benefit) based and sustainable
- Establish robust M&E systems to track and measure climate finance effectiveness



- National Climate Change Policies need to clearly link to development planning and finance. (CC Fiscal Frameworks, national co-ordination mechanisms and national capacity building initiatives)
- Innovative Instruments and financing modalities need to be explored
- Challenging political economy as discussion starts to involve non traditional stakeholders e.g. Private sector, Ministries of Finance and planning
 - Priority setting is **lengthy & complex** due to competing agendas among sectoral ministries
 - Opportunity for South-South learning – How do we get this right?
- Use of country systems and effective institutions – Key issues to address also through the development effectiveness platform



- **Technical capacities** for iterative climate considerations in planning and budget required (to assess finance needs, first need to understand costs/benefits of adaptation over different time scales)
- **Elements are not one-size-fits-all** - Different configurations of these four components can exist within institutions, between institutions, or across national or sectoral systems.
- **Not starting from scratch** – Many countries have parts of these systems in place. The challenge is identifying them and organizing them to produce an effective system at the national level.
- **Readiness is an ongoing process** – requires long-term engagement and nurturing.



ACTION ON THE GROUND

CAPACITY ENHANCEMENT

BARRIER REMOVAL

POLICY DIALOGUE

- **Policy development:** How is CC policy formulated? Are national CC strategies developed?
- **Provide a framework** for sector-wide approaches & to incentivise private investments
- **Institutional structures:** What are roles & responsibilities of institutions involved in managing CC response & their interaction?
- **Public financial management:** How to quantify & track CC-related expenditures in the budget?
- Developing bankable adaptation projects including training on the economics of adaptation

NAP-GSP, LECB, CPEIR

LDCF/SCCF/AF/Bilateral
financed projects

NAP-GSP, LECB, CPEIR,
LDCF/SCCF/Bilateral
financed projects

CPEIR

Economics of Adaptation



Laos/LDCF



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