

Laos/LDCF



## Mainstreaming Climate Change into Planning

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U N  
D P

*Empowered lives.  
Resilient nations.*

- 15+ years of Supporting Adaptation
- More than \$1 billion of grants from multiple sources
- More than 160 programmes/projects in over 90 countries
- Leveraging Finance and Partnerships



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Resilient nations.

# Resilience to Climate Change – a necessity

## *Scale of Damage in Thailand (2011)*

Estimated Losses: \$15-20 billion (Swiss Re/Munich Re)

\$21 billion (prop. damage); \$22 billion (opp. costs) (World Bank)



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**Climate Change can no longer be treated as only as environment issue**



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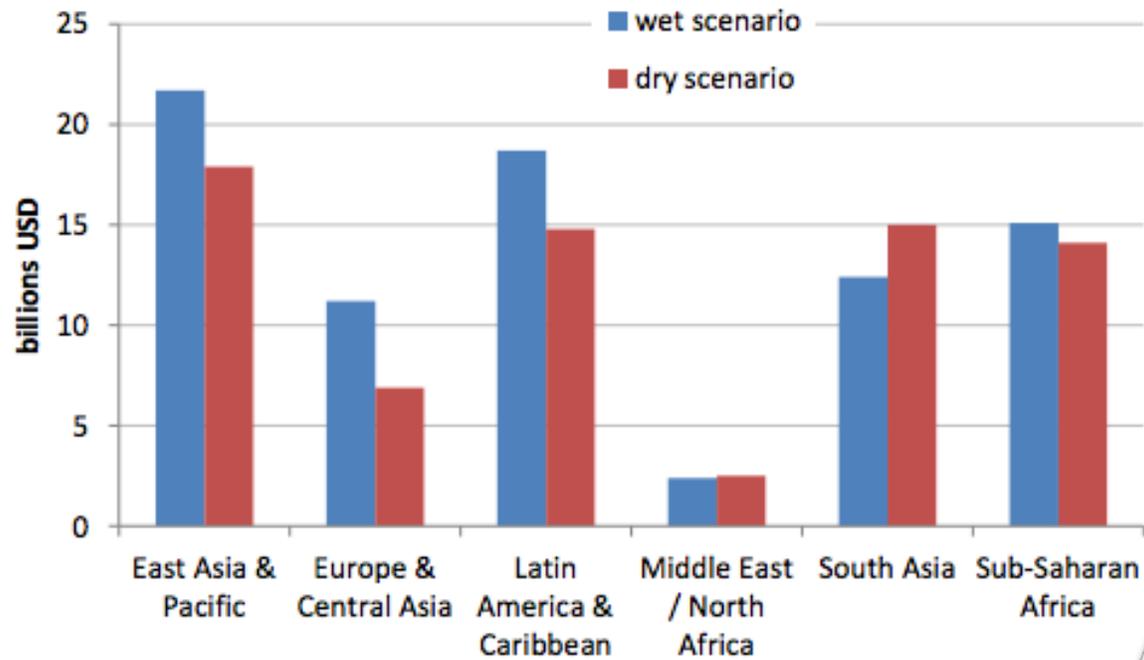
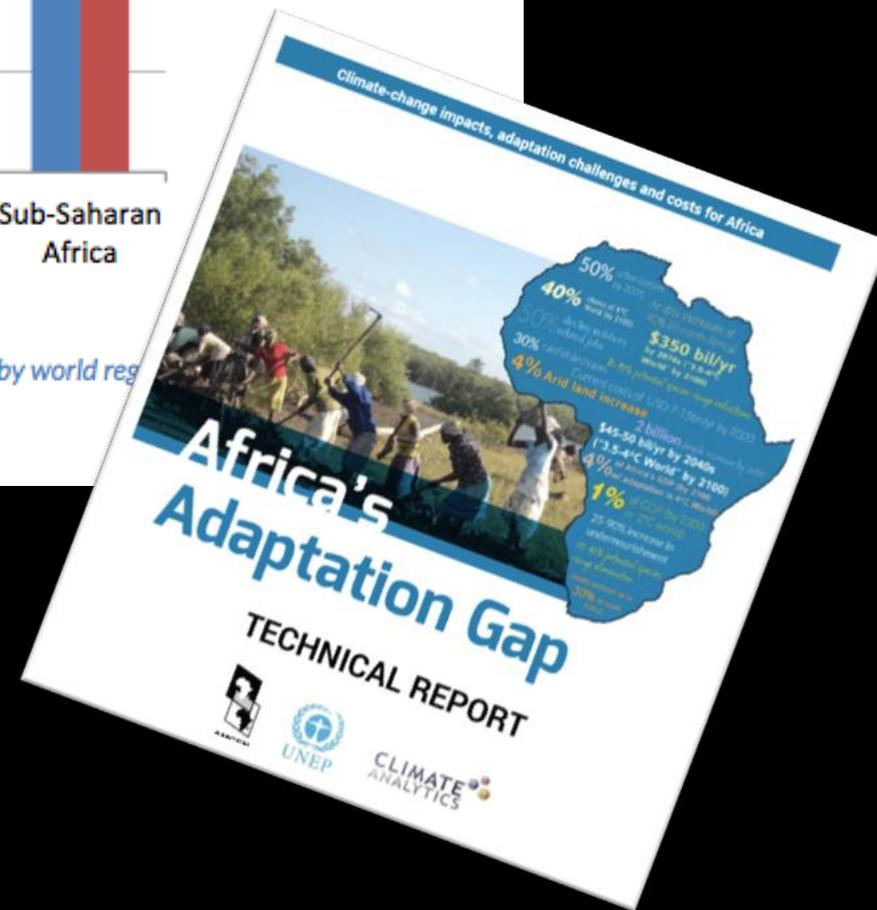


Figure 4.1 Average annual costs between 2010 and 2050 of adapting to 2°C warming globally by 2050, by world region (2010b)



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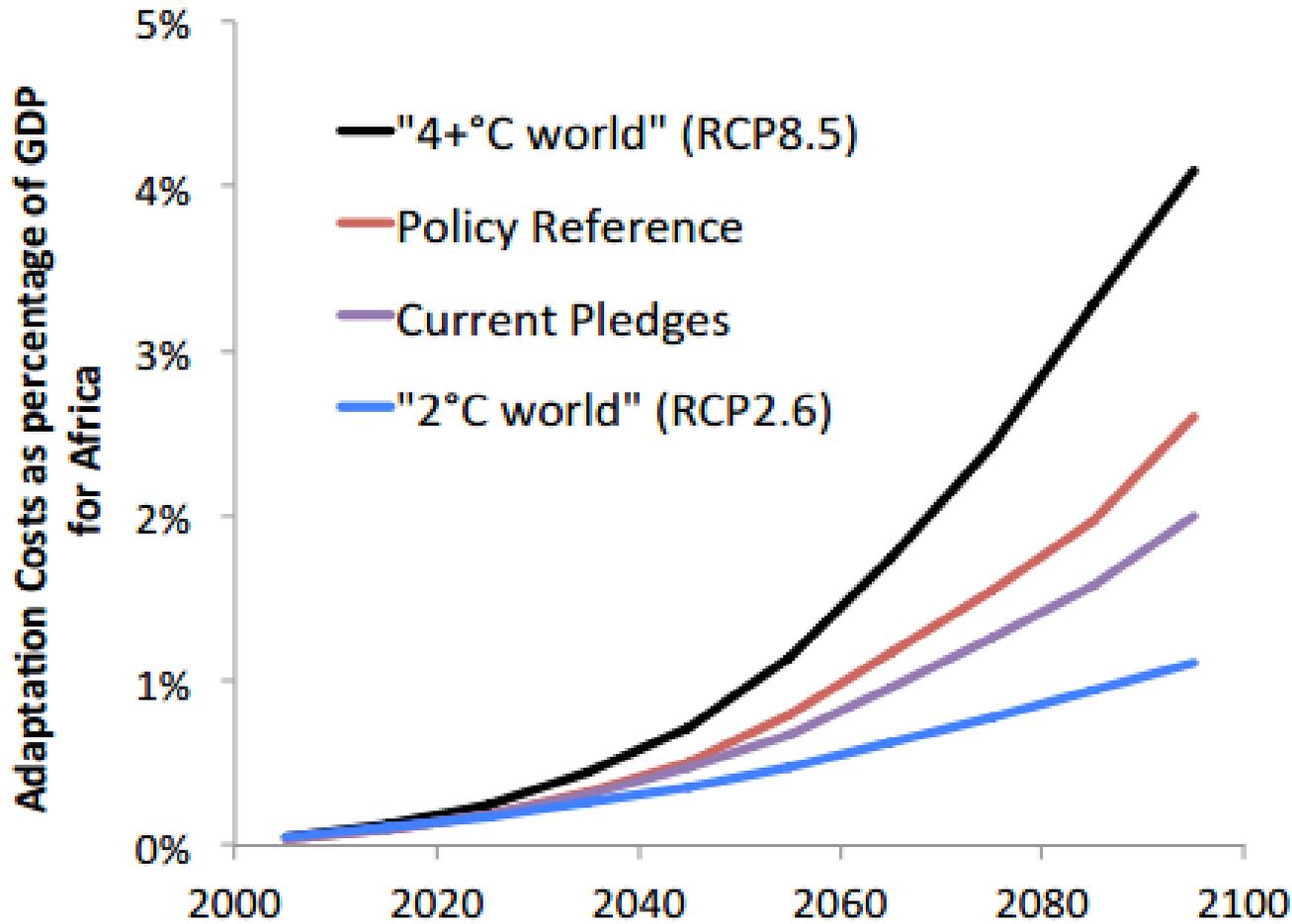


Figure 4.5 Total adaptation costs for all sectors as a percentage of Africa's GDP over time

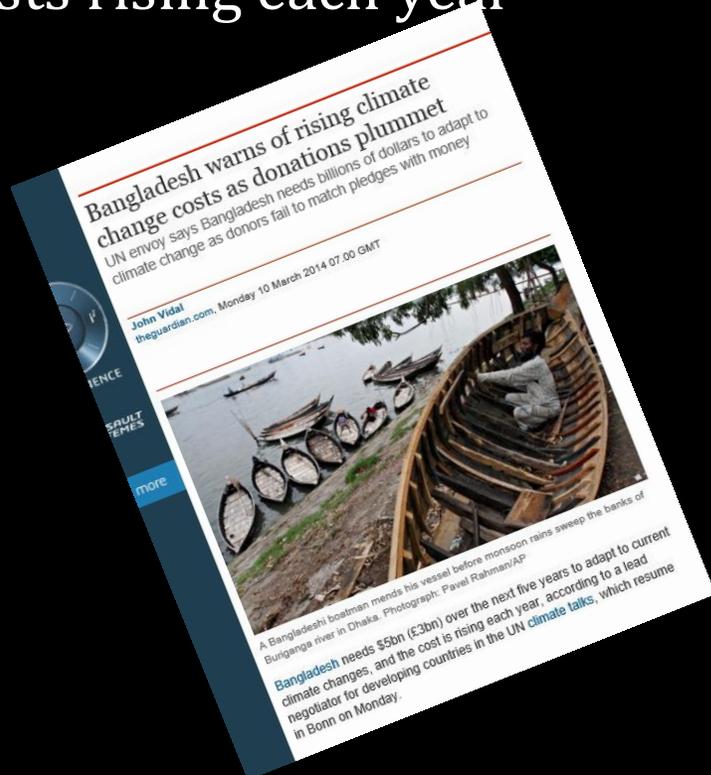
Source: own calculations using the AD-RICE model.



# Scale of Finance for Adaptation

**Bangladesh** - \$5b over next 5 years to address current climate change with costs rising each year

**Malawi**- The National Climate Change Investment Plan (2014) and includes a USD 5 billion investment over next 5 years in adaptation, mitigation, capacity development and research & technology.



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# Take away messages

- 1. Countries have established foundations for integrating climate change into medium- and long-term planning**
- 2. Adaptation finance from multiple sources**
- 3. Critical to focus on “whole of government” approach that supports iterative planning and budgeting that takes climate change into account**





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## Objectives of the NAP process

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- i) To reduce vulnerability to the impacts of climate change, by building adaptive capacity and resilience;
- ii) To facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.



*Ref: Decision 5/CP.17, paragraph 1*

# A number of challenges to overcome...

- Making National Policy and Planning more coherent
- Strengthening governance and institutional capacity
- Co-ordination and Accountability – National and sub-national for a
- Transparency, Tracking and MRV - Links with national budget and reporting systems
- Supply driven vs. demand led – Getting communities more involved
- Programmatic vs. strategic approach
- Sectoral vs. National mainstreaming approach
- Evaluation



- 1. Countries have established foundations for integrating climate change into medium- and long-term planning**
- 2. adaptation finance will be from multiple sources**
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## **1. The NAPA Process**

**- Going beyond urgent and immediate -**

### **Advancing the NAP process: integrating CCA into policies, plans**

- 47 LDCF projects integrate CCA into **106 national development policies, plans and frameworks in 35 LDCs**
- 49 projects will allow **33 LDCs** to enhance their national hydro-meteorological and **climate information services**
- institutional, technical and human capacity building is being provided to **251 key, national and sub-national agencies/ institutions**; with more than **460,000** people receiving training on CCA



*Foundations for integrating climate change into medium- and long-term planning*

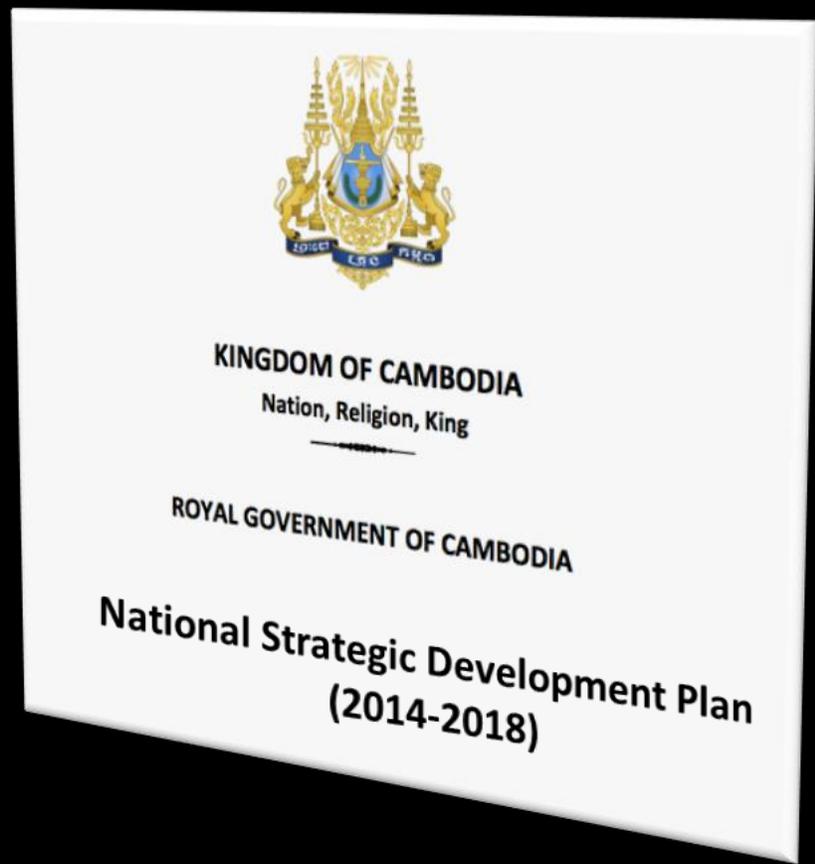
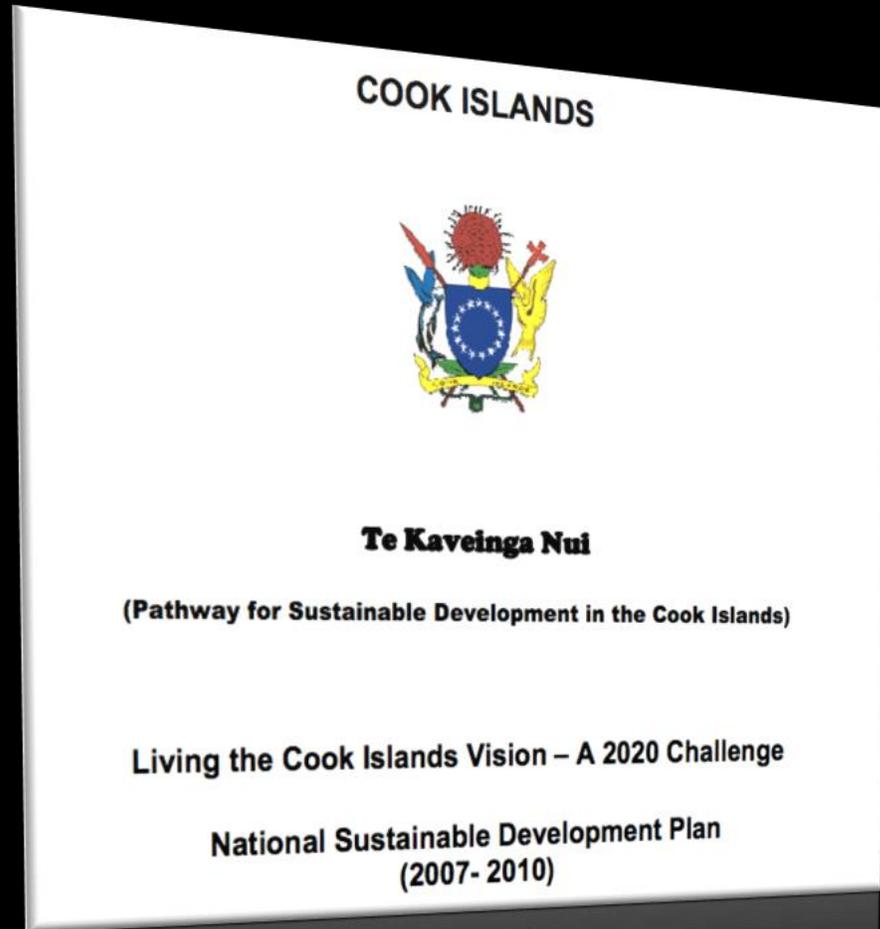
## 2. Through poverty reduction strategies and development strategies



Rwanda  
Vision  
2020

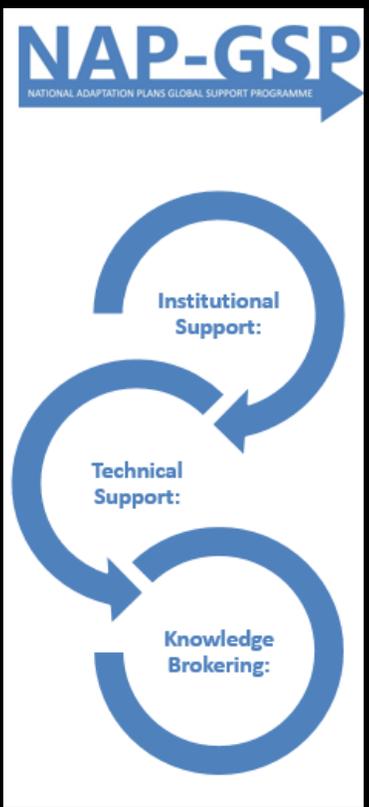


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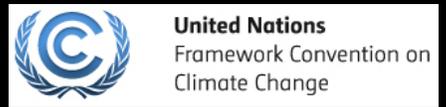
### 3. Targeted capacity building initiatives

**Capacity Building on Economics of Adaptation**



**Capacity building on Climate Information Systems in Africa**

**Capacity building on Climate Expenditure and Institutional Reviews (CPEIRs)**



**1. Countries have established foundations for integrating climate change into medium- and long-term planning**

**2. Adaptation finance will be from multiple sources**

**1. Requires “whole of government” approach that supports iterative planning and budgeting that takes climate change into account**



- *Source of finance for adaptation - numerous*
- *Public finance – internal (domestic) and external (donor)*
  - *Public finance alone is not currently sufficient; Public finance alone is not going to be sufficient*
- *Private Sector (Domestic, international)*
  - *Innovative finance*

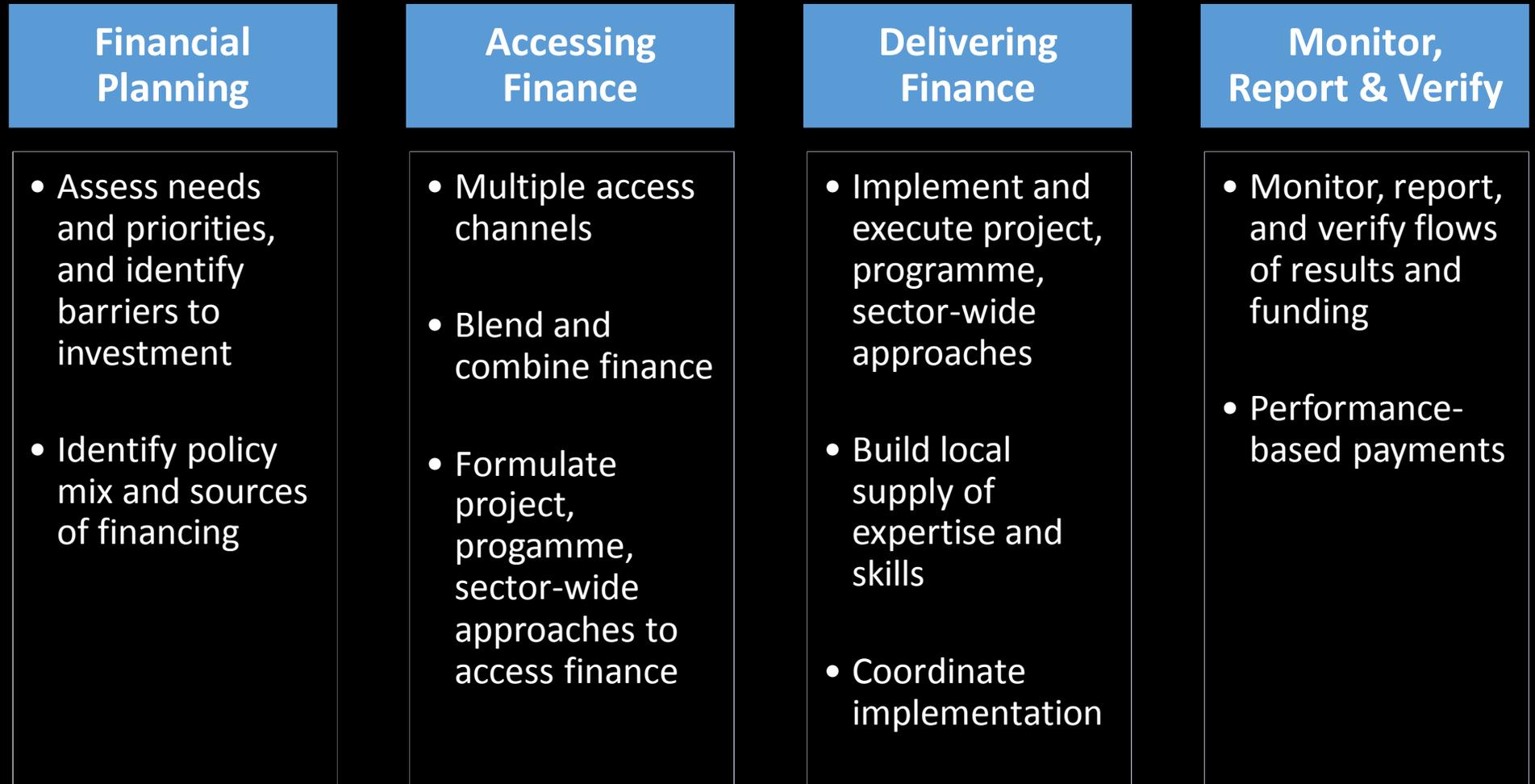


***Adaptation Finance is unlikely to be at the scale required without an effort to remove a few key barriers***

- Need to ***create conditions that attract finance*** without compromising development goals and sharing cost burden on end-users.
- ***Multiple stakeholders*** (investors, end-users, policy makers, supply chains, etc)
- Broad ***spectrum of policies, incentives and support mechanisms*** to
  - (a) reduce risks (i.e. lower cost of capital)
  - (b) increase rewards (i.e. premium prices, credits, etc)



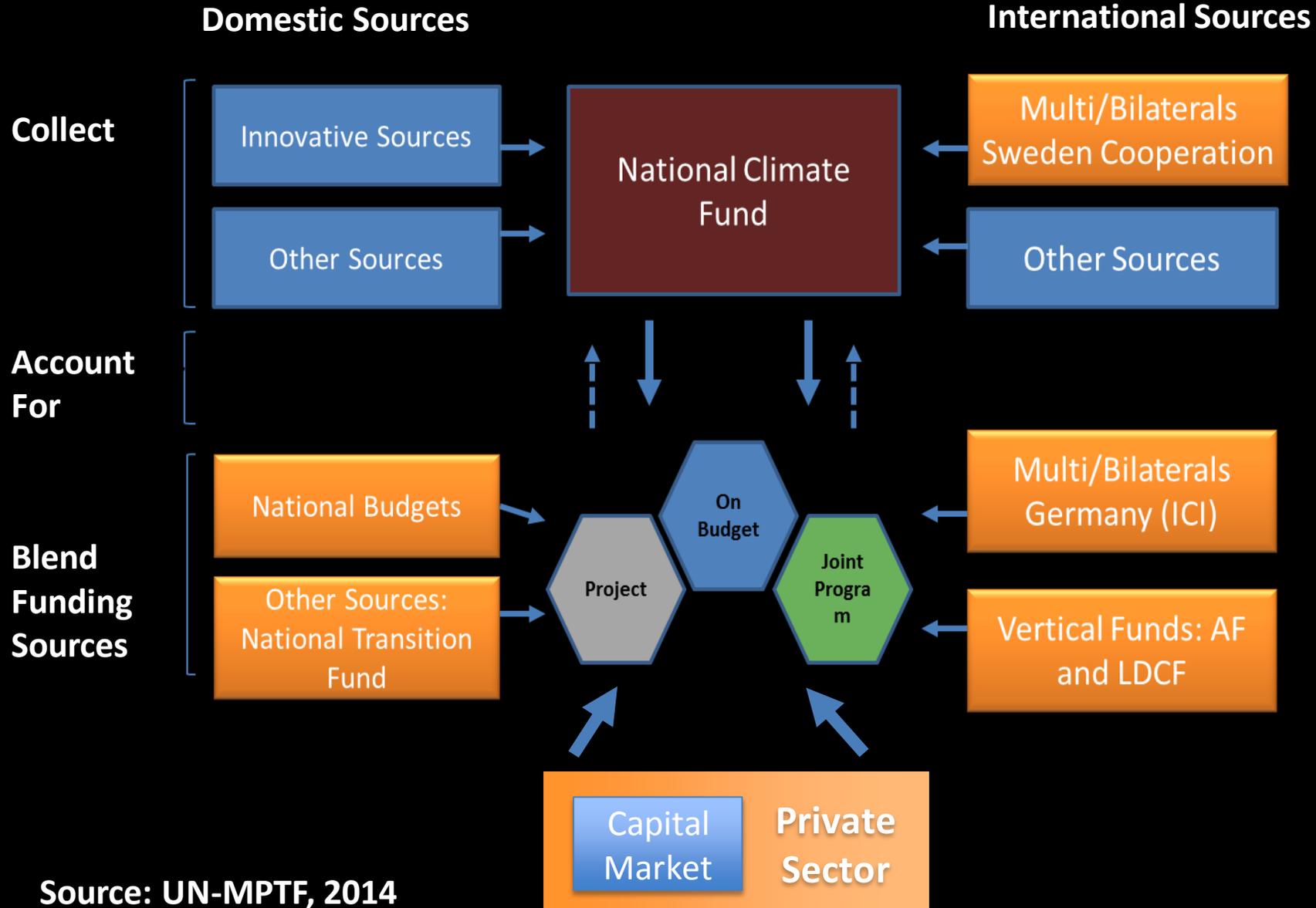
# Making Systems and Institutions Climate Finance Ready is Important



- **Elements are not one-size-fits-all**
- **Efforts don't need to start from scratch**
- **Readiness is an ongoing process**



# Integrated Model 'Blended Finance'

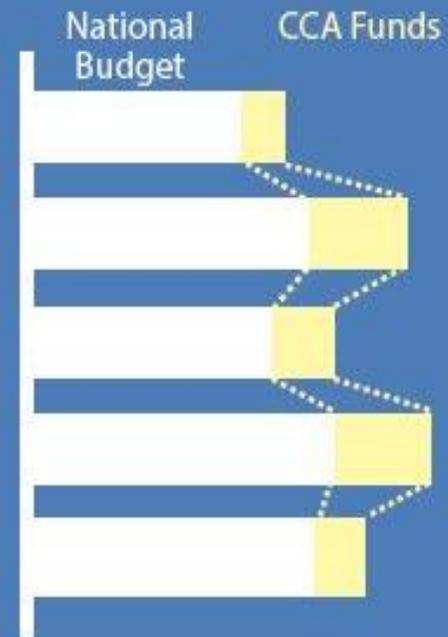


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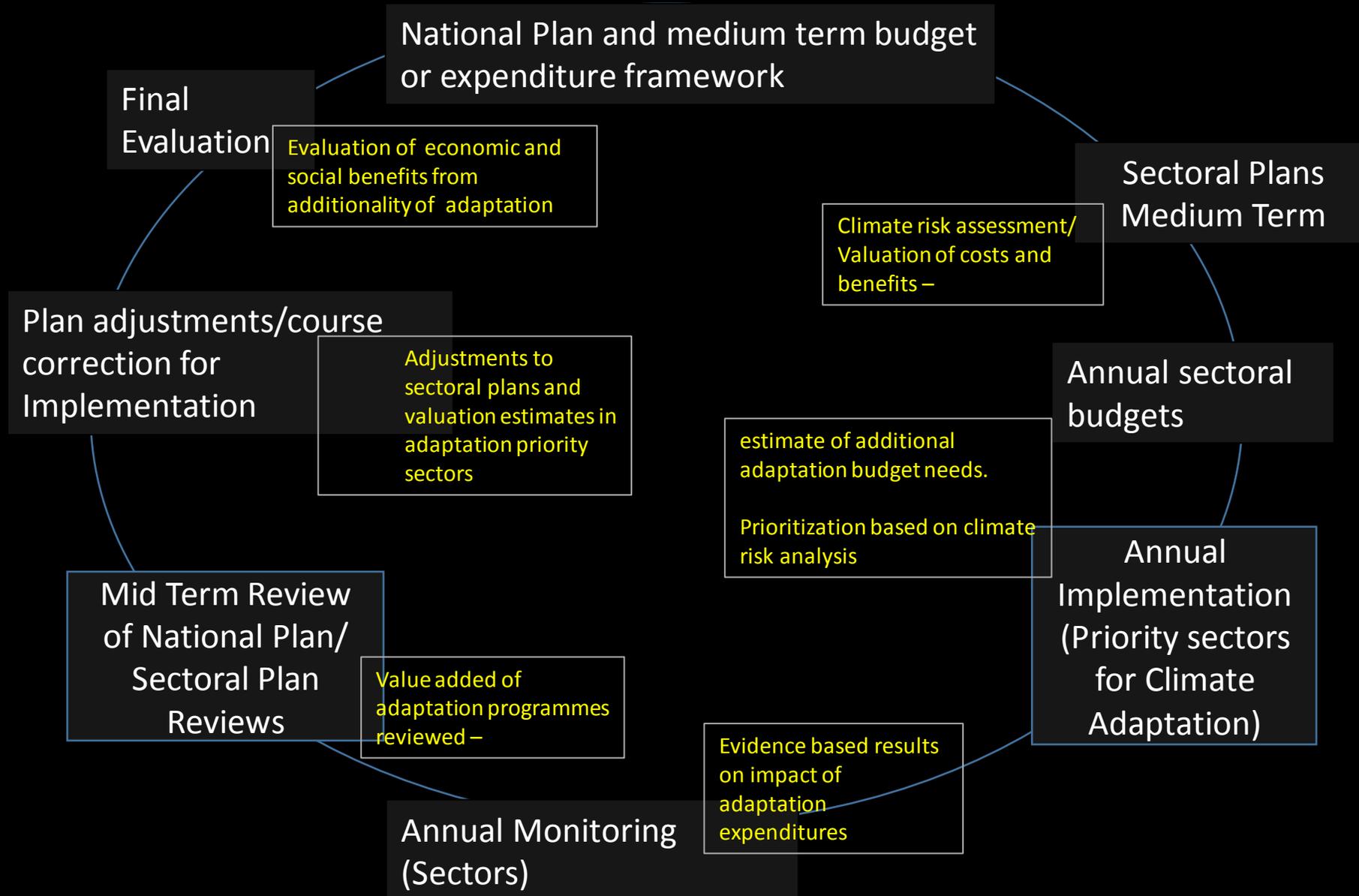


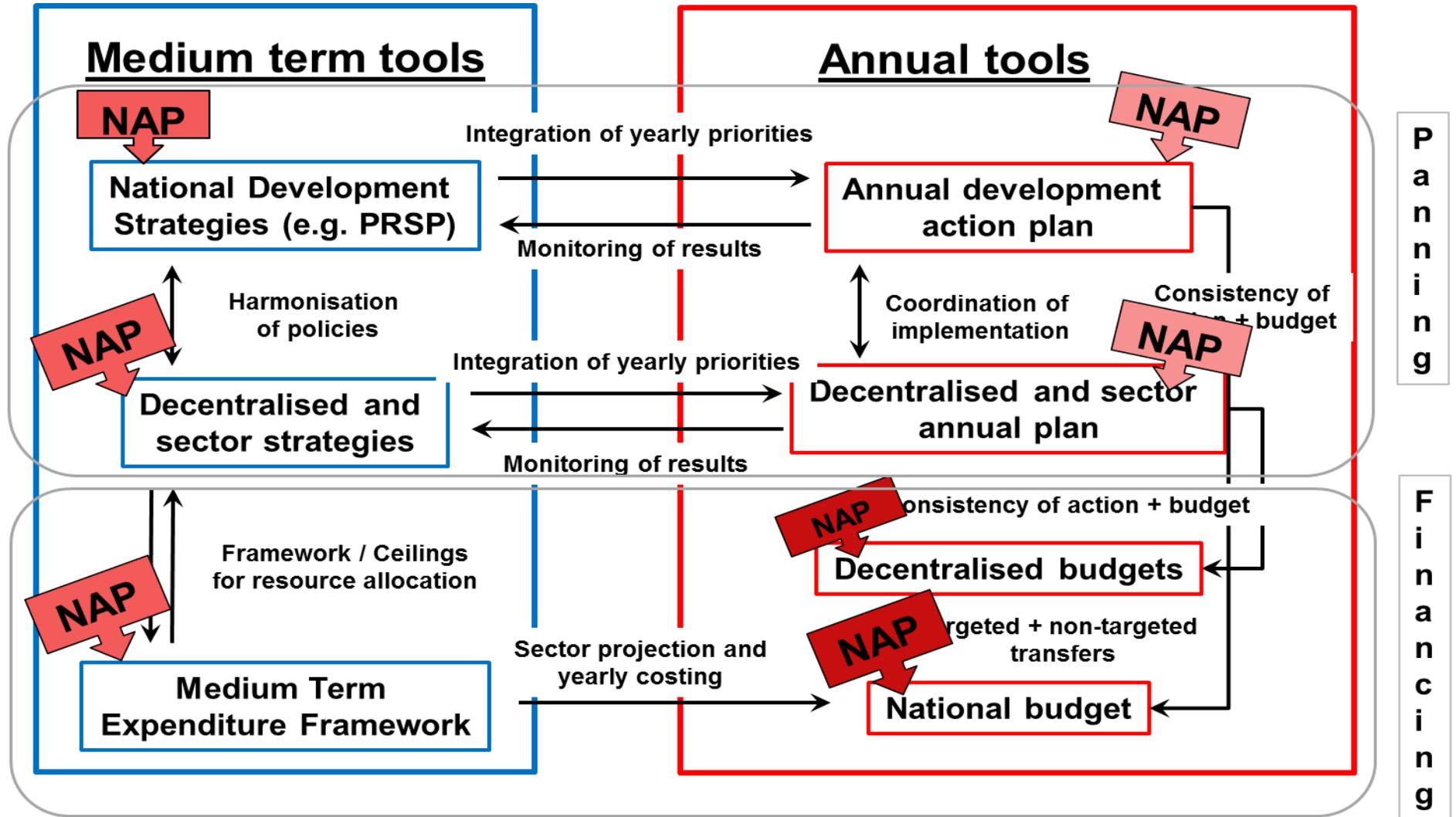
## NATIONAL BUDGETING PROCESS



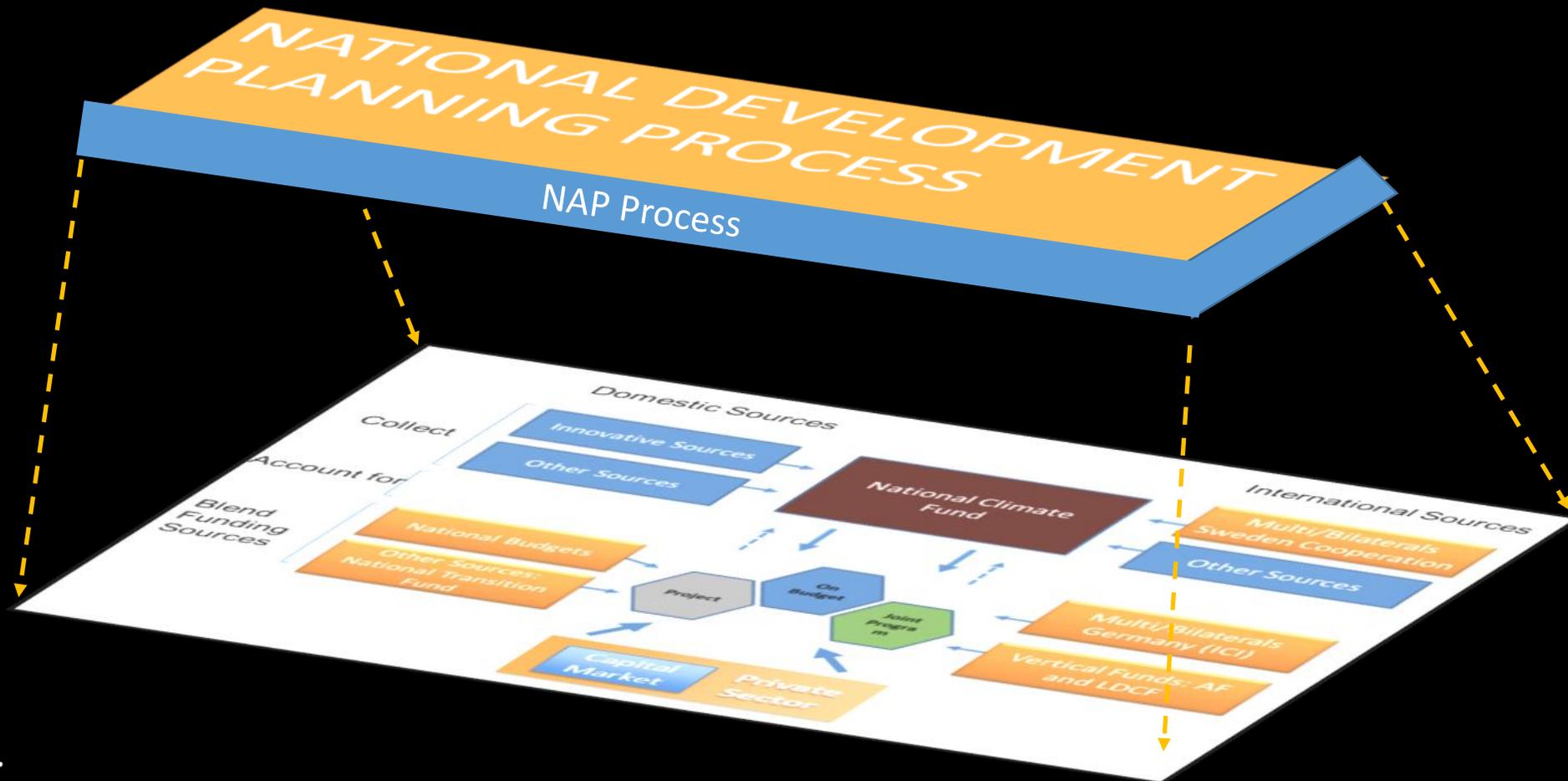
# National Planning and Budgeting Cycle: Country X

## Entry points and Tools for Addressing Climate Risk





# A Defining Framework for Medium and Long-Term Climate Change Adaptation Challenge



# **So, What Does This All Mean?**

**Making Sure that Efforts Have an Impact on the Ground**

Cambodia/LDCF



Guatemala/SPA



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Vanuatu/SCCF

Laos/SCCF

## Some lessons to bear in mind

Focus on the process – Inclusive national dialogue and strong ownership from multiple stakeholders

- Establish institutional structures and mechanisms that are demand led and enable innovation, accountability and transparency
- Strengthen capacities of national institutions to plan, budget, track and monitor climate finance
- Build public capacity to design and implement national programmes and projects that are results (benefit) based and sustainable
- Establish robust M&E systems to track and measure climate finance effectiveness



- National Climate Change Policies need to clearly link to development planning and finance. (CC Fiscal Frameworks, national co-ordination mechanisms and national capacity building initiatives)
- Innovative Instruments and financing modalities need to be explored
- Challenging political economy as discussion starts to involve non traditional stakeholders e.g. Private sector, Ministries of Finance and planning
  - Priority setting is **lengthy & complex** due to competing agendas among sectoral ministries
- Opportunity for South-South learning – How do we get this right?
- Use of country systems and effective institutions – Key issues to address also through the development effectiveness platform



- **Technical capacities** for iterative climate considerations in planning and budget required (to assess finance needs, first need to understand costs/benefits of adaptation over different time scales)
- **Elements are not one-size-fits-all** - Different configurations of these four components can exist within institutions, between institutions, or across national or sectoral systems.
- **Not starting from scratch** – Many countries have parts of these systems in place. The challenge is identifying them and organizing them to produce an effective system at the national level.
- **Readiness is an ongoing process** – requires long-term engagement and nurturing.



# Catalyzing Adaptation Finance

## Focus of UNDP's Work on Climate Finance Readiness

**ACTION ON THE  
GROUND**

**CAPACITY  
ENHANCEMENT**

**BARRIER  
REMOVAL**

**POLICY  
DIALOGUE**

- **Policy development:** How is CC policy formulated? Are national CC strategies developed?
- **Provide a framework** for sector-wide approaches & to incentivise private investments
- **Institutional structures:** What are roles & responsibilities of institutions involved in managing CC response & their interaction?
- **Public financial management:** How to quantify & track CC-related expenditures in the budget?
- Developing bankable adaptation projects including training on the economics of adaptation

**NAP-GSP, LECB, CPEIR**

**LDCF/SCCF/AF/Bilateral  
financed projects**

**NAP-GSP, LECB, CPEIR,  
LDCF/SCCF/Bilateral  
financed projects**

**CPEIR**

**Economics of Adaptation**



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