



ADAPT Asia-Pacific: Facilitating Access to Climate Change Adaptation Funds for Asia and the Pacific

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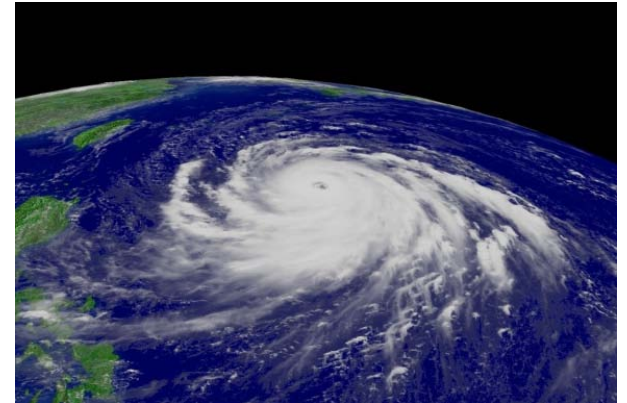
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Overview of ADAPT Asia-Pacific Project

Context for ADAPT Asia-Pacific

- Increasing risk in Asia and the Pacific associated with climate-related extreme weather events and sea level rise
- Large adaptation costs in Asia-Pacific
 - ♦ \$40 billion per year to 2020 (WB & ADB)
- Existing climate change funds which support adaptation and anticipated growth (if pledges are honored)
- Constraints faced by countries in accessing the funds



Strategic Response from USAID/RDMA

ADAPT Asia-Pacific - The Climate Change Adaptation Project Preparation Facility for Asia and the Pacific

- A regional adaptation project preparation facility supported by USIAD Regional Development Mission for Asia (RDMA)
- Key objective to help governments in Asia and the Pacific accelerate their access to the increased pool of international climate change adaptation funds
- Started activities in October 2011.

What does ADAPT Asia-Pacific hope to achieve?

Sustainable knowledge transfer, capacity building and TA-driven facility through four principal tasks:

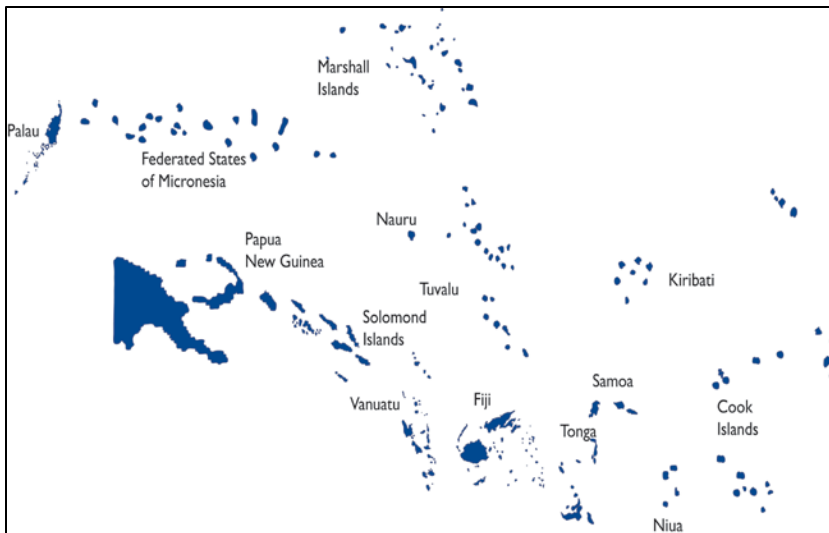
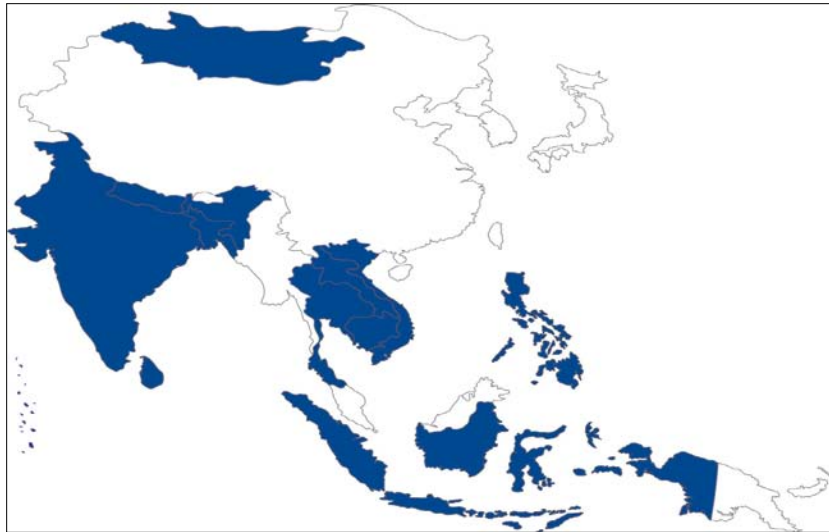
- **Project preparation** - provide specialized TA to country partners in preparing adaptation project proposals.
- **Capacity building** - strengthen practitioner capacity to prepare adaptation projects through targeted capacity building/training.
- **Annual forum** - promote networking and training through regional events, including an annual forum.
- **Knowledge platform** - strengthen the Asia-Pacific Adaptation Network (APAN) regional platform for knowledge sharing on climate fund eligibility, best practices etc.



Key Parameters of ADAPT Asia-Pacific

ADAPT Asia-Pacific

- Period of Performance: FY 2012- 2016
- Total Estimated Cost: \$17,019,103
- Office location: Bangkok, Thailand
- Implementing Partners: AECOM and IGES



ADAPT Asia-Pacific

Geographic Coverage

- 13 countries - Bangladesh, Cambodia, India, Indonesia, Laos, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, Timor-Leste, and Vietnam
- 1.8 billion people
- Recent decision to add 14 Pacific Island countries

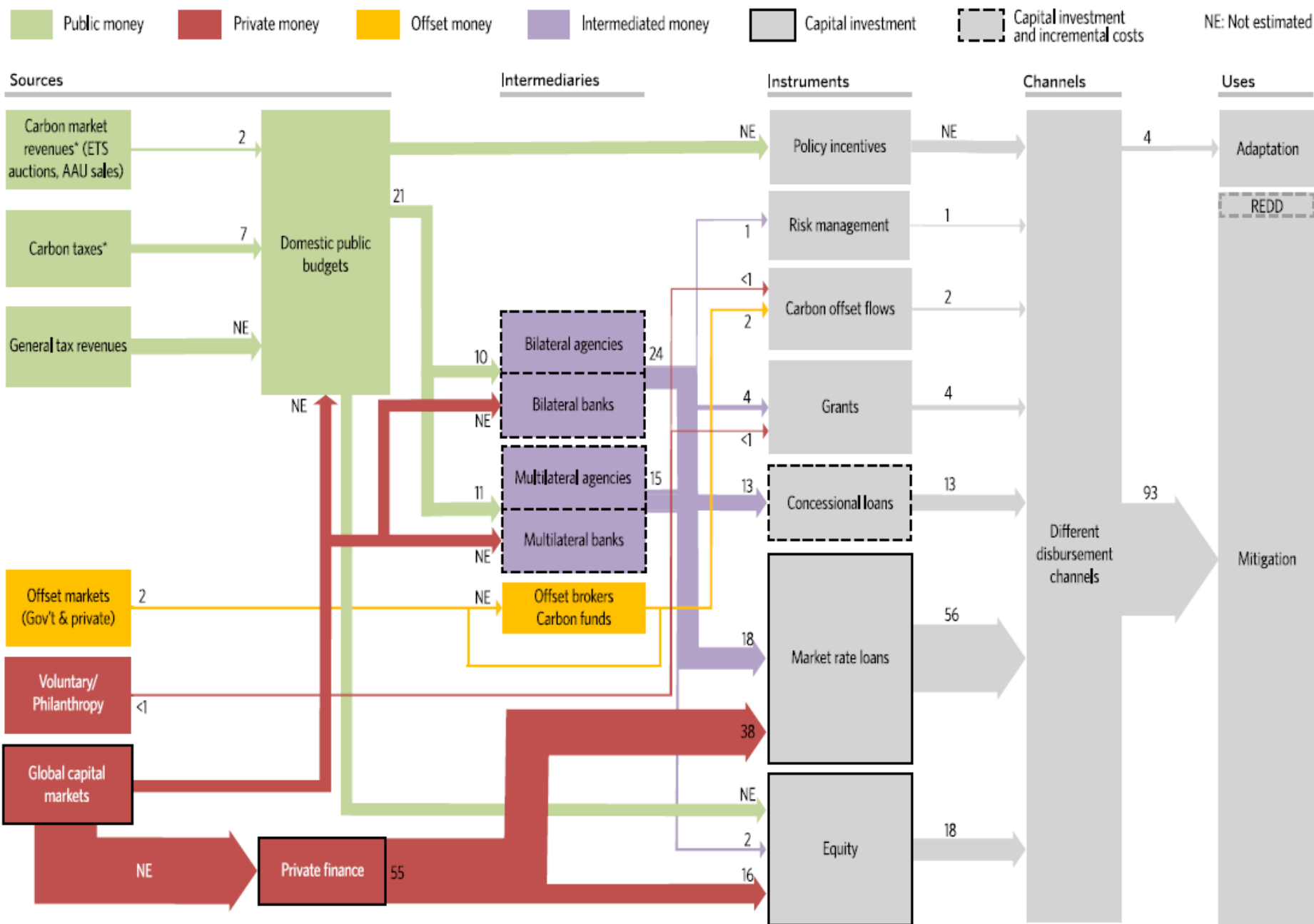


USAID
FROM THE AMERICAN PEOPLE

ASIA

ADAPT Asia-Pacific
Access to Finance for a Climate Resilient Asia and the Pacific

ADAPT Asia-Pacific's Technical Assessments on Adaptation Funds and Projects



Source: Climate Policy Initiative (October 2011)

Sources of Adaptation Financing

- Official Development Assistance (ODA)
- **Specialized global climate funds** (supposedly new and additional money to ODA)
- National budgets
- Private sector
- Philanthropy

Eleven Funds Support Climate Change Adaptation in Asia-Pacific

Funds managed by multilateral institutions

1. The Adaptation Fund (AF)
2. The Least Developed Countries Fund (LDCF) (GEF)
3. The Special Climate Change Fund (SCCF) (GEF)
4. The Pilot Program for Climate Resilience (PPCR) – (World Bank)

Funds managed by national governments

1. Global Climate Change Alliance (GCCA) - EU
2. The Nordic Development Fund (NDF)
3. The Nordic Climate Facility (NCF)
4. The International Climate Initiative (ICI) - Germany
5. The Japan's Fast Start Finance (FSF)
6. The International Climate Fund (ICF) – United Kingdom
7. The International Climate Change Adaptation Initiative (ICCAI) – Australia



How much money is there? – Multilateral Funds

- Uncommitted available resources range between **\$260 – 500 Million** (from the AF, LDCF, SCCF combined)
- PPCR resources are not included in the above estimate because they have been allocated to 9 countries and 2 regional programs

Fund Name	Funds pledged (\$ million)	Funds received (\$ million)	Funds approved (allocated) (\$ million)	Funds disbursed (\$ million)
AF	312.98	251.83	109.26	17.19
LDCF	535	400	224	68.6
SCCF	240	196.3	147.4	68.1
PPCR	1200	700.54	148.38	55



How much money is there ? – Funds Managed by Governments

- Unclear how much is available
- Contributions to the multilateral funds thus **double counting**.
- **UK's ICF and Japan's FSF** are the two largest bilateral funds with remaining resources
- GCCA and ICCAI have allocated most resources but future resources are likely forthcoming

Fund Name	Funds pledged (\$ million)	Funds received (\$ million)	Funds approved (allocated) (\$ million)	Funds disbursed (\$ million)
GCCA (EU)	N/A	N/A	344.5	N/A
NDF	N/A	N/A	139.9	N/A
NCF	23.6	N/A	N/A	N/A
ICI	N/A	N/A	834	N/A
Japan FSF	15,000	N/A	N/A	12,500
ICF	4545.4	N/A	1,661.15	N/A
ICCAI (AusAID)	347.138	347.138	347.138	182



Fund Access Mechanisms

Funds	Periodic review of project proposals	Calls for project proposals	A priori selection by an expert group or donor(s)	Bilateral consultations	Co-financing with MDBs	Direct access by developing country institutions	Indirect access through multilateral institutions	Partnering with institutions from donor country (ies)
AF	X					X	X	
LDCF	X				X		X	
SCCF	X				X		X	
PPCR			X				X	
GCCA			X	X		X		
NDF					X		X	
NCF		X						X
ICI		X		X		X	X	
Japan FSF				X	X	X		
ICF				X	X			
ICCAI		X		X		X		X

General findings across funds

- **Broad definition of adaptation**
 - ◆ Reduce vulnerability
 - ◆ Increase adaptive capacity
- **Priority beneficiaries**
 - ◆ Low-income countries
 - ◆ LDCs
 - ◆ SIDs
- **Key sectors:**
 - ◆ Agriculture
 - ◆ Water resources
 - ◆ Coastal management
 - ◆ Disaster risk reduction (DRR)
- **Financing instruments:**
 - ◆ Grants (used by all 11 funds)
 - ◆ Others:
 - Concessional loans (PPCR, Japan)
 - Budget support (GCCA-EU)
 - Private financing (Japan)

NAPA ANALYSIS - ABOUT 900 PROJECT CONCEPTS						
Country (number of activities)	Adaptation Sector					
	Agriculture/ Fisheries/ Food Security	Forestry/ Wetlands/ Biodiversity	Water Resources	Infrastructure/ Urban	Health/ Disaster Risk Reduction	Capacity Building/ Other
Bangladesh (37)	6 (16%)	2 (5.4%)	9 (24.3%)	2 (5.4%)	7 (18.9%)	11 (29.8%)
Cambodia (20)	4 (20.0%)	2 (10.0%)	9 (45.0%)	1 (5.0%)	3 (15.0%)	1 (5.0%)
India (229)	44 (19.2%)	46 (20.1%)	90 (39.3%)	8 (3.5%)	23 (10.0%)	18 (7.9%)
Indonesia (89)	31 (34.8%)	9 (10.1%)	21 (23.6%)	9 (10.1%)	13 (14.6%)	6 (6.7%)
Lao PDR (45)	11 (24.4%)	14 (31.1%)	13 (28.9%)	1 (2.2%)	6 (13.3%)	0 (0.0%)
Maldives (62)	17 (27.4%)	7 (11.3%)	8 (12.9%)	19 (30.6%)	8 (12.9%)	3 (4.8%)
Mongolia (141)	71 (50.4%)	9 (6.4%)	45 (31.9%)	1 (0.8%)	8 (5.7%)	7 (5.0%)
Nepal (9)	1 (11.1%)	3 (33.3%)	2 (22.2%)	1 (11.1%)	2 (22.2%)	0 (0.0%)
Philippines (29)	3 (10.3%)	2 (6.9%)	5 (17.2%)	7 (24.1%)	4 (13.8%)	8 (27.6%)
Sri Lanka (140)	33 (23.6%)	24 (17.1%)	16 (11.4%)	16 (11.4%)	9 (6.4%)	42 (30.0%)
Thailand (51)	3 (5.9%)	6 (11.8%)	3 (5.9%)	16 (31.4%)	1 (2.0%)	22 (43.1%)
Timor Leste (29)	4 (13.8%)	5 (17.2%)	4 (13.8%)	6 (20.7%)	9 (31.0%)	1 (3.4%)
Viet Nam (30)	4 (13.3%)	1 (3.3%)	3 (10%)	2 (6.7%)	2 (6.7%)	18 (60.0%)
Total (911)	232 (25.5%)	130 (14.3%)	228 (25.0%)	89 (9.8%)	95 (10.4%)	137 (15.0%)



Conclusions - Next Steps for ADAPT Asia-Pacific

First-year strategy

- Focus on multilateral funds (AF, LDCF, SCCF, PPCR)
- Fill technical gaps for already endorsed project concepts, leading to full financeable project proposals

Current: Laos, Nepal

Prospective: Tuvalu, Samoa, Solomon Islands, Philippines, Cambodia

- Gain access to key government agencies
- Strengthen broader practitioner capacity through TA and training program (e.g. Economics of Adaptation Course)

Long-term strategy

- Provide support to governments to prepare new adaptation projects
- Assist countries to prepare for direct access to future funding (such as the Green Climate Fund)

Conclusions - General Observations

- When a country has well-established national plans and project pipelines, the process of accessing funds will be much quicker
- Ag/NRM has been the main beneficiaries of funds but opportunities remain
- Need to consider adaptation “financing” not just “funds”
 - Global climate change funds are small compared to needs
 - Developing country governments will need to shoulder most of the future costs of adaptation
- Instruments that blend financial resources are likely to play an important role e.g. national climate trust funds
- Can private sector financing realistically fill investment gaps for adaptation?
 - How much public money is needed to crowd in private sector? ^{ps} (e.g. weather index insurance)



The ADAPT Asia-Pacific 1st Annual Forum



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