



INSTITUTO  
TORCUATO DI TELLA

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Assessing investment and  
financial needs for adaptation  
in the Agriculture and  
Biodiversity sectors:  
experiences in Latin America

UNFCCC technical workshop on costs and  
benefits of adaptation options  
Madrid, Spain  
22-24 June 2010

Background

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- ❑ UNDP global project “Capacity Development for Policy Makers to Address Climate Change” was launched in May 2008.
- ❑ Instituto Torcuato Di Tella (ITDT) is one of the 5 Regional Centers that provide methodological trainings and technical backstopping to countries participating in the project.

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- The UNDP Project
  - Assessment approach
  - On-going efforts: Agriculture and Biodiversity sectors
  - Lessons learned

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## THE UNDP PROJECT

## UNDP Project

- ❑ National I&FF assessment
- ❑ 19 development countries participating:
  - ❑ Latin America & the Caribbean (10): Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Nicaragua, Paraguay, Peru, St. Lucia and Uruguay.
  - ❑ Africa (6): Algeria, Gambia, Liberia, Namibia, Niger and Togo.
  - ❑ Asia (3): Bangladesh, Nepal and Turkmenistan.
- ❑ Regional Centers of Excellence
  - ❑ Africa:
    - Pan-African START Secretariat (PASS) (Tanzania)
    - ENDA Tiers Monde (Senegal)
  - ❑ Asia:
    - Oxford Consulting Partners (OCP) (UK)
    - The Energy and Resources Institute (TERI)
  - ❑ Latin America and the Caribbean:
    - Instituto Torcuato Di Tella (ITDT) (Argentina)

## ASSESSMENT APPROACH

## Assessment approach

- ❑ Methodology guidance including a methodology guidebook developed:
  - Countries select up to 3 key sectors and consider adaptation and/or mitigation options for each one.
  - They estimate the additional IF (physical assets) and FF (programmatic measures) that are needed to implement these measures.
  - I&FF are estimated for a baseline scenario (continuation of current policies and plans) and an adaptation/mitigation scenario (additional measures to address climate change).
  - The difference between these flows represents the sector-specific adaptation/mitigation I&FF needs.
- ❑ Benefits are assessed only qualitatively (it is neither a CBA nor a CEA).

## UNDP I&FF Methodology: 9 steps

1. Establish key parameters of the assesment:
  - Sector scope (subsectors)
  - Identify key adaptation/mitigation measures
2. Compile historical I&FF and other data to project scenarios
3. Define Baseline Scenario
4. Derive I&FF for Baseline Scenario
5. Define Adaptation/Mitigation Scenario
6. Derive I&FF for Adaptation/Mitigation Scenario
7. Subtract flows to estimate changes in I&FF needed to implement adaptation/mitigation options
8. Evaluate policy implications
9. Synthesize results in a report

# ON-GOING EFFORTS: AGRICULTURE AND BIODIVERSITY SECTORS

## Agriculture Sector

- ❑ Selected by 5 countries: Colombia, Ecuador (Food Security), Paraguay, Perú and Uruguay
- ❑ Sector scope (preliminary definitions):
  - Main crops
  - Main agricultural areas
  - Family/entrepreneurial farming
  - Animal production
- ❑ Type of preliminary adaptation measures considered:
  - Changes in crop varieties and management
  - Agroforestry systems
  - Pest, disease and fire management
  - Early warning systems
  - Research and development (of new crops, etc.)
  - Institutional programmes (education, assistance)
  - Land-use planning

## Biodiversity Sector

- ❑ Selected by 1 country: Costa Rica
- ❑ Sector scope (preliminary definitions):
  - Land ecosystems
  - Sea-coastal ecosystems
  - Continental water ecosystems
  - Knowledge generation
  - Forest fires
- ❑ Type of preliminary adaptation measures considered:
  - Strengthening of the protected areas system (land and water)
  - Increase control of land-use change and illegal tree felling
  - Conservation and restoration of ecosystems
  - Species protection
  - Monitoring of climate change effects and biodiversity
  - Improve fire protection systems
  - Education programmes

## Rationale for choosing adaptation measures

- ❑ **Vulnerability assessments:** countries selected sectors according to their socio-economic importance and potential vulnerability to climate change impacts.
- ❑ **National development priorities:** Climate change is considered in the context of national and sectoral planning (impact assessments, NAPAs, National Communications).
- ❑ **Ad-hoc evaluation:** some countries are planning CBAs aimed at prioritizing measures according to their benefits.
- ❑ **Measure-selection process:**
  - Preliminary list prepared according to available national information.
  - Measures discussed with stakeholders in Inter-Ministerial Dialogues.
  - Government takes final decision.

## I&FF assessment

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- 1 country is at the final stage of the I&FF assessment (Costa Rica).
- In the other participating countries the analysis is either under way or in an initial phase.
- Other assessments are expected to be finished by December 2010.

## LESSONS LEARNED

## Good practices and achievements

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### □ Good practices identified

- Cooperation among ministries: discussion of priorities and information provision

### □ Main achievements

- Climate change planning is being introduced in the development agenda of Latin American countries.
- Institutional arrangements or new institutions to address climate change are being developed (eg., inter-ministerial committees).
- National technical capacity to assess costs of adaptation options is being strengthened.

## Difficulties

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### □ Difficulties encountered

- Information gaps: missing or incomplete data
- Uncertainty: how to deal with uncertainty and incorporate multiple scenarios (difficulties in projecting the range of needed adaptation options).
- How to prioritize policies and measures.

Web-based knowledge platform: <http://www.undpcc.org/>