

1. ACTIVITIES RELATED TO THE AREA OF THE ADVERSE EFFECTS

1.1 Climate change-related information

During 2008, IFAD carried out a series of activities aiming at improving climate change-related information, including on accessing existing funds for adaptation.

One of the most significant initiatives in this regard is the “**CLIMTRAIN project**: a climate change tailor-made training programme for IFAD Programme Management Department (PMD)”, approved in April 2008. The GECC Unit is responsible for the implementation of this project.

The main goal of the CLIMTRAIN project is to support directly IFAD PMD in building its capacity both in climate change mitigation and adaptation. Specific objectives of the CLIMTRAIN project are:

- a) Strengthening in-house knowledge on climate change issues in the context of rural development.
- b) Sharing knowledge, by developing training material that will be also disseminated externally to IFAD stakeholders.
- c) Building new partnerships on climate change with other UN institutions and development actors, as well as reinforcing existing networks.

CLIMTRAIN has and will continue to gather a wide range of stakeholders, including the UNFCCC Secretariat, other UN agencies - such as the United Nations Institute for Training and Research (UNITAR), the World Meteorological Organization (WMO), the World Food programme (WFP) and the Food and Agriculture Organization (FAO) - the GEF Secretariat, the University of Florence, and the International Institute for Sustainable Development (IISD).

- The First Workshop, entitled “Climate Change and Agriculture: setting the scene”, discussed the United Nations Framework Convention on Climate Change (UNFCCC) context, the climate change science in relation to agriculture and the existing financial mechanisms to support climate change activities. The workshop contributed to increase awareness on how to **access existing financial resources for adaptation, including to support the implementation of national adaptation programmes of action (NAPAs) that identified agriculture and food security as priority sectors of intervention**. The workshop provided information related to the GEF-managed resources for adaptation, as well as possible other options for funding adaptation outside the UNFCCC framework, e.g. the European Commission Global Climate Change Alliance (GCCA). Also, working groups brainstormed on how to integrate climate change vulnerability assessment into country- and sector-specific IFAD projects.
- The Second Workshop, entitled “Climate Change Adaptation and Rural Development: options and instruments for IFAD” centred on climate change adaptation, with a particular attention to community-based adaptation. The workshop considered:
 - Options for climate change adaptation in the agricultural sector; and,
 - Instruments for engaging IFAD in adaptation-related work at the operational level.

A working group exercise was carried out **to integrate NAPAs into IFAD’s Country Strategic Opportunities Papers (COSOPs)**. Also, the workshop participants were trained on the use of CRISTAL (Community-based Risk Screening Tool - Adaptation and Livelihoods), to increase awareness on how to mainstream adaptation into the project preparation phase.

IFAD hosts a web-based portal that includes climate change-related information in the form of statistics, as well as statements, speeches, case study reports and publications. The topics covered in the Rural Poverty Portal highlight how experiences can be transformed into systematic and operations-oriented learning exercises.

Relevant climate change adaptation information is also generated at the project level. For instance, in the context of the “Livestock and Rangelands Development Project in the Eastern Region of Morocco”, a

GEF component supported the preparation of a study entitled “Frequency and impact of natural disasters such as drought, flooding and locust invasion”. The study provides relevant information for climate change adaptation and offers interesting elements to climate-proof the GEF component.

1.2 Access to existing funds for adaptation

With respect to enhancing access to existing funds for adaptation, including through integrating adaptation into development cooperation programmes, in 2008 IFAD **secured funding for adaptation under two UNFCCC climate change funds managed by the GEF**: the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). Both projects are currently under preparation.

- The SCCF-funded Livestock Sector Adaptation project in Mongolia aims to increase the resilience of Mongolian livestock systems to changing climatic conditions by strengthening natural resource management, climate-proofing pasture water supply, and building capacity of herders. In addition, the project includes a component that will develop a parametric insurance product against climate change-induced risk.
- The LDCF-funded project supports the NAPA implementation of Sierra Leone. The project objective is to lessen the impact of climate change on vulnerable rural communities, as well as on natural resources critical for sustaining agricultural production and increasing food security.

IFAD also mobilized **additional resources for climate change adaptation beyond the GEF** through a proposal, currently under preparation, entitled “Support to Rural Poor to address Climate Change in Africa” to be funded by the *Agencia Española de Cooperación Internacional para el Desarrollo* (Spanish Cooperation Agency). The objective of this initiative is to reduce climate change risks and vulnerability in selected poor rural communities in Africa by developing community-based adaptation and mitigation activities through local risk management, expanded and climate-proofed livelihood options and land productivity, increased individual skills, and expanded community participation in decision making and implementation.

IFAD’s **grants** represent another important tool to support climate change adaptation-related work, in particular with regard to agricultural technology development and transfer. In partnership with the CGIAR family, IFAD supported the development of locally-specific, stress-tolerant crop varieties, which respond to the resource base, capacities and production priorities of small farmers. Through its *Indigenous Peoples Assistance Facility* (IPAF) IFAD provided a small grant to the Solomon Island Development Trust for a project aiming to involve the Babanakira and Kolina indigenous groups in enhancing their traditional coping strategies, and merging these with modern scientific and technical knowledge, so as to build their ability to cope with disaster.

1.3 Planning for adaptation

IFAD has also been increasingly **integrating adaptation into its planning process**. IFAD’s results-based Country Strategic Opportunities Papers (COSOPs) are increasingly making reference to climate change among those factors impacting on the agricultural sector and rural poverty¹. For instance, as part of its preparation for the COSOP for Viet Nam IFAD conducted a study, in collaboration with the Global Mechanism of the UNCCD, to review the impact of climate change and resulting land degradation. The study identified potential areas for undertaking adaptation and mitigation measures. For adaptation, particular attention was given to rice production..

¹ All eight COSOPs presented at the Executive Board session of December 2007 and April 2008 address issues of climate change in the country-specific context.

1.4 Risk management approaches and other appropriate responses to the adverse effects of climate change

Promoting a wide range of financial services that rural poor can use for their productive and household needs is part of the core business of IFAD. IFAD's projects have been increasingly including innovative financial instruments to address weather-induced risks and hedge farmers against vulnerability. An example is the IFAD co-funded initiative in China aiming to develop and implement an **index-based weather insurance** system. This initiative will insure rural poor people's incomes against weather hazards.

Other risk management approaches supported at the project level include the development of early warning systems and preparedness plans for both floods and droughts.

In addition, response measures included the establishment of reserve or emergency funds for climate-related disasters. For instance, in Bangladesh an IFAD project has established a disaster reserve fund to face losses caused by flooding and other extreme weather events as part of a microfinance package. Similarly, in Mongolia an IFAD project has established an emergency fund in case of *dzud* (harsh winter).

To increase its engagement in disaster risk management activities, IFAD established with WFP and FAO a partnership for Disaster Risk Management (DRM) in Food and Agriculture.

2. ACTIVITIES RELATED TO THE IMPACT OF THE IMPLEMENTATION OF RESPONSE MEASURES

IFAD's work in this area is mainly related to economic diversification. Most of IFAD operations promote economic diversification as a strategy to support rural development, targeting in particular women and young people. This is in line with IFAD Strategic Framework 2007-2010 that includes among its strategic objectives to "offer opportunities for rural off-farm employment and enterprise development". A more detailed description of IFAD's strategy can be found on the IFAD website (<http://www.ifad.org/sf/index.htm>), which also provides country-specific information.

The promotion of income sources beyond agriculture aims to reduce the vulnerability of poor rural households to climate-induced crop and livestock failure. One approach is to support rural communities to enable them to exploit their natural resource base more sustainably. IFAD also assists poor rural people in broadening their income sources by providing sustainable access to local financial and business services.