

Scaling up smallholder adaptation to climate change

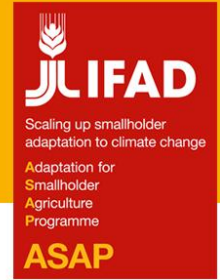
Adaptation for Smallholder Agriculture Programme

ASAP

Gernot Laganda
 FAO Investment Days, 17 Dec 2013

IFAD's Adaptation for Smallholder Agriculture Programme: Making climate finance work for smallholder farmers

HOW does IFAD engage in Climate-Smart Agriculture?



Adaptation for Smallholder Agriculture Programme (ASAP)

- Grant co-financing programme focusing on climate resilient agriculture
- 7 bilateral donors, 340 million US\$ in contributions/pledges
- Integrates climate risk management and adaptation actions into IFAD investment programmes (~ US \$1 billion per year)
- Centrepiece of a change management process to help IFAD become a 'climate-smart' organisation
- 26 ASAP investments (2 under implementation, 9 approved by IFAD Executive Board in Dec '13, 14 early/mid-design)



WHY has IFAD created a programming window for climate finance?

Rural development projects can increase smallholder exposure to climate risks



Rural development projects can increase smallholder resilience to climate risks



Climate Change has negative effects on rural development



Climate Change has positive effects on rural development



Some tried and tested adaptation solutions

IFAD is **upscaling** through ASAP



e.g. Nepal

Agroforestry



e.g. Kyrgyzstan

**Rangeland
management**



e.g. Bolivia

**Watershed
management**



e.g. Ghana

**Conservation
agriculture**



e.g. Nigeria

Drip irrigation



e.g. Yemen

**Rainwater
harvesting**



e.g. Mali

Biogas



e.g. Djibouti

**Reforestation &
Afforestation**

Some new adaptation solutions IFAD is introducing through ASAP



e.g. Bangladesh

Early Warning systems



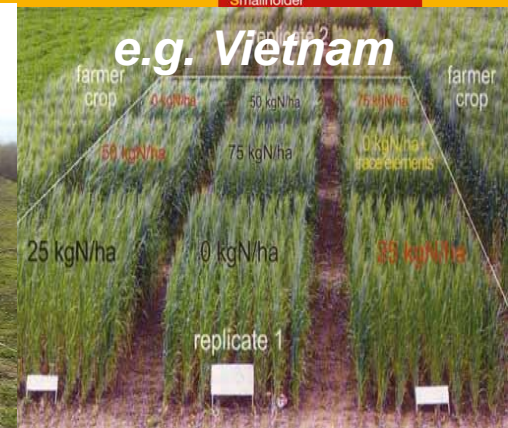
e.g. Bolivia

Financial services for climate risk management



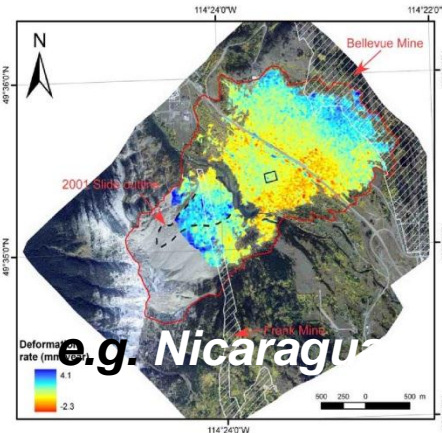
e.g. Lesotho

Access to better weather information



e.g. Vietnam

Drought/salt/flood - tolerant crop options



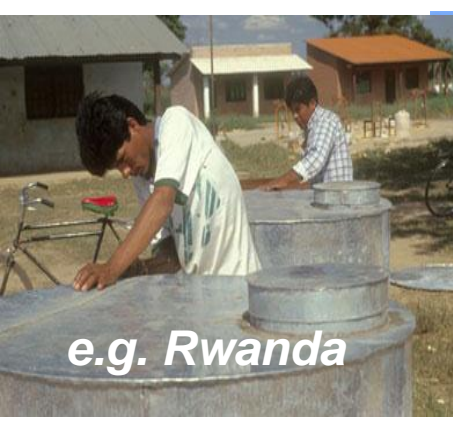
e.g. Nicaragua

Better risk analysis & preparedness



e.g. Nigeria

More robust/flexible infrastructure



e.g. Rwanda

Better post-harvest protection



e.g. Djibouti

Green technologies for heating, cooling, pumping

Status of the ASAP pipeline (Dec 2013)



Gambia
Madagascar
Tanzania
Sudan
Lao PDR

Malawi

★
OSC
review

Cambodia
Cote d'Ivoire
Niger
Kenya
Uganda

★
QE
review

Chad
Ghana
Lesotho
Nepal

★
QA
review

★
EB
review

Mozambique
Bangladesh
Bolivia
Djibouti
Kyrgyzstan
Mali
Nicaragua
Nigeria
Rwanda
Vietnam
Yemen

Scoping
mission

Draft
project
concept

Design mission & draft
Project Design Report (PDR)

Appraisal
mission &
final PDR

Project
start-up

*In-country consultations and
Country Programme Management Team Meetings*

OSC: Operational Strategy and Policy Guidance Committee (internal)

QE: Quality Enhancement review (internal and external)

QA: Quality Assurance review (external)

EB: Executive Board

Colour code: **2012 pipeline**

2013 pipeline

2014 pipeline

2015 pipeline

What are we learning? (1)



- 1) Initial inertia in some agricultural investment programmes to embrace/adopt climate-smart approaches**
 - **Default objective: Achieving quantifiable yield and economic benefits in the short-term. Longer-term issues (climate resilience, ecosystem services, landscape integration, GHG emissions) not in the forefront of considerations**
 - **No systematic appraisal of climate risks in most value chain projects**
 - **Familiarity with the economic analysis of commodity flows, but not with climate risk appraisals**
 - **Some 'fear of contact' with the science/uncertainties of Climate Change**
 - **Persistent question: "What's different? Haven't we been doing CSA anyway?"**

What are we learning? (2)



2) Operationalizing climate resilient agriculture at an institutional level requires a range of adjustments

- Cultivating a more rigorous appraisal of investment risks (as part of a multi-hazard analysis covering economic, political, social and environmental risks) to highlight the issue
- Accounting for environmental risks, costs & benefits in the economic and financial analysis of investment projects to make the economic case
- Making climate risk information available *early* in the design process (e.g. risk maps, land degradation surveys, etc.) to enable integration
- Updating M&E systems, review & approval protocols with climate resilience indicators to measure 'what's different'

What are we learning? (3)



3) The availability of climate finance is still central for operationalizing CSA

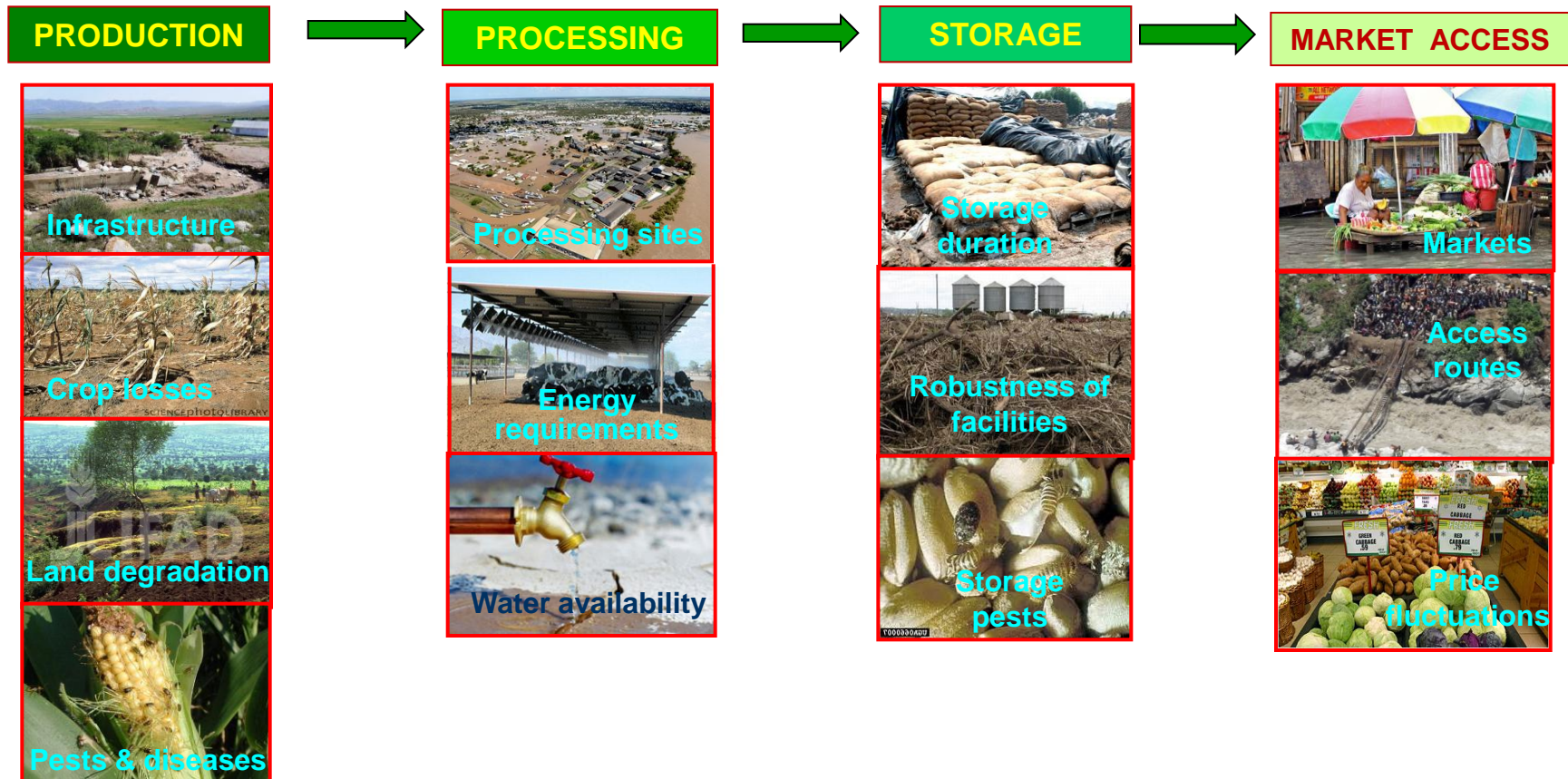
- **Climate finance can effectively influence large-scale investment programmes and expand their field of vision:**
 - **Better risk analysis**
 - **Diffusion of Technological innovation**
 - **Landscape-level perspectives**
 - **Public and private scale mechanisms**
 - **Focused support for the most exposed/vulnerable groups**
- **Grant financing bridges the risk for smallholders adopting new CSA approaches (e.g. mixed cropping, new varieties, agroforestry etc.)**
- **Grant financing creates space for institutional adaptation processes, participative research and social learning**

Some good practices in the design of climate-resilient investments (cont.)

1) Avoiding retrofits and segmented designs

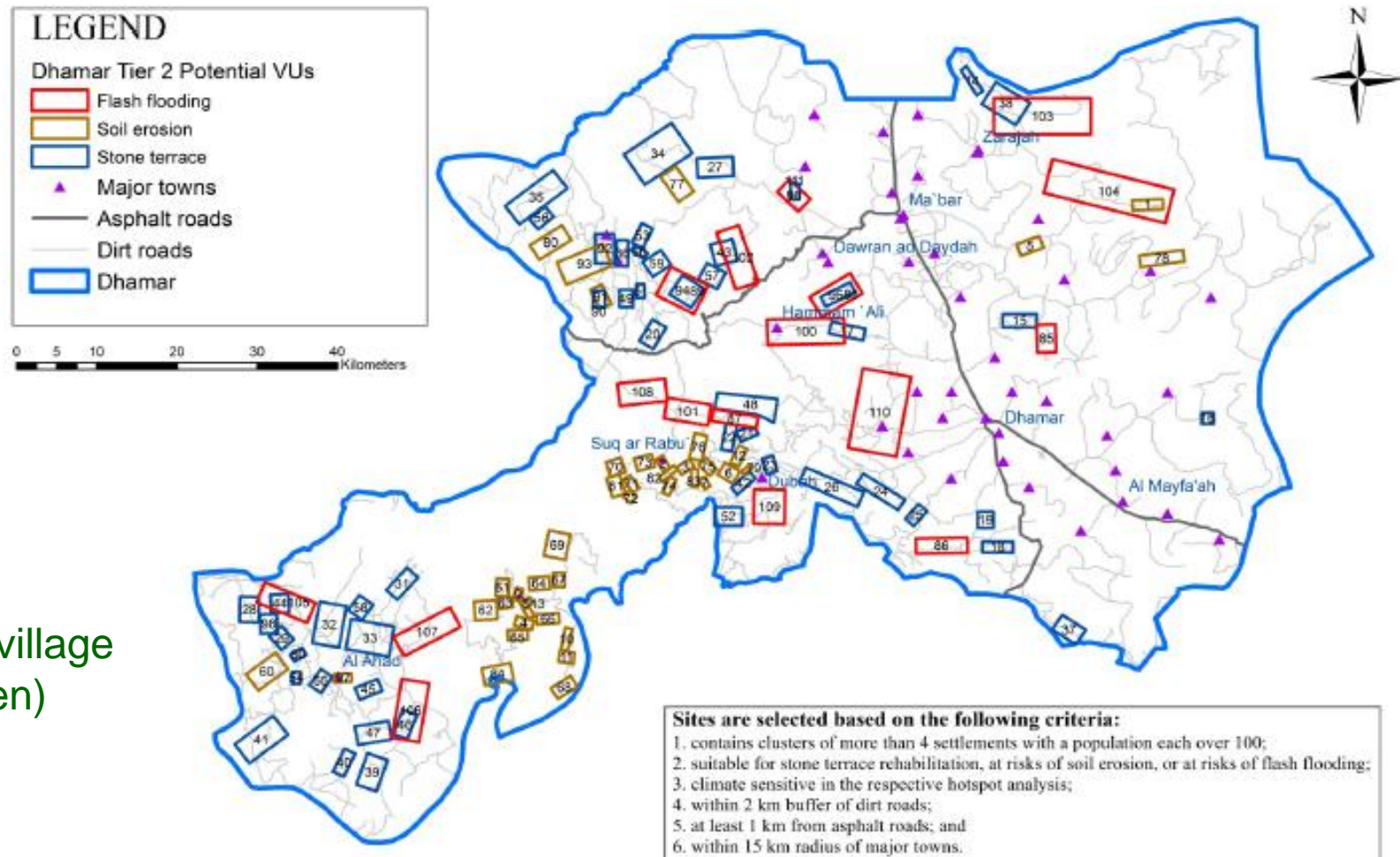
Climate risk issues need to be understood *early* in the design process

Example: Coupling value chain analysis with climate risk analysis (Nigeria)



Some good practices in the design of climate-resilient investments (cont.)

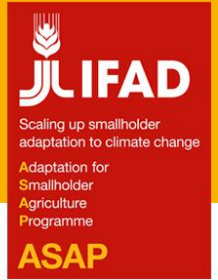
2) Providing easy access to climate risk information: Enriching the investment design cycle with quality evidence



Example:

Prioritizing
vulnerable village
units (Yemen)

Some good practices in the design of climate-resilient investments (cont.)



3) Clarifying the term 'resilience'

Defining what a 'resilient household' is in the context of a CSA project

Examples:

“In the context of this project, a resilient household is defined as a household that has taken active measures to reverse land degradation, is participating actively in community-based land use planning, and has access to communal infrastructure that is protected from climate hazards”

“In this project, a resilient household is defined as a household that is farming at least 3 different crop varieties, has access to at least 2 different energy sources, and does not experience water shortages during the dry season.”

“In this project, a resilient household is defined as a household that loses less than 10% of grain stocks post-harvest, has year-round access to markets, and is participating in community-based management of forest and water resources”

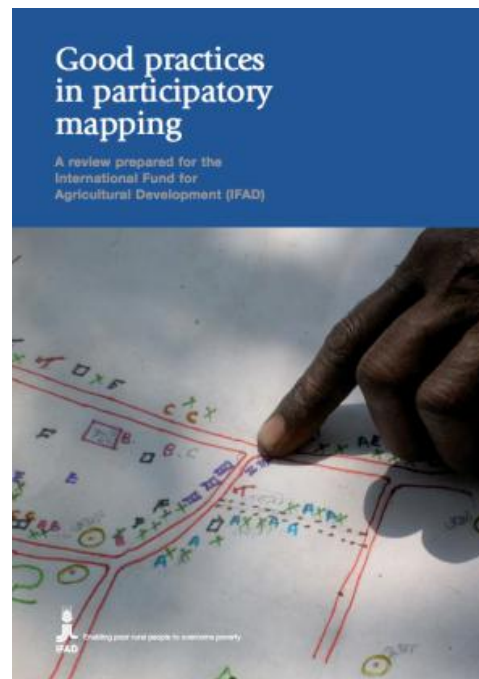
Some good practices in the design of climate-resilient investments (cont.)

4) Avoiding over-reliance on climate models:

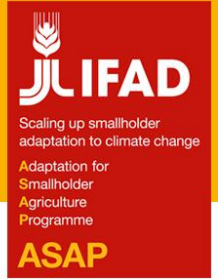
Climate models don't yield much useful planning information at the time horizon of most localized adaptation decisions (at ≤ 15 years, most of the uncertainty is due to natural variability). Investment options should be defined on the basis of different types of evidence (top-down *and* bottom-up)

Example:

Participatory mapping and land-use planning (Mali)



Some good practices in the design of climate-resilient investments (cont.)



5) Identifying and building scale mechanisms:

Identifying political champions, financial drivers and dissemination pathways for better climate risk management beyond project lifetime

Examples:

- **Upscaling through public policy:** Improving engineering codes for road infrastructure (Ghana), building codes for storage infrastructure (Rwanda)
- **Through private sector financing:** Leveraging commercial lending for climate resilient storage facilities (Rwanda)
- **Through building multipliers:** Strengthening extension services (Cambodia)
- **Through scale-able technology:** Improving climate information services (Lesotho) and Early Warning systems (Bangladesh)



Thank you !