



BRIEFING NOTE

Capacity Building Program on Economics of Climate Change Adaptation



Many countries in the Asia-Pacific region need assistance to access new funds to adapt their people and economies to climate change

“This seminal program will make an important contribution to evidence-based decision making and thereby incorporate climate change adaptation considerations into national and local economic development planning.”

Mr. Alfred Nakatsuma
Director of Regional
Environmental Office,
USAID/RDMA

“This program is timely in the context of climate financing, as Asia-Pacific developing countries design their National Adaptation Plans in preparation of the operationalization of the Green Climate Fund.”

**Mr. Gordon Johnson, Team
Leader for Environment and
Energy, UNDP**

SUMMARY

The USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific (ADAPT Asia-Pacific) and the United Nations Development Programme (UNDP) are strengthening the capacities of professionals from Asian Ministries of Finance, Planning, Agriculture, Water, and Environment. The cooperation will help decision makers integrate climate change adaptation into development planning and design bankable adaptation projects.

This two-year program entitled “Economics of Climate Change Adaptation – Supporting National/Sub-national Adaption Planning and Action” was launched in October 2012, with consultation between countries in Asia and staff from the UNDP and USAID’s ADAPT Asia-Pacific project. The innovative program aims to identify gaps in capacity development needs in an area that is critical for helping countries formulate national adaptation plans and access climate finance.

CHALLENGES

This capacity building program responds in part to a decision adopted by the Parties on formulating National Adaptation Plans (NAP) at the Seventeenth Session of the Conference of the Parties (COP-17) of the United Nations Framework Convention on Climate Change (UNFCCC) (Durban, December 2011).

Through this decision the Parties invited the United Nations (UN) agencies, among others, to consider establishing support programs within their mandates, which could facilitate technical assistance, especially to the least developed countries, to facilitate and advance the NAP processes.

Conscious of the need to counter climate change impacts which are already being felt in the region and to prepare for future, more severe impacts, countries are keen to understand how national budgets can be applied to address the challenges of climate change in the most cost effective manner.

Additionally, developing countries in Asia need to ensure that they are competitive with other countries in seeking international finance for climate change adaptation action. Applying economic analysis to the design of adaptation-related projects and sector plans will improve quality and raise confidence that the projects will use international funds effectively.



Training in session at the first regional workshop held in Bangkok, Thailand in March 2013

ADAPT Asia-Pacific

Under contract with the U.S. Agency for International Development (USAID), AECOM International Development (AECOM) implements the five-year ADAPT Asia-Pacific project to assist eligible Asian and Pacific countries in gaining improved access to finance for climate change adaptation. ADAPT Asia-Pacific is establishing a facility that provides a combination of technical assistance, capacity building and networking related to accessing climate change adaptation financing. ADAPT Asia-Pacific also works with regional, international and U.S. partners to share and replicate best practices among national and local stakeholders.

ADAPT Asia-Pacific

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PRINCIPAL ACTIVITIES

Taking into account the support that UNDP is already providing to countries with accessing finance from the Least Developed Country Fund (LDCF), Special Climate Change Fund (SCCF) and Adaptation Fund (AF), and advancing initiatives such as Climate Public Expenditure and Institutional Reviews (CPEIRs), National Communications and others, this complimentary program is designed to assist countries in Asia to develop and strengthen skills and systems to determine the economic costs and benefits of climate change adaptation in the key sectors of agriculture and water. Since March 2013, 11 countries are participating in the program through multi-disciplinary country teams consisting of about 5 members each.

Key activities of the program will span across approximately 24 months beginning October 2012. It is being delivered as a series of regional training and experience-sharing workshops interspersed with country-level field work and application by the participating country teams. The regional workshops include: a program design workshop; a methods and data collection training workshop; a data analysis training workshop; and a policy workshop.

(EXPECTED) RESULTS AND OUTCOME

- Training of government officers to estimate the economic costs and benefits of proposed climate change adaptation projects, as well as to identify adaptation options in the agriculture and water sectors.
- Support the design and appraisal of investment projects for adaptation that can be financed from current and emerging sources of domestic and international climate finance.
- Establishment of a region-based training program that is housed within one or more centers of excellence in the region that can provide sustained technical advisory support on the economics of adaptation to countries developing national adaptation plans and investment projects.
- Convene policy dialogue forums with Ministries of Planning/Finance and line Ministries at the country and regional level to discuss the economics of adaptation in the context of national and sub-national medium and long-term national development plans and investment projects.
- Develop and nurture a virtual community of practice of technical officers working on the economics of adaptation in Asia.

PARTNERS

This program is implemented through collaboration among USAID's ADAPT Asia-Pacific Project, UNDP's Energy and Environment Group, Yale University's School of Forestry and Environmental Studies, and the Asian Development Bank.