

ADB CLIMATE CHANGE PROGRAM
with particular reference to
THE PACIFIC

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ADB

ADB

Climate Change Program

ADB's Response:

- **Mainstream Climate Change into Core Development Operations**

ADB's Strategy 2020 and Climate Change

ADB's Long-term Strategic Framework (2008-2020)

- Inclusive Economic Growth
- Regional Integration
- Environmentally sustainable growth
 - Environment including climate change: one of the five core areas of operations
 - Aims to scale up support for projects that address climate change

Climate Change Mitigation

Promote transition to low-carbon economies through:

- Energy efficiency and use of low-carbon energy sources (e.g. renewables)
- Sustainable transport systems
- Improved urban sanitation and reduction of fugitive methane emissions (e.g. landfills)
- Sustainable land use and forestry

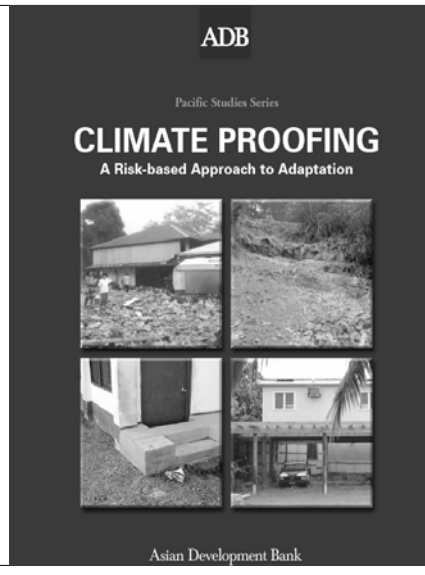
Climate Change Adaptation

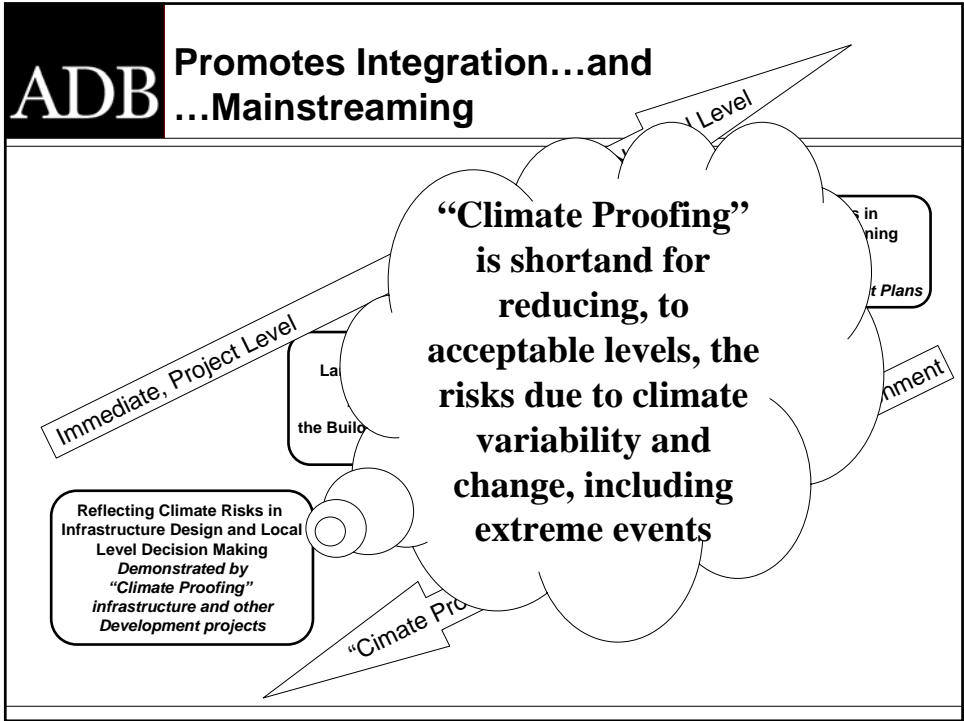
Help make economies more resilient to adverse climate change impacts through adaptation mainstreaming:

- Incorporating vulnerability risks into national development strategies and actions
- Increasing climate resilience of vulnerable sectors (e.g. water, agriculture)
- “Climate proofing” projects

Through case studies in two countries: Cook Islands and FSM

- Highlight on extreme events & variability
- Long-term average (sea level rise) will raises all risks
- Examination of current vs future benefits of adaptation measures
- Future scenario bleak for low-lying islands
- Climate proofing at 3 levels: (i) Project level, (ii) Sector level, and (iii) National Level





ADB ADB’s Climate Change Program

Financial Tools	Mobilize Concessional Resources	Catalyze Private Capital	Maximize Market Mechanisms
	Advance Energy Efficiency and Low-Carbon Energy Sources		
	Enable Sustainable Transport Policy and Application of Efficient Systems		
Mitigation “Thrusts”	Promote Improved Urban Sanitation and Reduction of Fugitive Methane Emissions		
	Promote Sustainable Land Use and Forestry		
	Incorporate Vulnerability Risks into National Development Strategies		
Adaptation “Thrusts”	Increase Climate Resilience of Vulnerable Sectors		
	“Climate Proof” Projects		
	Address Social Dimensions		

Adaptation Actions

- Portfolio at Risk Assessment
- Development of Project Screening Tool
- Country/Sector Assessments (e.g., Palau)
- Climate Proofing
- Knowledge Products
- Capacity Development
- Partnerships
- Climate Change Implementation Plan

Adaptation – Example Activities

- Climate Change Adaptation in the Coral Triangle
- Climate Change Adaptation of the Avatiu Harbor in Rarotonga, Cook Islands
- Infrastructure Development Project in the Cook Islands (TA 7022)
- Climate Change Adaptation of the Domestic Maritime Project in Solomon Islands
- Palau Country Partnership Strategy (CPS) 2009-2013
- Samoa CPS 2008-2011

Climate Change Related Funds

Mitigation Adaptation Both

ADB - DMCs	<p>Clean Energy Financing Partnership Facility (\$95 m)</p>	<p>Small Grants for Promoting Climate Change Adaptation (\$1.2 m)</p>	<p>Climate Change Fund (\$40 m)</p>
	<p>Carbon Market Initiative Funds ▪ Asia-Pacific Carbon Fund (\$151 m) ▪ Future Carbon Fund (target \$100 m)</p>	<p>Water Financing Partnership Facility (\$65 m, including adaptation)</p>	<p>Regional TA on Promoting Climate Change Adaptation in Asia and the Pacific</p>
	<p>Poverty and Environment Fund (\$3.6 m, including adaptation)</p>		
EXTERNAL - GLOBAL	<p>Global Environment Facility (GEF) Climate Change Focal Area (\$250 m/ year)</p>	<p>Least Developed Countries Fund (GEF as administrator) (\$189 m)</p>	<p>Special Climate Change Fund (GEF as administrator) (adaptation priority, target \$75 m; mitigation, target \$15 m)</p>
	<p>Clean Technology Fund of the Climate Investment Funds (WB as Trustee) (target \$5 b)</p>	<p>Strategic Priority on Adaptation (part of GEF Trust Fund) (\$50 m)</p>	<p>Strategic Climate Fund of the Climate Investment Funds (WB Trustee) Target: - Pilot Program for Climate Resilience \$500 m - Forest Investment Prog. \$500 m - Greening Energy Access \$500 m</p>
		<p>Adaptation Fund (GEF as administrator in cooperation with UNFCCC Secretariat) (\$100 m by 2009)</p>	

Climate Change Related Funds

Clean Energy Financing Partnership Facility (CEFPF)

- Established in April 2007, the CEFPF aims to help provide financing to DMCs to improve energy security and transition to low carbon economies through cost effective investments in technologies and practices that result in GHG mitigation.
- CEFPF resources are also intended to finance policy, regulatory, and institutional reforms that encourage clean energy development.
- With a targeted size of \$250 million, CEFPF donor commitments from Australia, Norway and Japan amount to \$83.5 million as of August 2008.

Carbon Market Initiative Funds

Asia Pacific Carbon Fund (APCF)

- Operationalized in May 2007 to provide “upfront” finance in return for a proportion of certified emissions reduction (CERs) to be generated until 2012 by projects eligible for CDM
- Received funding commitments from seven European countries including Belgium, Finland, Luxembourg, Portugal, Sweden, Spain, and Switzerland
- Has US\$151.8 million to co-finance CDM projects in Asia

Future Carbon Fund (FCF)

- Established for projects that generate post-2012 carbon credits
- Initial target fund size: \$100 million
- Approved in July 2008 and will be operationalized in early 2009

Small Grants for Promoting Climate Change

- RETA 6420-Promoting Climate Change Adaptation in Asia and the Pacific (TA) provides financial support through small grants for activities (SGAs) to address the need to:
 - 1) mainstream adaptation issues into investment planning;
 - 2) develop national capacity for adaptation; and
 - 3) coordinate and strengthen international community responses for adaptation.
- Available amount is \$1.2 million, with individual SGA limited to a maximum TA financing of \$100,000.
- ADB's DMCs, working through ADB's Regional Departments, can apply for a SGA through the Director General of the Department, in concert with a departmental focal point.

Water Financing Partnership Facility (WFPF)

- Provides additional financial resources and technical support for components of investment projects, technical assistance operations, knowledge management, and regional cooperation
- Key areas for financing are: rural water services, urban water services, and river basin water management, including adaptation to climate change.
- WFPF is mobilizing co-financing and investments from development partners, with initial contributions targeted at \$100 million by 2008.

Poverty and Environment Fund (PEF)

- PEF is a \$3.6 million multi-donor trust fund administered by ADB.
- PEF promotes the mainstreaming of environmental, including climate change considerations, into development strategies, plans, programs and projects.

Climate Change Fund

- The CCF was established in May 2008 to provide grant financing for projects, technical assistance, research, and other activities to address the causes and consequences of climate change in its DMCs.
- ADB will provide an initial \$40 million to CCF, which will be open for further contributions from countries, other development organizations, foundations, the private sector and other sources.
- ADB has reserved \$5 million of its newly established \$40 million Climate Change Fund for land use interventions including forestry.
- There are several TA projects being developed across ADB to be supported by the fund.

Promoting Climate Change Adaptation in Asia and the Pacific (Regional TA)

- The TA is designed to strengthen adaptation responses in Asia and Pacific Region
- The TA is valued at \$3.6 million and will operate for 4 years
- For all of ADB's member countries. Resources are limited and therefore will be disbursed through an application process.

The TA's focus is to support activities that:

- Develop national capacity for climate change adaptation (through policy, investment);
- Strengthen and coordinate international support for developing member countries.

Collaboration with Development Partners

Examples

- Other MDBs
 - Climate Investment Funds (CIF)
 - Clean Energy Investment Framework (CEIF)
- Bilateral partners, e.g.
 - Coral Triangle Initiative (Australia, US, GEF, NGOs)
 - Study on Climate Change Impact on Coastal Cities (JBIC, WB)
- Knowledge Institutions, e.g.
 - National Hydraulic Research Institute of Malaysia (NARIM): on water and climate change adaptation in SE Asia

MDBs' Climate Investment Funds (CIF)

- A portfolio of funds established jointly by ADB, AfDB, ERDB, IDB, and the World Bank
- To provide scaled up assistance to developing countries for climate change mitigation and adaptation (until 2012)
- Consists of 2 funds:
 - Clean Technology Fund (CTF)
demonstration, deployment, and transfer of low-carbon technologies
 - Strategic Climate Fund (SCF)
innovative approaches or scale up activities for targeted actions (e.g. national level actions for climate resilience, forest investment program)

TA Project with climate change mitigation components

- RETA: Promoting Energy Efficiency in the Pacific
 - Goal: improve energy security in participating countries (Cook Islands, PNG, Samoa, Tonga, and Vanuatu), and develop sound models of energy efficiency (EE) policy and project implementation for replication in other countries
 - Outputs: (i) assessment of the EE policy and regulatory framework, (ii) recommended EE policy & framework and action plan, (iii) promoting energy management system, (iv) training needs analysis and curricula, (v) pipeline projects for funding, (vi) strategy for public awareness, (vii) information exchange on lesson learned
 - The TA will identify and assist in the implementation of technical assistance project in 5 participating countries
 - Assist the preparation of an energy efficiency implementation project
 - Disbursement of fund: matching other funds in support of (i) TA with pilot projects, and (ii) integration with ongoing loan and grant projects
 - Estimated costs: \$1.2 million (ADB), \$500,000 (Gov, in-kind)

TA Project with climate change mitigation components

- TA: Implementing the Samoa National Energy Policy
 - Piggy-backed to the Power Sector Expansion Project
 - Objective: to improve access to sustainable and reliable electricity services for all consumers in Samoa by improving the quality, reliability, and cost-effectiveness of power supply
 - The TA will
 - promote development of clean energy resources through the establishment of a clean energy fund (CEF);
 - enable Samoa to participate in carbon-market trading through the establishment of a designated national authority (DNA);
 - develop effective regulation of the power sector and promote demand-side management and energy conservation; and
 - help improve EPC's financial performance
 - Time: 2007-2010
 - Value: \$1.85 million (ADB), \$335 thousand (Gov)

ADB Climate Change Related Project

TA Project with climate change adaptation components

- **RETA: Strengthening Coastal and Marine Resources Management in the Coral Triangle of the Pacific**
 - strengthen management of coastal and marine resources in CT countries at the local and national levels to prevent environmental degradation and to achieve both global and local benefits
 - Three Components: (i) MPA, (ii) Integrated coastal and watershed management, and (iii) climate change adaptation
 - The TA total value: \$1.125 million (including \$275,000 contributed by the five participating countries)
 - Full-size project: around \$40 million (including co-financing)
 - Country coverage: PNG, SOL, FIJ, VAN, TIM

ADB Climate Change Related Project

TA Project with climate change adaptation components

- **TA Strengthening Disaster Recovery Planning & Coordination (Solomon Islands)**
 - Piggy-backed to Emergency Assistance Grant
 - Strengthen disaster and emergency management by establishing and effective coordination process across relevant ministries.
Component 1: Disaster recovery coordination; Component 2: Infrastructure assessment and planning.
 - Time: 2007-2009; Value: \$800,000
- **PPTA: Infrastructure Development Project (Cook Islands)**
 - Avatiu Harbor with a component of climate proofing of the structure
 - Piggy-backed TA on strengthening the infrastructure governance framework

TA Project with climate change adaptation components

- Proposed RETA: Regional Partnerships for Climate Change Adaptation and Disaster Preparedness
 - The TA is designed to strengthen financial resilience of participating Pacific island countries to the effects of natural disasters
 - Country coverage: Cook Islands, Fiji Islands, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu
 - Improve geophysical-information-environment which supports greater resilience to climate impacts/shocks through both government and development partner decision-making regarding hazard exposure and risk minimization, and supportive of the assessment of the feasibility of the regional pooled catastrophe insurance scheme and its subsequent development
 - Value: \$1 million (ADB), \$120 thousand (Gov, in-kind)

- CCIP will be prepared for each region, to be prepared by each ADB's Regional Departments:
 - CCIP for the Pacific DMCs will be prepared
- Content: Assessment of issues, needs, gaps, on-going actions, and frameworks
- Identification of potential activities that can be supported by ADB in the form of technical assistance, investments, and capacity building
- Mainstreamed in core operations – CPS
- Expected completion of CCIP formulation: 1st Q 2009

CCIP Preparation Schedule (tentative)

1. CCIP Outline	August 2008 (from RSDD)
2. Stocktaking & Knowledge Gathering	October - November 2008
3. Draft CCIP	December 2008
4. Consultation	January-February 2009
5. Final Draft CCIP	February 2009
6. CCIP Approval	March 2009
7. Inclusion in CPS	2009

Activities in sectors per ADB's Climate Thrusts:

Mitigation

- Energy
- Transport
- Urban and industrial development
- Rural development/land use (REDD)

Adaptation

- Water
- Agriculture and rural development
- Disaster risk management
- Human settlements
- Health

Expected Outputs:

- Create 'living' roadmap for future PARD climate activities
- Define gaps in ADB climate change activities to address PARD DMC needs
- Direction that should be taken for climate change adaptation of each sector
- Identify operational entry points for the incorporation & mainstreaming of complementary and stand-alone adaptation interventions
- Identify funding sources for scaled-up CC TA & Loans

THANK YOU