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USAID CLIMATE CHANGE ADAPTATION PROJECT PREPARATION  
FACILITY FOR ASIA AND THE PACIFIC (USAID Adapt Asia-Pacific)

# ANNUAL REPORT: YEAR TWO

**September 27, 2012 – September 26, 2013**

OCTOBER 30, 2013

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## September 27, 2012 – September 26, 2013

**Project Title:** USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific

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## ANNUAL REPORT SUMMARY

Under USAID contract number 486-C-11-00005, AECOM International Development (AECOM) is implementing the USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific (USAID Adapt Asia-Pacific) project in support of the Regional Environment Office (REO) of the USAID Regional Development Mission Asia (RDMA). The USAID Adapt Asia-Pacific contract has five tasks: (1) Knowledge Sharing Platform; (2) Annual Forum; (3) Climate Change Adaptation Capacity Building; (4) Technical Assistance in Preparing Funding Proposals; and (5) Overarching Program Management and Coordination. This annual report provides a summary of the status of key project activities and achievements against key project objectives and annual performance targets. Highlights of USAID Adapt Asia-Pacific's achievements in FY2013 include:

- 1) Supported preparation of two bankable climate change adaptation project proposals for Tuvalu and Tonga;
- 2) Leveraged an additional US\$81 million investment in climate change adaptation work in the target countries from international development partners;
- 3) Benefitted 58,000 people through facilitated climate change adaptation projects;
- 4) Improved institutional capacity of eight government institutes in Asia and Pacific to better respond to the climate change adaptation needs of the region; and
- 5) Trained more than 200 government officials in climate change finance and adaptation issues.

With the expansion of the project's geographic scope to include the 14 independent Pacific Island countries (PICs), USAID Adapt Asia-Pacific's activities in the Pacific region increased significantly during FY13. Joint project preparation was carried out and/or is underway with UNDP, ADB and the World Bank in various countries in the Pacific region, including Tuvalu, Tonga, Samoa, Solomon Islands, and Vanuatu. The project's strategic partnership with the Suva-based Pacific Islands Forum Secretariat (PIFS), which carries the regional mandate for climate change financing, has opened opportunities for strengthening governments' access to climate adaptation financing in Samoa, Republic of the Marshall Islands (RMI), Nauru, Vanuatu, and the Cook Islands. Given the region's unique situation, the project's standalone training program will work closely with the University of the South Pacific (USP) in curriculum development through its distance learning initiative. The limited capacity of government staff and their difficulty in putting together bankable projects argues for continued emphasis on the Pacific region in future years.

Specific key outputs for USAID Adapt Asia-Pacific in FY2013 are described below.

### KNOWLEDGE SHARING PLATFORM

One of the main objectives of USAID Adapt Asia-Pacific during FY2013 was to support technical assistance to prepare projects to access climate change adaptation (CCA) financing. To underpin this approach, the project developed CCA finance-related knowledge products and disseminated them through its website ([www.adaptasiapacific.org](http://www.adaptasiapacific.org)), and through the Asia Pacific Adaptation Network (APAN), the regional knowledge sharing platform of USAID Adapt Asia-Pacific. The program continued to strengthen APAN as a regional knowledge-sharing platform for CCA financing, leveraging APAN's existing capabilities and networks for wider knowledge sharing. Through the knowledge products and knowledge sharing platforms developed in cooperation with the project, APAN will serve as one of the key pillars for the long-term sustainability of the USAID Adapt Asia-Pacific project. Specific outputs and outcomes for FY2013 include:

- Upgraded a new online knowledge platform/website for APAN.
- Conducted three online discussion fora/live-chats with the members of USAID Adapt Asia-Pacific's Community of Practice that provided a better understanding of available sources of climate adaptation financing and alternate modalities for accessing them.
- Organized a parallel session on "Accessing Climate Change Adaptation Finance: International Lessons, National Concerns, and Capacity Needs" at the March 2013 APAN Third Adaptation Forum in Korea, Asia's premier climate change adaptation event.

## **ANNUAL FORUM**

On June 3<sup>rd</sup> and 4<sup>th</sup>, 2013, USAID Adapt Asia-Pacific organized the 2<sup>nd</sup> Annual Meeting in Nadi, Fiji, in close collaboration with the Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Regional Environment Programme (SPREP). This second regional meeting was part of the first-ever “Pacific Climate Change Resourcing Event Week” organized in partnership with the Pacific Islands Forum Secretariat (PIFS) under the auspices of the Pacific Climate Change Roundtable (PCCR) Resources Working Group (RWG) and supported by UNDP, USAID and AusAID. Major accomplishments include:

- Extensive stakeholder participation with 101 government officials from 14 Pacific Island countries and five Asian countries in attendance. Other participants included Pacific regional agencies, bilateral and multilateral development partners, civil society and the private sector.
- Organization of an innovative development marketplace, giving participating countries a forum to discuss country climate financing needs and possible partner opportunities. Numerous actions for USAID Adapt Asia-Pacific immediate follow up resulted from the marketplace, including the establishment of partnerships in RMI, Nauru, Vanuatu, and Samoa.

## **CLIMATE CHANGE ADAPTATION CAPACITY BUILDING**

In FY2013, USAID Adapt Asia-Pacific has built on relationships established during the first year, as well as forged new partnerships, in the implementation of its capacity building program, surpassing the year’s target for person hours of training. The project has continued to explore a variety of avenues to build the capacity of governments in Asia-Pacific to access climate finance. This includes:

- Supported existing capacity-building programs, such as the five-day climate finance training course in partnership with TERI in India that trained senior government officials on the various sources of international climate finance;
- Developed a first of its kind Climate Change Research Strategy for Thailand in partnership with Thai Royal Institute and ONEP;
- Developed new capacity building programs, like the innovative Economics of Climate Change Adaptation (ECCA) program in partnership with UNDP, which will ultimately help national and local decision makers integrate cost-benefit analysis of climate change adaptation options into development planning, providing the tools to support government agencies in designing “bankable” adaptation projects;
- Created tools, guidelines and methodologies for replication around the region, such as the toolkit on ECCA that was prepared in partnership with the faculty of Yale University, UNDP’s global head of climate change adaptation, and others; and
- Supported national governments in establishing systems for a functioning climate change trust fund that channels bi- and multilateral climate financing to government agencies, in Tonga, Samoa and Indonesia.

## **TECHNICAL ASSISTANCE IN PREPARING FUNDING PROPOSALS**

During FY2013, technical assistance for preparing adaptation projects gradually transitioned from working with multilateral development agencies (Asian Development Bank (ADB), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), and World Bank) to work directly with national governments (such as India, Indonesia, Cambodia, Samoa, and the Philippines). This transition is driven by the need for continuous engagement with government officials for long-term sustainability, gradual re-alignment of their often excessive expectations, and finding niche areas where USAID Adapt Asia-Pacific can support national adaptation programs. In FY2014 cooperation with multilateral partners will be more strategic to identify opportunities to directly support more countries and more activities involved. Project preparation support in FY2013 has included:

- Continuing support to Cambodia’s Ministry of Rural Development to develop guidelines which will be applied to climate proof rural community ponds to be financed by the ADB/Government of Cambodia Second Rural Water Supply and Sanitation Sector Project;
- Supported the design and establishment of the Government of Tonga Climate Change Trust Fund in partnership with the ADB, which will serve as Government’s principal vehicle for channeling bi- and multilateral climate financing;

- Supported the Government of Samoa, in collaboration with the World Bank, to develop a climate change adaptation project for financing from the Pilot Program for Climate Resilience (PPCR), “Enhancing the Climate Resilience of Coastal Resources and Communities”.

## OVERARCHING PROGRAM MANAGEMENT AND COORDINATION

USAID Adapt Asia-Pacific established effective working relationships with USAID bilateral missions and international development partners, building synergies with other donors and U.S. Government programs and avoiding duplication of activities at the country and regional levels. As part of this close working relationship, the project visited key USAID missions and U.S. Embassies (Indonesia, Vietnam, India, Mongolia, and the U.S. Embassy in Fiji and Samoa) to brief them on project objectives and activities and consult with them on the status of ongoing and planned project activities in the respective countries. Throughout year two, USAID Adapt Asia-Pacific also successfully engaged in joint activities with the ADB, AusAID GIZ, the WB, UNDP, UNEP, PIFS and other multilateral donor agencies. These joint activities helped the project to reach a larger audience and target specific countries, enabling the project to leverage financial and technical resources of more than USD200,000 for project activities.

## FY2013 PMP RESULTS OVERVIEW

Table 1 presents a comparison of targeted vs. actual results for PMP indicators for FY13. Detailed discussion of indicators and FY2013 results are presented under each task in the present report.

<b>TABLE 1: FY2013 ADAPT ASIA-PACIFIC PERFORMANCE MANAGEMENT PLAN RESULTS SUMMARY</b>			
PROGRAM ELEMENT 4.8.2. CLEAN PRODUCTIVE ENVIRONMENT			
<b>PMP INDICATORS*</b>		<b>FY13 TARGETS</b>	<b>FY13 RESULTS</b>
D.O.1	Number of stakeholders with adaptive capacity to cope with impacts of climate variability and change as a result of USG assistance **	8	N/A
IR 1.1	Person hours of training completed in climate change supported by USG assistance/Number of people trained in climate change	3,822/190	5,101/205
IR 1.2	Number of institutions with improved capacity to address climate issues as a result of USG assistance	N/A	8
IR 2.1	Number of climate change adaptation projects with facilitated access to finance	3	2
IR 2.2	Number of facilitated projects with a specific gender component	1	0
IR 2.3	Number of people benefiting from climate change adaptation project approved or in the pipeline as a result of USG assistance	29,000	58,000
IR 2.4	Amount of investment leveraged in U.S. dollars, from private and public sources, for climate change as a result of USG assistance	\$64 Million	\$81
IR 2.5	Amount of funds in U.S. dollars from non-USAID sources mobilized and applied to support project preparation facility objectives	\$200,000	\$227,446
IR 2.6	Number of climate mitigation and/or adaptation tools, technologies, and methodologies, developed, tested, and/or adopted as a result of USG assistance (Custom)	1	1
IR 3.1	Number of regional environmental platforms created or strengthened	1	1

\*Individual indicators and results are discussed in more detail under each task below.

\*\*Per USAID/RDMA REO guidance during the fiscal year, this indicator has been removed from the indicators list and results under this indicator are to be captured under IR 1.2 (number of institutions) and thus shows no results for FY13.

# TABLE OF CONTENTS

ACRONYMS.....	VI
<b>I. BACKGROUND.....</b>	<b>1</b>
<b>II. TASK 1: KNOWLEDGE SHARING PLATFORM.....</b>	<b>3</b>
STRENGTHENING APAN AS A REGIONAL KNOWLEDGE SHARING PLATFORM.....	4
THE USAID ADAPT ASIA-PACIFIC COMMUNITY OF PRACTICE.....	4
INDICATOR RESULTS SUMMARY.....	5
<b>III. TASK 2: ANNUAL FORUM.....</b>	<b>6</b>
USAID ADAPT ASIA-PACIFIC SECOND ANNUAL FORUM.....	7
POST-FORUM ACTIVITIES.....	8
INDICATOR RESULTS SUMMARY.....	8
<b>IV. TASK 3: CLIMATE CHANGE ADAPTATION CAPACITY BUILDING PROGRAM.....</b>	<b>10</b>
SUPPORT TO EXISTING CAPACITY BUILDING PROGRAMS AND INSTITUTIONS.....	11
DIRECT TECHNICAL SUPPORT TO GOVERNMENT INSTITUTIONS.....	12
STANDALONE CAPACITY BUILDING PROGRAMS.....	13
TOOLS, GUIDELINES, METHODOLOGIES.....	15
INDICATOR RESULTS SUMMARY.....	15
<b>V. TASK 4: TECHNICAL ASSISTANCE IN PREPARING FUNDING PROPOSALS.....</b>	<b>17</b>
PROJECT PREPARATION WORK IN ASIA.....	18
PROJECT PREPARATION WORK IN THE PACIFIC.....	19
MOBILIZING INNOVATIVE SOURCES OF FINANCE.....	21
INDICATOR RESULTS SUMMARY.....	21
<b>VI. TASK 5: OVERARCHING PROGRAM MANAGEMENT AND COORDINATION.....</b>	<b>23</b>
PERFORMANCE MONITORING AND REPORTING IN FY2013.....	23
COMMUNICATION AND OUTREACH.....	23
COORDINATION WITH BILATERAL MISSIONS AND OTHER DONORS.....	23
<b>VII. INTEGRATION OF CROSSCUTTING ISSUES &amp; USAID FORWARD PRIORITIES ....</b>	<b>24</b>
GENDER EQUALITY AND FEMALE EMPOWERMENT.....	24
<b>VIII. KEY IMPLEMENTATION ISSUES AND CHALLENGES.....</b>	<b>25</b>
<b>IX. SUSTAINABILITY OF ADAPT ASIA-PACIFIC.....</b>	<b>26</b>
THE ASIA-PACIFIC ADAPTATION NETWORK (APAN).....	26
STRENGTHENING GOVERNMENT CAPACITIES IN THE REGION.....	26
PROJECT PREPARATION FACILITIES IN THE ASIA-PACIFIC REGION.....	27
<b>X. WAY FORWARD.....</b>	<b>28</b>
ANNEX 1: LIST OF PARTNERS IN FY2013.....	29
ANNEX 2: LIST OF PEOPLE TRAINED IN FY2013.....	32
ANNEX 3: USAID ADAPT ASIA-PACIFIC PRESS RELEASES.....	56
ANNEX 4: USAID ADAPT ASIA-PACIFIC CONTRIBUTIONS TO USAID/RDMA WEEKLY UPDATES.....	59

## ACRONYMS

USAID Adapt Asia-Pacific	USAID Climate Change Project Preparation Facility for Asia and the Pacific
ADB	Asian Development Bank
AIT	Asian Institute of Technology
APAN	Asia Pacific Adaptation Network
AusAID	Australian Agency for International Development
CBEWS	Community-based Early Warning System
CCA	Climate Change Adaptation
CoP	Community of Practice
COR	Contracting Officer's Representative
CPEIR	Climate Public Expenditure and Institutional Review
DOF	Department of Finance (Philippines)
FEMM	Forum Economic Ministers' Meeting
GEF	Global Environmental Facility
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation, Ltd.)
IGES	Institute for Global Environmental Strategies
ICCTF	Indonesia Climate Change Trust Fund
JICA	Japanese International Cooperation Agency
KM	Knowledge Management
MONRE	Ministry of Natural Resources and Environment (Thailand)
NCF	National Climate Funds
NIE	National Implementing Entity
OCCC	Office of Climate Change Coordination
ONEP	Office of Natural Environmental Policy and Planning (Thailand)
PIFS	Pacific Islands Forum Secretariat
PCCR	Pacific Climate Change Round Table
PPCR	Pilot Project on Climate Resistance
PMP	Performance Management Plan
RDMA	Regional Development Mission for Asia, USAID
REO	Regional Environmental Office of RDMA
SPC	Secretariat of the Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
STA	Samoa Tourism Authority
TICA	Thailand International Cooperation Agency
UNDP	United Nations Development Programme
UNEP	United National Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
USP	University of South Pacific
WB	World Bank

## I. BACKGROUND

To support the United States Agency for International Development (USAID) Regional Development Mission for Asia (RDMA) Development Objective of “Improved response to environmental challenges in Asia,” RDMA awarded a technical support services contract to AECOM to implement the USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific, hereinafter referred to as the USAID Adapt Asia-Pacific project. USAID Adapt Asia-Pacific addresses capacity and information needs of eligible governments in the Asia-Pacific region in accessing climate change adaptation funds and accelerating investments in initiatives that increase resilience to the negative impacts of climate change.

The original premise of the USAID Adapt Asia-Pacific project was that national governments in the Asia-Pacific region had recognized the increasing impacts of climate change, but were facing a range of constraints in accessing the presumed increasing quantity of external climate change adaptation funds available globally. Thus, the project provides targeted technical assistance and capacity building to national governments to overcome these constraints and accelerate access to adaptation funds.

Early baseline investigation by the project during FY2012 found that there was very little adaptation funding available from the specialized climate change funds (like the UNFCCC Adaptation Fund) for adaptation purposes, and direct access by national governments to these funds was the exception, rather than the rule. Until very recently, none of the national institution in the Asia-Pacific region had achieved accreditation for direct access to the Adaptation Fund. In addition, USAID Adapt Asia-Pacific determined that most of the external funding was either intermediated by or provided directly by multilateral development agencies or through bilateral aid programs.

USAID Adapt Asia-Pacific took a two-pronged approach during early FY2012. First, the project commenced the design of tailored capacity building activities with select regional governments and training institutions to enhance institutional capacity to access climate finance. Second, USAID Adapt Asia-Pacific took the decision to partner with multilateral and UN agencies, in the preparation of climate change adaptation projects. Both strategies were successful with the design and implementation of a multi-faceted capacity building program and joint project preparation carried out and/or underway with UNDP, UNEP, ADB, and the World Bank in Lao PDR, Nepal, Tuvalu, Cambodia, Samoa, Solomon Islands and Vanuatu.

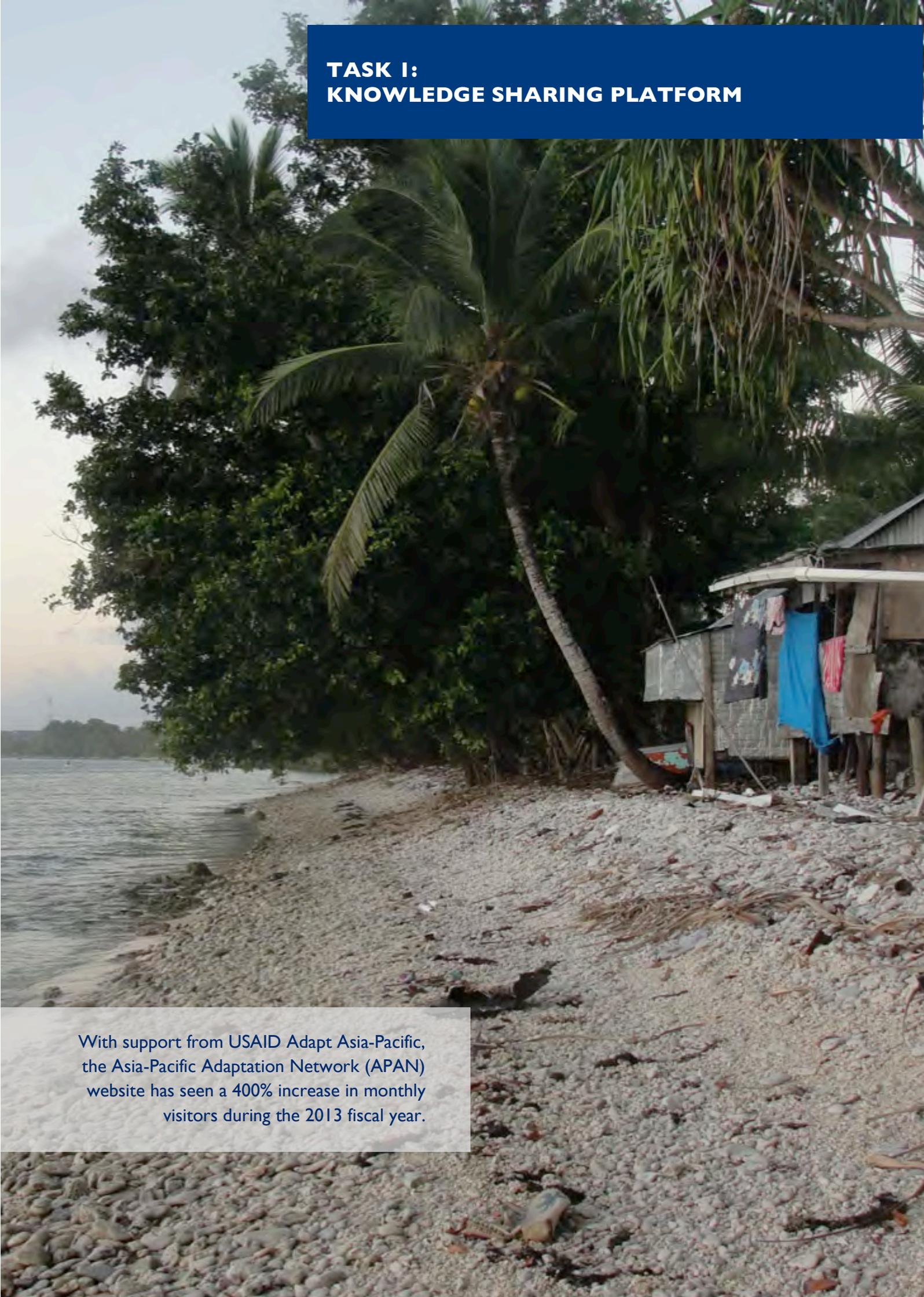
In addition, investigation of the need for climate change adaptation financing suggested that external financing is unlikely to be sufficient, even if the US\$100 billion targeted annually from 2020 for climate change action materializes. Therefore, the FY2013 Work Plan built on the successes and lessons from FY2012 to further broaden USAID Adapt Asia-Pacific’s strategic approach to include investigation of current levels of financing available through domestic public finance and private sector sources for climate adaptation. Also in FY2013, USAID Adapt Asia-Pacific started engaging directly with country governments to build sustainable capacity for climate change adaptation project preparation.

During the first two years of the project, USAID Adapt Asia-Pacific has made progress toward achieving its principal objective to establish an adaptation project preparation facility with a multifaceted approach, including a dedicated institutional arrangement(s) to support governments prepare specific projects, strengthened key national project preparation and capacity building institutions in the region, strategic partnerships with multilateral and regional institutions, and a strengthened regional knowledge management platform, APAN, to generate and disseminate knowledge products.

USAID Adapt Asia-Pacific envisages APAN as one of the key elements to longer-term sustainability. APAN, established in 2009, is the leading climate change adaptation network in the Asia-Pacific region. APAN’s core business includes the services of knowledge generation, web-based knowledge management, the APAN Adaptation Forum, and sub-regional and thematic conferences, APAN strives to equip key actors in Asia and the Pacific with appropriate knowledge for designing and implementing climate change adaptation measures, building capacity to

access technologies and finance in support of climate change adaptation and integrating climate change adaptation into policies, strategies and plans. USAID Adapt Asia-Pacific and APAN share similar interests and primary target audience (national government officials). APAN is providing USAID Adapt Asia-Pacific with a readymade platform to increase and strengthen its outreach in the Asia-Pacific region and beyond. APAN can also potentially contribute to mobilizing resources through its network for knowledge management and capacity building. APAN is actively under consideration as one of the project's legacy institutions.

APAN is a multi-donor platform currently supported by the Ministry of Environment, Japan, the ADB, and USAID through the USAID Adapt Asia-Pacific project. The United Nations Environment Programme (UNEP) acts as the Secretariat of APAN's Steering Committee, which provides overall guidance to APAN's operations. APAN's regional hub, based in Bangkok, comprises the Institute for Global Environment Strategies (IGES), AECOM's principal subcontractor on USAID Adapt Asia-Pacific, which manages the project's knowledge management and annual forum tasks 1 and 2, The Regional Resource Centre for Asia and the Pacific at the Asia Institute of Technology (AIT) in Bangkok and the Stockholm Environment Institute (SEI) are also members of APAN's regional hub, which manages day-to-day operations.



## TASK I: KNOWLEDGE SHARING PLATFORM

With support from USAID Adapt Asia-Pacific, the Asia-Pacific Adaptation Network (APAN) website has seen a 400% increase in monthly visitors during the 2013 fiscal year.

**A**s discussed above, APAN serves as a key element for the long-term sustainability of the USAID Adapt Asia-Pacific project. During FY2013, USAID Adapt Asia-Pacific strengthened APAN's capacity, with a view to develop it as a potential legacy institution for the project. The program continued to strengthen APAN as a regional knowledge-sharing platform for CCA financing, leveraging APAN's existing capabilities and networks for wider knowledge sharing.

## **STRENGTHENING APAN AS A REGIONAL KNOWLEDGE SHARING PLATFORM**

Throughout FY2013, USAID Adapt Asia-Pacific made substantial progress in strengthening APAN's operational capacity and increasing the number of knowledge products to disseminate. The project provided APAN with additional technical assistance, increasing APAN's capacity, not only to handle increasingly large volumes of information, but also to design and execute efficient knowledge management strategies.

USAID Adapt Asia-Pacific worked with APAN's core technical partners to formulate operational guidelines, redefining the network's organizational arrangement to enhance both efficiency and institutional memory. Additionally, with support from USAID Adapt Asia-Pacific, APAN has begun to engage its Steering Committee to develop a Sustainability Strategy that will guide and strengthen the network's knowledge management capacity for long-term operation. The Strategy has been drafted and shared with UNEP, the APAN Secretariat, to finalize and submit for review by the Steering Committee in the spring of 2014. Once approved, USAID Adapt Asia-Pacific will work with partners to implement key activities of the Strategy document. In FY2013, USAID Adapt Asia-Pacific also supported APAN with the development of guiding documents for branding, communications and outreach, an updated brochure, and a paper on a comparative analysis of alternative knowledge management platforms in Asia-Pacific.

With the direct support of USAID Adapt Asia-Pacific, APAN revamped its online knowledge management platform this year, resulting in great enhancements in platform structure and navigability. The scattered information stored in the web portals of APAN and its partners was consolidated and streamlined into a single source website. The number of visitors to the APAN web page has since steadily increased from 619 at the start of FY2013 reaching a maximum of 2,582 in September 2013. The USAID Adapt Asia-Pacific website is also now integrated as part of APAN's website, with adaptation finance marked as one of APAN's 14 thematic focus areas. APAN included the finance-related knowledge products identified and produced by USAID Adapt Asia-Pacific on its website, increasing its knowledge base.

## **THE USAID ADAPT ASIA-PACIFIC COMMUNITY OF PRACTICE**

USAID Adapt Asia-Pacific continues to maintain active engagement with key project stakeholders, including participants from the annual forum, meetings and trainings, through its online community of practice (CoP) activities.

Throughout FY2013, USAID Adapt Asia-Pacific hosted a number of live-chats, webinars, email-based discussions and interviews available to members of the USAID Adapt Asia-Pacific community. A number of digital events were delivered in support of the Economics of Climate Change Adaptation (ECCA) Program, providing a venue for robust interaction among training participants, practitioners and experts. Two "Ask-the-Experts" live chats and one webinar were conducted in FY2013, moderated by Yale University faculty members hired by USAID Adapt Asia-Pacific. An average of 14 participants across various time zones from Mongolia to Bangladesh participated in each digital event. The events allowed training participants and mentors to discuss elements of their analyses (i.e. agriculture and water survey instruments) in between workshops.

A new email-based discussion format (The Exchange Series on Climate Financing) was designed and launched in FY2013. This initiative builds on the experiences and lessons from the previous year that providing a venue for short but intensive interactions for practitioners to discuss specific topics induced lively discussions and produced

tangible outputs such as e-discussion summary reports, transcripts and consolidated replies that served as useful knowledge products for all stakeholders.

### BOX 1: THE EXCHANGE SERIES ON CLIMATE FINANCING

In FY2013, USAID Adapt Asia-Pacific adopted a new format for continuing regional discussion regarding adaptation finance. **The Exchange Series on Climate Financing** is a facilitated knowledge exchange and open discussion among members of USAID Adapt Asia-Pacific’s adaptation finance community of practice. The Exchange Series provides a mechanism to keep the conversation about climate finance active between regional forums and meetings, enabling continual regional debate on various aspects of CCA financing.

The first exchange took place in September of 2013 as a follow-up to the second regional meeting in June. Participants from India to Vanuatu shared their thoughts on the challenges that Pacific countries face in accessing financial resources for climate change adaptation. Participants explored the ways that Pacific governments can build their capacity to not only access but also efficiently utilize climate change adaptation funds.

Each exchange takes place over several weeks, allowing members of the USAID Adapt Asia-Pacific CoP to reflect on the topic and contribute their unique perspectives. The USAID Adapt Asia-Pacific Knowledge Management Team moderates the exchanges and ensures that members receive a maximum of one email a day. Messages posted reflect the personal views of the contributors and not the positions of their organizations.

The e-discussions are planned to continue producing fruitful discussion into FY2014. The 2<sup>nd</sup> exchange in October 2013 centered on the discussions at the 19<sup>th</sup> Conference of the Parties in Warsaw. Future exchanges, expected to take place every few months, are intended to similarly focus on current climate financing topics of regional importance.

### INDICATOR RESULTS SUMMARY

As detailed in Table 2 below, USAID Adapt Asia-Pacific met the performance target for the USAID custom indicator – number of regional environmental platforms created or strengthened. USAID Adapt Asia-Pacific met targets under this indicator by improving knowledge production, management and sharing capacity of APAN during the reporting period.

**TABLE 2: FY2013 KNOWLEDGE SHARING PLATFORM INDICATORS RESULTS**  
PROGRAM ELEMENT 4.8.2. CLEAN PRODUCTIVE ENVIRONMENT

PMP INDICATORS		FY13 TARGETS	TASK 1 CONTRIBUTION
IR 3.1	Number of regional environmental platforms created or strengthened		

## TASK 2: THE ANNUAL FORUM



In July of 2013, representatives from a number of Pacific Island Nations had the opportunity to meet with potential financiers of climate change adaptation projects at the first-ever Development Marketplace for adaptation financing during USAID Adapt Asia-Pacific's second Annual Forum in Fiji.



 On June 3-4, 2013, USAID Adapt Asia-Pacific organized its 2nd Annual Meeting in Nadi, Fiji, in close collaboration with the Pacific Islands Forum Secretariat (PIFS) and Secretariat of the Pacific Regional Environment Programme (SPREP). This second regional Meeting followed a three-day Pacific Climate Change Financing Workshop, which took place from May 30 to June 1, 2013, as part of the first-ever “Pacific Climate Change Resourcing Event Week” under the auspices of the Pacific Climate Change Roundtable (PCCR) Resources Working Group (RWG) and supported by UNDP, USAID and AusAID. The Meeting resulted in the identification of new USAID Adapt Asia-Pacific initiatives with the Governments of Nauru, the Republic of the Marshall Islands (RMI), Vanuatu, and the Cook Islands (see Box 2). Later, in the fall of 2013, the Meeting was followed up with an e-discussion among USAID Adapt Asia-Pacific stakeholders to continue discussion surrounding many of the topics covered in Fiji.

## **USAID ADAPT ASIA-PACIFIC SECOND ANNUAL FORUM**

The “Pacific Climate Change Resourcing Event Week”, comprising the Pacific Climate Change Financing Workshop (May 30-June 1, 2013) – organized by the Pacific Islands Forum Secretariat (PIFS) – and the 2<sup>nd</sup> USAID Adapt Asia-Pacific Annual Meeting (June 3-4, 2013), sought to improve Pacific Island Countries’ (PICs) access to funding for vital climate change adaptation projects. This year’s USAID Adapt Asia-Pacific Meeting was in response to a call from the Pacific community at the 2012 Forum in Bangkok, Thailand. At that time, the PICs requested further engagement in the Pacific region in order to address PIC-specific issues and share experiences across the Asia-Pacific region.

A total of one hundred and one (101) participants attended the events, comprising officials from 14 PICs (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu) and five Asian government institutions (India, Indonesia, Maldives, the Philippines and Vietnam). Representatives from Pacific regional agencies (PIFS, SPREP, SPC, and USP), bilateral and multilateral development partners (ADB, AusAID, GIZ, UNDP, USAID, and World Bank), as well as civil society and the private sector also attended.

USAID Adapt Asia-Pacific supported the participation of 46 government representatives at the Meeting and 14 PIC representatives at the PIFS workshop. Additionally, USAID Adapt Asia-Pacific provided climate change adaptation experts who played a key role in organizing and conducting this workshop by preparing technical materials and facilitating sessions during the PIFS workshop. The Forum received favorable feedback from the participants who appreciated the innovative informal one-to-one meetings between countries and development partners (development marketplace). The active group discussions on selected focused topics, the provision of an intensive learning opportunity from two back-to-back events and the high profile nature of the event that saw the participation of high-level officials also received very favorable feedback.

The week’s events were seamlessly integrated with the discussions resulting from the PIFS workshop incorporated into a development marketplace and other sessions during the USAID Adapt Asia-Pacific 2<sup>nd</sup> Annual Meeting. The development marketplace successfully provided 14 PICs with opportunities to have a direct dialogue with 12 key development partners in the region. The structure of the marketplace enabled interaction between PICs and development partners with respect to their needs to better access climate finance. Specifically, the marketplace identified new initiatives for USAID Adapt Asia-Pacific with various PICs, including Nauru, RMI, Vanuatu, and the Cook Islands. An example of the activities generated is presented below.

Also during the Annual Meeting, participants identified recommended actions for both development agencies and aid recipient countries, including improved donor coordination, harmonization in assistance modalities, and tailored support in response to unique conditions in recipient countries.

## POST-FORUM ACTIVITIES

As a follow-up to the Meeting, and in order to reengage Pacific participants, USAID Adapt Asia-Pacific launched a new e-discussion entitled “The Exchange Series on Climate Financing” in September 2013, timed to coincide with the release of the Pacific Island Forum’s 2013 Communiqué. (*For more information about the exchange series, please see Box 1 on page 5.*)

The first e-discussion entitled “Majuro Declaration for Climate Leadership - A Climate Financing Perspective” drew emails from 15 members and contributions from six participants from the Asia-Pacific region. USAID Adapt Asia-Pacific compiled the replies and summarized main messages for direct distribution to meeting participants and dissemination to a wider audience via the APAN website.

### BOX 2: DEVELOPMENT MARKETPLACE OF CLIMATE FINANCING PRIORITIES

The centerpiece of the second day of the USAID Adapt Asia-Pacific Second Annual Meeting was the innovative ‘Development Marketplace’ that enabled fast and structured interactions between PICs and development partners with respect to their needs to better access climate financing. The Marketplace, which was the first of its kind in the region, was designed to:

- ensure the process of establishing needs and identifying appropriate climate financing modalities is country driven; and
- make best use of the limited time during the meeting for informal face-to-face and one-on-one discussions between countries and development partners.

During the preceding PIFS Climate Financing Workshop, PIC delegations registered which development partners they would like to meet with during the Marketplace session and what were their specific requirements with respect to climate change financing. With this survey, the organizers tabulated and scheduled all requested meetings.

Each country delegation remained seated at its designated table within a ‘breakout space’ while development partner delegations circulated to discuss pre-identified requirements with interested country delegations one-by-one according to the schedule. Each session lasted 10 minutes and was repeated eight times to accommodate all the scheduled meetings.

There was time for extended informal discussions between countries and development partners immediately following the Marketplace session. Participants reported that the session was a major success; USAID Adapt Asia-Pacific has already begun working on a number of initiatives that came out from the marketplace with various PICs, including Nauru, the Republic of the Marshall Islands (RMI) and Cook Islands, to name a few.

The photos on page 6 depict the conversations held during the development marketplace.

## INDICATOR RESULTS SUMMARY

The activities implemented under Task 2 contributed to the project’s overall targets for both CCA training hours (IR.1.1) and non-USAID funds mobilized for project activities (IR.2.5). The project was able to mobilize significant contributions from non-USAID sources through the strong support received from Pacific Islands Forum Secretariat, UN agencies and other non-USAID development partners in the organization and funding of the 2<sup>nd</sup> Annual Meeting. The additional contributions expanded the reach of the Meeting and increased participation from additional stakeholders and experts.

**TABLE 3: FY2013 ANNUAL FORUM INDICATORS RESULTS**

PROGRAM ELEMENT 4.8.2. CLEAN PRODUCTIVE ENVIRONMENT

<b>PMP INDICATORS</b>		<b>FY13 TARGETS</b>	<b>TASK 2 CONTRIBUTION</b>
IR 1.1	Person hours of training completed in climate change supported by USG assistance/Number of people trained in climate change	720/45	608/38
IR 2.5	Amount of funds in U.S. dollars from non-USAID sources mobilized and applied to support project preparation facility objectives	\$30,000	\$116,765

### TASK 3: CLIMATE CHANGE ADAPTATION CAPACITY BUILDING PROGRAM

“ There is an urgent need for extensive and targeted trainings in the economics of climate change adaptation. ”

*Dr. Anupit Supnithadnaporn,  
Plan and Policy Analyst at Thailand's  
Office of the National Economic and  
Social Development Board*



**D**uring FY2013, USAID Adapt Asia-Pacific employed four key modalities to strengthen the capacity of national government agencies and other organizations in the Asia-Pacific region to prepare climate change adaptation project proposals to improve access to climate financing. These included:

- Support to existing capacity building programs, in partnership with regional institutions, on enhancing knowledge on and access to various sources of international climate finance;
- Direct technical support to national governments to improve their capacity to access and/or better manage climate adaptation finance;
- Standalone capacity building programs, which will help national and local decision-makers integrate climate change adaptation into development planning and project preparation; and
- Developing tools, guidelines, and methodologies for replication across the region that will assist national, government agencies in the preparation of climate adaptation projects to improve access to climate finance.

Specific descriptions of the results of project activities during FY2013 follow.

## **SUPPORT TO EXISTING CAPACITY BUILDING PROGRAMS AND INSTITUTIONS**

USAID Adapt Asia-Pacific partners with regional institutions to design and execute capacity building programs linked to the project's mandate of climate adaptation project preparation and access to climate finance. This support could entail development of course curriculum, organization and conducting of specific course sessions, provision of resource persons and presenters, and sponsorship of participants.

Throughout this second year of implementation, USAID Adapt Asia-Pacific built on relationships established during the first year, as well as forged new partnerships, in the implementation of its capacity building program. Key partnerships included cooperation with the institute headed by Nobel Laureate and Chair of the IPCC, Rajendra Pachauri, which resulted in selected senior state and federal government officials in India better understanding how to access climate funds; the training program was considered so successful that it will be offered again in 2014 and perhaps beyond. Similarly, USAID Adapt Asia-Pacific worked with a regional civil society organization and others to raise awareness and develop options for an innovative climate finance regime for South Asia through a two-day, interactive dialogue with national leaders from throughout the sub-region.

### **Partnering with The Energy and Resources Institute (TERI) in building India's Capacity to access Climate Finance:**

Twenty-two senior Indian officials from climate change-associated offices, as well as planning and finance ministries at both the federal and state levels, learned about the major elements in accessing climate change finance. Several of the officials are responsible for implementation of new state climate change strategies, which will require national and international sources of finance. The five-day course curriculum included an overview of climate change finance, considerations in accessing finance, and institutional arrangements at national and sub-national levels, including the role of the private sector. The course provided a number of practical examples and case studies. Dr. Rajendra K. Pachauri, TERI Director General, Chair of the Intergovernmental Panel on Climate Change (IPCC), and 2007 Nobel Peace Prize Laureate, addressed the trainees and participated in a question and answer session. The participants' course assessments were very positive, and TERI plans to offer the course to Indian civil servants once again in 2014 and perhaps beyond.

### **Partnering with the Climate Action Network South Asia (CANSA) and APAN on Options for Innovative Climate Financing in South Asia:**

USAID Adapt Asia-Pacific worked with CANSA, APAN, and the USAID RDMA LEAD project to help design, finance and deliver a Regional Workshop on Options for an Innovative Climate Finance Regime for South Asia, 19-20 August 2013 in New Delhi. The workshop consisted of seven interactive sessions covering topics such as the overall state of play in climate finance, estimated climate change costs, climate finance challenges for adaptation in South Asia, generating climate finance for South Asia, mapping governance challenges, and knowledge gaps and how to address them. Specifically, USAID

Adapt Asia-Pacific, among other roles, led a breakout group that developed recommendations for increasing capacity to identify and access climate financing mechanisms. Interest in the workshop was high; with 70 participants, the course catered to almost double the expected 40 participants.

**Program for capacity building support through training courses:** The results of a 2012 assessment of capacity building needs in climate change adaptation for the Asia-Pacific region indicated that there are a number of existing courses that would further the project's objectives if extended to eligible government officials. In early 2013, with USAID RDMA's approval, USAID Adapt Asia-Pacific developed competitive procedures and criteria for course application. The project prioritizes officials from central ministries, e.g. Finance, Planning, Primer Minister's Office and major line ministries dealing with key climate change adaptation sectors offering a choice of nine training courses that include, amongst others, climate risk management in a changing environment, GIS for disaster risk management, community forestry for adaptation to climate change, and paleoflood hydrology in flood risk assessment. The ultimate objective is to build capacity of government officials to identify and develop adaptation proposals to access financing. In addition, USAID Adapt Asia-Pacific will leverage these trained government officials as champions to initiate project preparation and capacity building activities with their respective government institutions.

During FY2013, four senior government officials from ministries with direct climate change responsibility from Bangladesh, Indonesia and Vietnam participated in high quality training programs relevant to furthering CCA and CCA financing objectives in their respective countries. The training courses "Adaptation Academy Foundation" and "Community Forestry for Adaptation to Climate Change" provided the participants with both policy- and application-level knowledge that would help them advocate for more effective government action on CCA/CCA financing initiatives. Training evaluations for this first batch of trainees will be conducted after six and twelve months of course completion to assess whether and how the skills acquired during the training have been employed in their work.

## **DIRECT TECHNICAL SUPPORT TO GOVERNMENT INSTITUTIONS**

Early baseline investigation by the project during FY2012 found that there was no national government agency in the Asia-Pacific region with direct access to the specialized climate change funds (like the UNFCCC Adaptation Fund). Therefore, in addition to the project's initial two-pronged approach of designing tailored capacity building activities with regional institutions and collaborating with multilateral and U.N. agencies in the preparation of climate change adaptation projects, USAID Adapt Asia-Pacific sought out opportunities to work directly with national governments to strengthen institutional capacity to directly access and/or better manage adaptation financing for the preparation of climate adaptation projects. Capacity building and project preparation are thus intimately linked and fall along a continuum of project technical support that over time will ideally evolve from capacity building to project preparation and vice versa.

In FY2013, USAID Adapt Asia-Pacific's initiatives included assistance to Thailand to strengthen its capabilities to prepare high quality, evidence-based CCA projects. In line with Thailand's national strategy this initiative helps identify the best and most-needed CCA research proposals, to produce information that can then influence the design of future CCA projects. Thailand's national coordinating agency for climate change, the Office of Natural Resources and Environmental Policy and Planning (ONEP), recently gave high marks to USAID Adapt Asia-Pacific for the assistance they are receiving.

### **Developing Evidence-based Climate Change Proposals - Support to the Royal Thai**

**Government:** In one of the first initiatives of its kind, USAID Adapt Asia-Pacific provided support to the Royal Thai Government for the preparation of a national strategy to guide research on climate change adaptation. The strategy provides a foundation for high quality, evidence-based CCA project proposals for national and international financing.

### **Building Capacity at Thailand’s Office of Natural Resources and Environmental Policy and Planning (ONEP):**

Support to ONEP began in mid-2012 with agreement between USAID Adapt Asia-Pacific and the ONEP Secretary General on a program of capacity building assistance. In FY2013, this program included: (i) supporting ONEP’s CCA programs on community-based adaptation and ecosystem-based adaptation; (ii) providing climate change adaptation guidance to senior ONEP officials; (iii) developing a national climate change adaptation research strategy (as mentioned above); and (iv) support to senior staff to attend on-line climate change adaptation training courses relevant to their work. During a meeting with ONEP’s Secretary General and Deputy S.G. in August 2013, USAID Adapt Asia-Pacific support to ONEP was reviewed, assessed by ONEP as highly beneficial, and additional areas of potential support were identified, including: (i) support to the National Implementation Entity (NIE) accreditation process for the UNFCCC Adaptation Fund (AF); (ii) preparation of a National Adaptation Plan (with UNDP); (iii) a workshop on the Economics of Climate Change Adaptation for Thai senior officials; and (iv) USAID Adapt Asia-Pacific’s participation in Thailand’s Climate Change Adaptation Expo.

**Technical Assistance to the Department of Finance of the Philippines:** USAID Adapt Asia-Pacific assisted the Philippines Department of Finance (DoF) in examining its readiness for NIE accreditation with the AF. The application for accreditation has now been submitted and is in process. USAID Adapt Asia-Pacific continues to support DoF through the accreditation process. Once accredited USAID Adapt Asia-Pacific will support DoF, in collaboration with national executing agencies, to identify and prepare one or more projects to submit to the Adaptation Fund Board, within the national cap of US\$10 million allocated.

**Supporting the Indonesia Climate Change Trust Fund (ICCTF):** The Indonesia Climate Change Trust Fund (ICCTF) was envisaged as the primary portal for climate change financing in Indonesia, although this potential has not yet been matched by significant commitments from either domestic or external sources. ICCTF is emerging from the initial institutional arrangements under UNDP management to becoming a fully national trust fund. USAID Adapt Asia-Pacific has been assisting the ICCTF through development of a project prioritization and selection system and a monitoring and evaluation tool. In addition, the project has supported development of a funding and sustainability strategy for ICCTF and has provided two national consultants to assist with project preparation.

**Supporting the Climate Trust Fund in Samoa:** USAID Adapt Asia-Pacific assisted the Government of Samoa, in collaboration with the World Bank, in designing a National Climate Change Trust Fund. The objective of the trust fund is to build the adaptive capacity of Government to serve as a repository and disbursement facility for climate funds. USAID Adapt Asia-Pacific oversaw the design of the trust fund and participated in the Government’s final High Level Forum on Samoa’s response to Climate Change, presenting key recommendations that Government and other key stakeholders need to consider moving forward. The final Government decision on setting up the trust fund is still pending and USAID Adapt Asia-Pacific stands ready to further refine the trust fund design and support its subsequent operationalization.

## **STANDALONE CAPACITY BUILDING PROGRAMS**

The project’s FY2012 regional capacity building assessment identified gaps in human capacity and capacity building institutions in the Asia region. To help fill these gaps, USAID Adapt Asia-Pacific launched the design and implementation of standalone capacity building programs. Initial priority gaps identified included the economics of climate change adaptation, the integration of climate adaptation into the functions of urban governance, and the climate proofing of infrastructure against the negative impacts of climate change.

In FY2013 activities included an ongoing innovative program that will ultimately help national and local decision makers integrate climate change adaptation into development planning and to provide the tools that allow government agencies to design “bankable” adaptation projects. Through this *Economics of Climate Change Adaptation* (ECCA) program, training was provided to 11 country teams in FY2013 and will continue through FY2014. This capacity building program is being implemented in partnership with UNDP, Yale University and the Asian Development Bank, ensuring that the products and knowledge developed during the two-year course will continue

to make an impact in the region for years to come. In addition, USAID Adapt Asia-Pacific is working with the East-West Center to produce a curriculum on climate change adaptation dimensions in urban settings, which addresses a high priority area for Asia.

### **Regional Capacity Building Program on the Economics of Climate Change Adaptation**

**(ECCA):** As discussed above USAID Adapt Asia-Pacific, is providing government officials in Asia with a two-year capacity building program (begun in October 2012) on the economics of climate change adaptation. This innovative program aims to help national and local decision-makers integrate climate change adaptation into development planning and to provide the tools that allow government agencies to design “bankable” adaptation projects. The 11 participating countries are formed into multi-disciplinary country teams comprised of staff from the Ministries of Finance, Planning, Agriculture, Water, and Environment, as well as academia.

In 2013, each team identified actual projects in their respective countries to use as case studies in the key CCA sectors of agriculture and water resources. Two regional training workshops were delivered on cost-benefit analysis of CCA projects and macro-economic analysis for the two selected sectors. In-country support was provided from expert mentors following the teams’ return home. Interest in the program by the country teams has remained high over the course of the initial year.

Additionally, USAID Adapt Asia-Pacific worked with UNDP, regional Pacific organizations and others in developing a concept for similar support to the governments of the Pacific Island Countries, where the demand for training in the economics of climate change adaptation, particularly cost-benefit analysis, is also very high. It is expected that the course will be designed and delivered through the University of the South Pacific (USP) in FY2014.

### **BOX 3: THE FIRST ECCA REGIONAL WORKSHOP**

The First Regional ECCA Training Workshop, titled “Assessing Costs and Benefits of Adaptation: Methods and Data” took place in Bangkok, Thailand, from 11 to 14 March, 2013. It was the first of a series of workshops of the 2-year Capacity-Building Program on the Economics of Climate Change Adaptation.

The First Regional Training focused on methods to analyze long-term economics of adaptation in the agriculture and water sectors and the data required to do so. Multi-disciplinary technical “Country Teams” were provided with practical skills in preparing cost-benefit and economic analyses for adaptation interventions to inform medium and long-term climate investment planning in the afore-mentioned sectors. Participating countries included: Bangladesh, Cambodia, Lao PDR, Indonesia, Malaysia, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, and Vietnam.

Prior to the workshop, teams coordinated closely to develop Concept Notes, in which they presented the adaptation projects that will be used as case studies for the application of cost-benefit analysis. They also selected specific watersheds to study, coming prepared with basic information of climate change effects in the agriculture sector of their country. The training provided hands-on, practical exercises on these case studies, as well as lecture-like modules. After the workshop, mentors have been providing technical support to country teams in undertaking in-country tasks, mainly related to data collection and application of the analytical skills on project and sector-level evaluations.

**Urban Climate Change Adaptation Course Development:** The East-West Center (EWC) is supporting the project with the design of a training course for local government officials focused on integrating CCA into their day-to-day technical functions. As part of this activity, EWC produced three reports during FY2013: (i) Developing a Course on Urban Climate Change Adaptation and Resilience Project; (ii) Urban Climate Change Adaptation Course Priorities; and (iii) Outline of Urban Climate Change Adaptation Course. These reports described: (i) the results of a survey of related ongoing activities; (ii) priorities for the USAID Adapt Asia-Pacific-assisted course based on an assessment of ongoing activities, institutions, and other factors; and (iii) a draft course

outline. Following the project's review of the reports, discussions were held with the EWC team, and the report describing the draft course outline was revised. Each of the reports aims to clearly define the parameters for an urban adaptation course that will be targeted at local government officials in the Asia-Pacific region. It is envisaged that the draft curriculum for the two-week course will be trialed at the University of Hawaii for government officials and prospective trainers from the Asia region during FY2014 and rolled out in one or two regional capacity building institutions in early FY2015.

## **TOOLS, GUIDELINES, METHODOLOGIES**

In FY2013 a toolkit on the economics of climate change adaptation was prepared in partnership with the faculty of Yale University, UNDP's global head of climate change adaptation, and others. USAID Adapt Asia-Pacific began preparation of a sourcebook on gender considerations in CCA projects aimed at helping non-specialist, project proposal writers understand how they can strengthen their project designs through inclusion of gender components.

**Sourcebook on Gender Considerations in Climate Change Adaptation Projects:** USAID Adapt Asia-Pacific is preparing a sourcebook on gender considerations in CCA projects. The main intended users are government officials and others who prepare CCA project proposals. The sourcebook will be provided on-line, with links to all major relevant literature sources, case studies, policies and practices, and institutions and individuals. A Technical Advisory Group, comprising representatives from the Climate Investment Funds (CIF), the Asian Development Bank, USAID/Washington, the US State Department and UNDP, has provided initial thoughts on the sourcebook and will review the draft when it is issued in December 2013.

**Toolkit on the Economics of Climate Change Adaptation:** USAID Adapt Asia-Pacific supported preparation of a toolkit on the economics of climate change adaptation by the faculty of Yale University, UNDP's global head of climate change adaptation, and others. The toolkit will provide a valuable resource to the ongoing ECCA program and follow-on capacity building activities of USAID Adapt Asia-Pacific.

## **INDICATOR RESULTS SUMMARY**

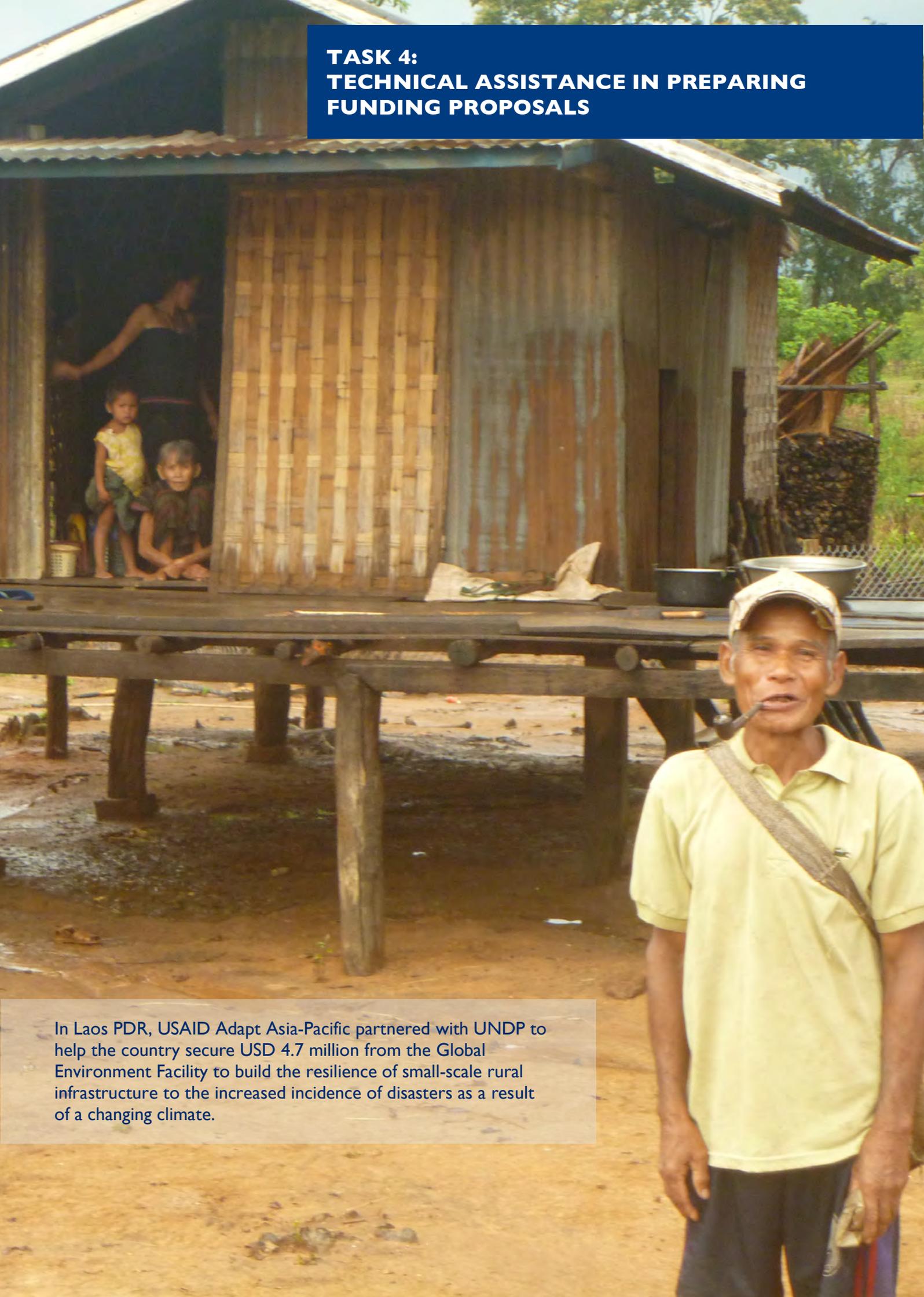
As detailed in Table 4 below, USAID Adapt Asia-Pacific met or exceeded performance targets for two USAID standard indicators and two custom indicators under the Task 3. The project exceeded performance targets for number of person hours of training completed in climate change and amount of funds mobilized due primarily to more collaboration with international development agencies and regional learning institutions in capacity building activities than originally planned. In particular, USAID Adapt Asia-Pacific was successful in organizing two additional workshops in partnership with TERI and CANSAs for government officials in India and other South-East Asian countries. The growing interest of government representatives in climate change adaptation activities significantly increased the project's training results in FY2013 with minimal investment of additional project funds.

Per USAID RDMA's recent guidance, all institutional stakeholders supported under the Indicator D.O.1 will now be reported under Indicator IR 1.2, where this support will be considered as institutional capacity building to address climate change issues. In consultation and agreement with USAID RDMA, USAID Adapt Asia-Pacific decided, starting in FY2014, not to use the D.O.1 indicator to measure project achievement.

**TABLE 4: FY2013 CAPACITY BUILDING TASKS INDICATORS RESULTS**

PROGRAM ELEMENT 4.8.2. CLEAN PRODUCTIVE ENVIRONMENT

<b>PMP INDICATORS</b>		<b>FY13 TARGETS</b>	<b>TASK 3 CONTRIBUTION</b>
D.O.1	Number of stakeholders with adaptive capacity to cope with impacts of climate variability and change as a result of USG assistance	4	N/A
IR 1.1	Person hours of training completed in climate change supported by USG assistance/Number of people trained in climate change	3,102/145	4,493/167
IR 1.2	Number of institutions with improved capacity to address climate issues as a result of USG assistance	N/A	4
IR 2.5	Amount of funds in U.S. dollars from non-USAID sources mobilized and applied to support project preparation facility objectives	\$170,000	\$110,681
IR 2.6	Number of climate mitigation and/or adaptation tools, technologies, and methodologies, developed, tested, and/or adopted as a result of USG assistance (Custom)	1	1



**TASK 4:  
TECHNICAL ASSISTANCE IN PREPARING  
FUNDING PROPOSALS**

In Laos PDR, USAID Adapt Asia-Pacific partnered with UNDP to help the country secure USD 4.7 million from the Global Environment Facility to build the resilience of small-scale rural infrastructure to the increased incidence of disasters as a result of a changing climate.

**U**SAID Adapt Asia-Pacific early baseline assessments during FY2012 determined that, in addition to no country in Asia-Pacific having direct access to global adaptation funds, most of the external funding going to climate adaptation projects was either intermediated by or provided directly by multilateral development agencies or through bilateral aid programs. Therefore, as part of its initial two-pronged approach to project implementation, USAID Adapt Asia-Pacific took the decision to collaborate with multilateral and UN agencies, in support of national governments, to prepare climate change adaptation projects. This strategic approach proved very successful during FY2012 and FY2013 with joint project preparation carried out and/or underway in various countries in the Asia-Pacific region, including Lao PDR, Nepal, Cambodia, Timor Leste, Tuvalu, Samoa, Solomon Islands and Vanuatu. These partnerships produced project results in adaptation projects facilitated, people benefiting from adaptation projects, and investment leveraged. USAID Adapt Asia-Pacific has built on these multilateral partnerships to identify entry points where the project can pursue its longer-term goal of building sustainable capacity with national governments to prepare projects and access climate adaptation financing.

USAID Adapt Asia-Pacific early baseline assessments noted that as the needs of developing countries to undertake climate change adaptation become clearer it is increasingly obvious that external funds will not be adequate. Therefore, the project broadened its strategic focus during FY2013 to include the investigation of current levels of financing available through domestic public finance and private sector sources for climate adaptation. USAID Adapt Asia-Pacific undertook background studies in both domestic finance in Asia and the Pacific and the private sector financing landscape for adaptation. Both studies recommended a possible niche role and next steps.

During FY2013, USAID Adapt Asia-Pacific assisted in project preparation in Cambodia, Tonga, Samoa, India, Nepal, Tuvalu, Indonesia, Solomon Islands, and Vanuatu. USAID Adapt Asia-Pacific successfully helped leverage US\$23.11 million in climate financing for Tonga under phase II of the Pilot Program for Climate Resilience (PPCR). The PPCR project will benefit approximately 48,000 of Tonga's population. USAID Adapt Asia-Pacific assisted the Government of Tonga, in collaboration with ADB, to prepare the PPCR project that will strengthen the capacity of government and communities to finance, develop, monitor and implement investments to improve ecosystem resilience and climate proof critical infrastructure. The total estimated number of people who will benefit in future from USAID Adapt Asia-Pacific-assisted projects for FY2013 is at least 58,000, which includes 10,000 people from the GEF-approved project in Tuvalu (Effective and Responsive Island-level Governance to Secure and Diversify Climate Resilient Marine-based Coastal Livelihoods and Enhance Climate Hazard Response Capacity).

## **PROJECT PREPARATION WORK IN ASIA**

**Project Preparation Work in Cambodia:** USAID Adapt Asia-Pacific is directly assisting the Royal Government of Cambodia, Ministry of Rural Development (MRD), in studying the impact of climate change on rural community water supply ponds at selected villages in Banteay Meanchey province under the MRD and Asian Development Bank (ADB) Second Rural Water Supply and Sanitation Sector Project 2 (RWSSP2). The project is developing design guidelines with costing for various adaptation options, including both hard and soft system interventions, which will demonstrate how rural community ponds can be climate proofed to future climate change impacts. MRD engineers and planners will apply the guidelines in the planning and design of future batches of community pond sub-projects. The USAID Adapt Asia-Pacific team identified adaptation options in five main areas: (i) pond design; (ii) access roads; (iii) flood control, protection, drainage and water conservation approaches; (iv) social and gender equity activities; and (v) operation and maintenance. The design guidelines and future sub-projects will lead the way in demonstrating to MRD how climate resilience and adaptation of water supply ponds can be built at the community level.

**Supporting National Bank for Agriculture and Rural Development (NABARD), India:** In July 2012, India's NABARD became Asia-Pacific's first national organization to achieve national implementing entity (NIE) accreditation to the UNFCCC Adaptation Fund (AF), allowing NABARD access to climate change adaptation financing of up to US\$10 million. During FY2013, USAID Adapt Asia-Pacific reached an agreement to assist NABARD in three areas: (1) build NABARD's adaptive capacity through the development of a

methodology(ies) to carry out vulnerability assessments of climate change adaptation projects in the agriculture and natural resources sector; (2) build the institution's adaptive capacity through the development of guidelines to evaluate climate change adaptation projects that will be submitted to the AF for financing; and (3) assist NABARD in the preparation of climate change adaptation projects for financing under the AF grant. USAID Adapt Asia-Pacific will commence implementation of the agreed technical assistance during the first quarter of FY2014.

**Climate Change Adaptation in Partnership with ICLEI - South Asia, India:** ICLEI - South Asia is a local government association with the objective of achieving improvements in regional and global sustainability through local initiatives. In FY2013, USAID Adapt Asia-Pacific reached an agreement to cooperate with ICLEI - South Asia to take resilience strategies in three cities through to financing of bankable climate adaptation projects by: (1) conducting project pre-feasibility studies that will enable the cities to proceed to financing; and (2) identifying funding to implement adaptation projects for the cities with resilience strategies. USAID Adapt Asia-Pacific will commence implementation of this activity during the first quarter of FY2014.

## **PROJECT PREPARATION WORK IN THE PACIFIC**

**Project Preparation Work in Tonga:** USAID Adapt Asia-Pacific assisted the Government of Tonga, in collaboration with the ADB, to develop a PPCR project for US\$23.11 million in adaptation financing, which has been approved by the ADB Board. The PPCR project's objective is to mainstream climate resilience into development planning and address country priorities focusing on the most vulnerable sectors and communities. USAID Adapt Asia-Pacific's input to project design focused on the design of the national climate change trust fund.

**Project Preparation Work in Tuvalu:** In partnership with the Ministry of Environment of the Government of Tuvalu and the UNDP Asia Pacific Regional Office in Bangkok, USAID Adapt Asia-Pacific assisted the Government of Tuvalu in developing a climate change adaptation project to be financed under the Least Developed Country Fund (LDCF) of the Global Environment Facility (GEF). The climate change adaptation project, entitled 'Effective and Responsive Island-level Governance to Secure and Diversify Climate Resilient Marine-based Coastal Livelihoods and Enhance Climate Hazard Response Capacity' (NAPA II), will bring an additional US\$4.2 million investment and potentially US\$19.6 million in co-financing to improve resilience of the outer islands of Tuvalu to emerging climate change impacts. The project was approved by GEF in spring 2013 and the Ministry of Environment started implementation in summer 2013. The project has three interrelated components: (i) improving coastal marine livelihoods; (ii) enhancing disaster risk management capacity of the government and eight outer islands; and (iii) mainstreaming climate finance into local development plans, budgets and strategies. The project will benefit 11,000 residents of nine islands of Tuvalu in the coming 4 years.

**Project Preparation Work in Samoa (WB):** USAID Adapt Asia-Pacific supported the Government of Samoa, in collaboration with the World Bank, in the development of the US\$14.6 million PPCR project "Enhancing the Climate Resilience of Coastal Communities and Resources Project to the Samoan Government". When completed, this PPCR project will support 16 district coastal communities to become more resilient to climate variability and change through the provision of climate-proofed infrastructure. The project will promote a broad "ecosystem based approach" (i.e. including ecological, physical, human and institutional interactions) that recognizes the importance of functioning ecosystems to enhance resilience of communities to climate-related impacts. The final Project Appraisal Document (PAD) for this Pilot Program for Climate Resilience (PPCR) project was approved in December 2013 with project implementation planned to commence end-January 2014. .

**Project Preparation Work in Samoa (UNDP):** USAID Adapt Asia-Pacific is supporting the Government of Samoa, in collaboration with UNDP, in the preparation of the UNDP-GEF LDCF project "Economy-wide integration of Climate Change (CC) Adaptation and DRM/DRR to reduce climate vulnerability of communities in Samoa". Project preparation is taking an economy-wide approach that integrates climate change adaptation, disaster risk management (DRM) and disaster risk reduction (DRR) into national development planning and programming, targeting communities as first responders to natural disasters. Main outcomes envisaged include: (i) strategic integration of climate change adaptation and DRM in national policy frameworks and development

planning through an economy-wide approach; (ii) enhanced resilience of communities as first responders of climate change-induced hazards; and (iii) improved monitoring and evaluation and knowledge management. USAID Adapt Asia-Pacific assistance is identifying collective livelihood initiatives in the context of village planning for resource distribution, using approaches that are participatory, gender-inclusive, and multi-sectorial. The key role for USAID Adapt Asia-Pacific is to work alongside Government counterparts in identifying feasible adaptation measures that promote the resilience of key infrastructure assets to climate change-induced hazards, including full budgets and a preliminary implementation schedule where opportunities could be found for financing. Project preparation commenced in late September 2013 and will be completed and submitted for GEF financing approval in early 2014.

**Project Preparation Work in Solomon Islands (UNDP):** USAID Adapt Asia-Pacific is supporting the Solomon Islands, in collaboration with UNDP, to prepare the Solomon Islands Water Sector Adaptation Project, for a GEF grant of US\$6.85 million. The project aims to reduce vulnerability of the Islands' water sector to the adverse impacts of climate change and to increase adaptive capacity to respond to the negative impacts of climate change in 8 selected sites spread across 6 island provinces, namely Taro, Gizo, Santa Catalina, Tingoa, Manoaba, Taarutona, and the Reef Islands. Specifically, USAID Adapt Asia-Pacific has contributed towards formulating and integrating water sector climate change management interventions and technology transfer at the selected sites, thereby increasing the reliability and improving the quality of water supply. The final Project Document was submitted for GEF approval at the end of November 2013; implementation is scheduled to start in late 2014..

**Project Preparation Work in Vanuatu (UNDP):** USAID Adapt Asia-Pacific is supporting the Government of Vanuatu as part of UNDP's Project Preparation Grant Team (PPG) to assist in preparing a GEF-compliant project, "Adaptation to Climate Change in the Coastal Zone in Vanuatu". This is an ongoing project with expected results in FY2014. The PPG team has completed all site visits, consultations, climate change vulnerability and adaptation assessments and climate change adaptation designs of selected project sites, namely South Santo, North Ambae, Pentecost, Torres, Malekula and Aniwa. The final site assessment reports prepared by USAID Adapt Asia-Pacific are being combined to contribute to the preparation of the final Project Document for LDCF GEF approval. The final consultation on the Project Document is scheduled for January 2014. The final Project Document is planned for submission to GEF at the end of February 2014 for final approval.

**Project Preparation Work in Timor Leste (UNDP):** USAID Adapt Asia-Pacific is supporting the Government of Timor Leste, in collaboration with the UNDP Bangkok office, in the preparation of a GEF-financed project in Timor Leste titled "Strengthening Community Resilience to Climate Induced Natural Disasters in the Dili to Ainaro Road Development Corridor". This is an ongoing activity with expected results in 2014. USAID Adapt Asia-Pacific's support is focusing primarily on working with government counterparts to identify community level watershed management measures, designed and implemented to reduce the direct physical impacts of high intensity rainfall events (flooding and landslides) to climate vulnerable hotspots along the Dili to Ainaro development corridor. The Government has also requested USAID Adapt Asia-Pacific to identify gender specific activities to support the proposed adaptation measures. The project is expected to access US\$5 million in GEF funding, while an additional co-financing of US\$78 million is envisaged. Government and UNDP successfully mobilized the project preparation team at an Inception Workshop on September 19, 2013.

**EbA Work with UNEP and UN-HABITAT:** USAID Adapt Asia-Pacific is supporting UNEP and the respective Asian cities in undertaking a global flagship program on ecosystem-based urban adaptation (in conjunction with UN-HABITAT). In Asia, six cities have been identified for inclusion (Kathmandu, Davao, Manila, Colombo, Khulna, and Makassar). USAID Adapt Asia-Pacific conducted the economic analysis to justify the EbA concepts, which will be employed to develop viable project proposals. Initially, the focus was on Davao, Khulna and Kathmandu. One US\$4.2 million LDCF GEF project in Kathmandu has emerged from the analysis and is under consideration for preparation. This project will involve organic solid waste management and ecosystem restoration along the Bagmati River which runs through Kathmandu. UNEP is currently preparing the preliminary documentation for GEF funding. The project will be closely integrated with the ongoing US\$36 million Bagmati

River Basin Improvement Project (BRBIP), financed by the ADB, which is designed to be implemented by the Nepal Government.

## **MOBILIZING INNOVATIVE SOURCES OF FINANCE**

**Private Sector Funding Desk Study:** In FY2013 a desk study was undertaken to map out the landscape of private sector funding for adaptation and to identify potential entry points for USAID Adapt Asia-Pacific. The study covered: (i) who is the private sector; (ii) what can the private sector do for climate finance; (iii) current initiatives and key actors; (iv) gaps USAID Adapt Asia-Pacific can address and associated risk; (v) target beneficiaries of USAID Adapt Asia-Pacific interventions; (vi) key partners – early movers/pioneers, stakeholders; (vii) framing – growth opportunity in resilience; and (viii) next steps. This activity is being reviewed to identify an appropriate niche role where the project can add value in a field where several other institutions are already engaged. .

**CPEIR and Domestic Finance Work:** USAID Adapt Asia-Pacific completed a background briefing paper on domestic finance, although specific actionable recommendations have not yet led to follow-up activities. The main recommendation was that there is a strong case for focusing on the climate proofing of investment projects, where it is easier to: (i) quantify the costs for additional investments (through for example the economics of climate change work being done); and (ii) to identify and track incremental expenditures on adaptation. Consultation has continued with UNDP and the Pacific Islands Forum Secretariat on undertaking Climate Public Expenditure and Institutional Review (CPEIR) type activities in a couple of Pacific Island countries. Assistance to Nauru and RMI is specifically targeted in FY2014.

## **INDICATOR RESULTS SUMMARY**

As detailed in Table 5 below, USAID Adapt Asia-Pacific met or exceeded performance targets for two standard indicators and one custom indicator under the Task Four, while missing two custom indicators. Targets were exceeded because there was greater demand than initially planned from national governments and multilateral organizations for project preparation support to access funding from GEF and ADB. The project's efforts also benefitted more people due to larger geographic coverage than expected under the supported project preparation effort in Tonga. USAID Adapt Asia-Pacific was not able to achieve established targets under Indicators IR 2.1 (67%) and IR 2.2 (0%) by the end of FY2013 due to delays in the submission of project proposals by national governments and development partner institutions to the funding agencies (in Samoa) and general difficulties in identifying and developing gender specific activities for climate adaptation projects. To address this, USAID Adapt Asia-Pacific has increased targets for these two indicators in FY14 in the project PMP. Further in FY14, the project will develop a sourcebook on integrating gender in climate adaptation projects and programs, and has initiated several new project preparation activities in Vanuatu, Samoa, Cambodia and Timor Leste that will yield results in climate adaptation projects with specific gender components during the coming fiscal year.

Overall, the variability in achieving the targets under task four is indicative of the demand-driven nature of project preparation activities. In FY2013 the project tried to be responsive to the requests of national governments for technical support and will continue to maintain this flexibility through FY2014. However, the project will strategically choose project preparation activities to meet the PMP targets for FY2014.

**TABLE 5: FY2013 TECHNICAL ASSISTANCE IN PREPARING FUNDING PROPOSAL INDICATORS RESULTS**

PROGRAM ELEMENT 4.8.2. CLEAN PRODUCTIVE ENVIRONMENT

<b>PMP INDICATORS</b>		<b>FY13 TARGETS</b>	<b>TASK 4 CONTRIBUTION</b>
D.O.1	Number of stakeholders with adaptive capacity to cope with impacts of climate variability and change as a result of USG assistance	4	N/A
IR 1.2	Number of institutions with improved capacity to address climate issues as a result of USG assistance	N/A	4
IR 2.1	Number of climate change adaptation projects with facilitated access to finance	3	2
IR 2.2	Number of facilitated projects with a specific gender component	1	0
IR 2.3	Number of people benefiting from climate change adaptation project approved or in the pipeline as a result of USG assistance	29,000	58,000
IR 2.4	Amount of investment leveraged in U.S. dollars, from private and public sources, for climate change as a result of USG assistance	\$64 Million	\$81 Million

## **VI. TASK 5: OVERARCHING PROGRAM MANAGEMENT AND COORDINATION**

### **PERFORMANCE MONITORING AND REPORTING IN FY2013**

With guidance from RDMA/REO, reporting on the indicator for number of stakeholders with increased capacity to adapt to the impacts of climate variability and change (indicator 4.8.2-26) is to be reported under indicator 4.8.2-14: number of institutions with improved capacity starting from FY2013.

Throughout FY2013, USAID Adapt Asia-Pacific developed and submitted quarterly and annual progress reports to REO on the technical progress and accomplishments of the project. USAID Adapt Asia-Pacific also provided program support to REO for the 2013 Performance Plan and Report and the OES-EGC indicator reporting. USAID Adapt Asia-Pacific also developed pipeline analyses and financial reports on a quarterly basis.

### **COMMUNICATION AND OUTREACH**

To increase visibility of the project, and continually engage the project's stakeholders, USAID Adapt Asia-Pacific released four issues of its quarterly e-newsletter in FY2013. The e-newsletter was distributed to more than 2,000 recipients (government officials, NGO and academic representatives, and international organization) in the region. USAID Adapt Asia-Pacific also contributed to RDMA/REO's communication and outreach materials by developing short updates on USAID Adapt Asia-Pacific's activities for the USAID/RDMA's Weekly Update and issuing press-releases on key activities (*see Annexes 3 and 4 for copies of those materials*). In addition, select USAID Adapt Asia-Pacific publications issued in FY2013, specifically the final proceedings report from the USAID Adapt Asia-Pacific 2<sup>nd</sup> Annual Forum, were disseminated to over 200 stakeholders and uploaded to both the USAID Adapt Asia-Pacific and APAN websites,

### **COORDINATION WITH BILATERAL MISSIONS AND OTHER DONORS**

In coordination with USAID RDMA, USAID Adapt Asia-Pacific made in-person briefings during year two to USAID bilateral missions in India, Vietnam, Mongolia and the U.S. Embassy in Suva, Fiji and Apia, Samoa. The purpose of these briefings was to inform the missions on project activities and understand their own priorities and activities. USAID Adapt Asia-Pacific also invited the missions to participate in project activities and periodically provided them with activity updates.

Further, USAID Adapt Asia-Pacific was successful during year two in collaborating with several development partners engaged in climate change adaptation project preparation and capacity building initiatives in target countries, including UNDP, UNEP, the WB, and the ADB. The collaboration with UNDP was particularly successful in supporting the preparation of climate change adaptation projects totaling US\$33 million in adaptation financing in FY2013. In addition, USAID Adapt Asia-Pacific worked with UNDP to organize two workshops to enhance the institutional capacity of selected national government officials from target countries in the economics of climate change adaptation. USAID Adapt Asia-Pacific also collaborated with bilateral and other development partners in the Pacific region, such as AusAID, GIZ, the Pacific Islands Forum Secretariat (PIFS), and the Secretariat of the Pacific Regional Environment Programme (SPREP) in organizing the USAID Adapt Asia-Pacific Second Annual Meeting.

Finally, USAID Adapt Asia-Pacific has recently initiated a partnership with UNDP, GIZ, PIFS, SPC, SPREP, USAID and USP in developing a Pacific-Cost Benefit Analysis (P-CBA) regional program to strengthen the capacities of Pacific island government officials in conducting cost-benefit analysis of public investment projects in an effort to enhance the effectiveness of climate investment.

## VII. INTEGRATION OF CROSSCUTTING ISSUES & USAID FORWARD PRIORITIES

### GENDER EQUALITY AND FEMALE EMPOWERMENT

Recent reviews done by the Climate Investment Funds (CIF) and the Global Environment Facility (GEF) have found that many adaptation projects fail to integrate gender considerations in project design. Consequently, USAID Adapt Asia-Pacific is proactively working with development partners to introduce gender components into the design of several projects in which it is involved. The purpose is twofold, to strengthen overall project design by ensuring that the contributions from and benefits gained by both women and men are taken into account, and to serve as an example that can be replicated by governments and development institutions more widely in the region. USAID Adapt Asia-Pacific is presently providing expert support to include gender considerations in climate change adaptation projects in Cambodia (with the Asian Development Bank), Vanuatu (with UNDP), Timor-Leste (with UNDP) and Samoa (with UNDP) in the largest national project to ever access the GEF's Least Developing Countries Fund).

Each intervention seeks to integrate gender into key parts of the project and explicitly identifies gender outputs and indicators in the results framework for the project. Furthermore, given the widespread absence of gender considerations in climate change adaptation projects in the region, USAID Adapt Asia-Pacific is supporting preparation of a sourcebook on this topic for use by project developers. The project is carrying out rigorous research on defining gender activities within climate change adaptation projects. It is envisaged that the work will be updated over the lifetime of the USAID Adapt Asia-Pacific project as well as made available for use and distribution by partner organizations, including USAID, CIF, and ADB.

#### BOX 4: INTEGRATING GENDER DIMENSIONS FOR CLIMATE-PROOFING COMMUNITY PONDS IN CAMBODIA

In Cambodia, USAID Adapt Asia-Pacific is supporting the Ministry of Rural Development (MRD) to mainstream a gender component into the design guidelines for the climate-proofing of community ponds. To do so, the project undertook an assessment to characterize the social and gender dynamics of villages that rely on community ponds. The analysis centered on the impacts that a changing climate is having on a myriad of social issues, including health, income, mobility, government access, and social networks.

The study team has identified a number of recommended activities to be incorporated into the community pond design process, in an effort to increase the efficacy of community pond adaptation through the integration of gender dimensions into the ongoing activities. These activities include:

- **Increasing pond ownership by women** through the equal participation of women in pond management groups and by identifying specific decision-making roles regarding pond maintenance, a task unofficially undertaken almost exclusively by women.
- **Identifying specific roles for women in pond management**, such as supporting aspects of initial construction and receiving training for year-round pond maintenance.
- **Easing the burden of water collection on women** by incorporating structures in pond design to support easier access to the water.

USAID Adapt Asia-Pacific is currently supporting MRD incorporate these recommendations into the guidelines being developed for the design and maintenance of climate-proof community ponds.

## VIII. KEY IMPLEMENTATION ISSUES AND CHALLENGES

The excellent working relationship established with USAID RDMA has mitigated many of the potential challenges that USAID Adapt Asia-Pacific could face during project implementation. With a couple of exceptions, USAID Adapt Asia-Pacific has also been able to establish excellent working relationships with the USAID bilateral missions and the U.S. Embassies within its geographic scope. However, the breadth and number of countries (27) within the project's geographic scope make it difficult to achieve results at scale in any one country. This is particularly the case with the larger countries of the Asia region. USAID Adapt Asia-Pacific's close partnership with the Pacific Island Forum Secretariat (PIFS), a regional organization with responsibility for climate finance, and the close direct access it has provided the project to the Pacific Island Countries (PICs), has, to a great extent, mitigated this challenge in the Pacific region. The project has identified no such comparable organization in the Asia region. The project, in addition, faces other challenges that cut across both the Asia and Pacific regions.

First, USAID Adapt Asia-Pacific's approach to building long-term national capacity to prepare bankable climate change adaptation projects and to increase access to climate adaptation financing is evolving. The project's approach going forward will employ cooperation with multilateral intermediaries more strategically where it would help to identify opportunities to work directly with national governments. As USAID Adapt Asia-Pacific transitions to this more balanced approach, it must be recognized that it will take time to develop the working relationships with national governments and the costs per project activity are likely to be higher than participating as a member of a multilateral intermediary project preparation team. Further, expectations will often exceed USAID Adapt Asia-Pacific's capacity, and failure to deliver anticipated project output is always a possibility. These challenges have the potential for impacting the project's ability to achieve indicator targets on a timely basis.

Second, it is the experience of USAID Adapt Asia-Pacific that the multilateral intermediaries with whom the project is cooperating on project preparation activities do not take adequate consideration of gender issues during project design. This has made it difficult for the project to introduce specific gender activities into the design of climate change adaptation projects, which has impacted the project's ability to deliver on this indicator target. To address this challenge, USAID Adapt Asia-Pacific is working closely with its multilateral intermediary partners to introduce specific gender activities at the upfront project concept development stage in project design. Further, where partners have agreed to introduce a specific gender activity in project design, USAID Adapt Asia-Pacific has agreed to develop scopes of work and fund international and national gender specialists to formulate the specific gender activity as part of project design. Finally, the project is developing an electronic sourcebook that provides a compendium of existing resources, and includes practical procedures, protocols and checklists on gender and climate change within particular sectors and generates new knowledge on integrating gender considerations into climate change adaptation project activities.

## IX. SUSTAINABILITY OF ADAPT ASIA-PACIFIC

As the project approaches its mid-point, the long-term sustainability of the project takes on special importance. USAID Adapt Asia-Pacific defines its long-term sustainability in terms of three principal elements: (i) sustainability of the Asia-Pacific Adaptation Network (APAN); (ii) strengthening government and institutional capacities in the region; and (iii) establishment and strengthening of institutional arrangements to support national governments in the region to prepare climate change adaptation projects. In FY2014 the project will develop a coherent, comprehensive plan for the long-term sustainability of USAID Adapt Asia-Pacific.

### THE ASIA-PACIFIC ADAPTATION NETWORK (APAN)

APAN encompasses all USAID Adapt Asia-Pacific eligible countries and serves as a key mechanism for sharing the project's outputs and outcomes to the broader climate change adaptation community. APAN has built a broad membership and amassed a substantial amount of climate change adaptation knowledge, including climate financing. By working closely with APAN, USAID Adapt Asia-Pacific positions itself within an existing institutional framework with donor and country membership that is recognized at the global level through UNEP, capitalizing on established links to country representatives via APAN's nodes.

USAID Adapt Asia-Pacific's support has contributed to an increase in APAN's knowledge management capacity. This support includes clarifying APAN's organizational structure and refining roles of network partners, as well as increasing institutional capacity and skills to manage and share information and generate knowledge. APAN is working towards becoming better equipped to provide specialized CCA services to key stakeholders the region.

Apart from contributing to the development of the Sustainability Strategy and providing knowledge content, specifically on adaptation financing and economics of adaptation, the project is committed to contributing to the long-term sustainability of APAN to be able to continue managing the project's knowledge outputs once the 5-year project period is finished in 2016. Specific contributions to APAN's sustainability include the following:

- Continue to make USAID regional and country offices aware of the potential role of APAN in managing knowledge collection, storage, and dissemination of all relevant USAID projects in the Asia-Pacific region, including the possibility of devoting partial project funding to APAN rather than creating new knowledge management platforms;
- Continue to strengthen the knowledge management system, adaptation finance community of practice, and the Adaptation Forum, to make these activities highly visible and attract interest from other funding sources and donors to continue the activities beyond the life of USAID Adapt Asia-Pacific; and
- Examine closer collaboration with APAN's regional and thematic nodes, such as CANSAs, so that these nodes contribute to country adaptation plans in a more effective and consistent manner.

### STRENGTHENING GOVERNMENT CAPACITIES IN THE REGION

Capacity building activities supported by the project have been founded on cultivating partnerships with national and international institutions and ensuring there is a clear demand by participating countries for the services being offered. This will help to ensure the flow of benefits from these activities to the region after the project itself is completed.

For example, one of the major capacity building programs currently underway is the ECCA. Ultimately, this innovative program aims to help national and local decision makers integrate climate change adaptation into development planning and to provide the tools that allow government agencies to design "bankable" adaptation projects. Government officials that participated in an initial program design workshop in October 2012 demonstrated that there is a strong demand for the knowledge to be imparted and shared during the program, and USAID Adapt Asia-Pacific's partnership with regional and global institutions, including UNDP and the Asian

Development Bank (ADB), will help ensure that the lessons learned and technologies developed will be utilized and expanded after the USAID Adapt Asia-Pacific project is completed.

Specifically, UNDP, ADB, Yale University, the United Nations University, the Asian Institute of Technology, the Economy and Environment Program for Southeast Asia (EEPSEA) and perhaps others will work together in 2014 to lay down the parameters for an international course on the economics of climate change adaptation based on the products of the ECCA program. One or more of these institutions are expected to then work with USAID Adapt Asia-Pacific in designing the course that will be delivered to participants on a fee-for-service basis from around the region for years to come. Alternatively, EEPSEA, for example, may decide to use only portions of the ECCA program, such as the case studies, and insert them directly into their ongoing training programs. UNDP will be using the ECCA experience in providing assistance to countries in Asia and the Pacific in a major global program to develop National Adaptation Plans. USAID Adapt Asia-Pacific and UNDP hope to cooperate in also bringing this technology directly to one or more key ministries in selected countries in Asia with the intention that it will be mainstreamed into how the selected ministries design their projects and decide on the composition of their portfolios. Lessons learned from ECCA are already being applied to a new program on cost-benefit analysis of climate change adaptation projects in the Pacific in which USAID Adapt Asia-Pacific is engaged with several global, regional and bilateral partners; design and delivery of the new program is expected in 2014.

The situation is similar with the other capacity development programs being undertaken with USAID Adapt Asia-Pacific support. The collaboration with The Energy and Resource Institute (TERI), for instance, in designing and delivering a course on climate finance proved to be highly useful based on feedback provided by the senior government officials who attended the course. Consequently, TERI plans to make the course available again in 2014, and perhaps afterward as a paid training course. Because TERI is a regional center of excellence and headed by an international climate change leader (Dr. Rajendra Pachauri), it is reasonable to expect that USAID Adapt Asia-Pacific's support will have broad and long-term impacts beyond India.

## **PROJECT PREPARATION FACILITIES IN THE ASIA-PACIFIC REGION**

In pursuit of its direct assistance to national governments, USAID Adapt Asia-Pacific has been assisting with the design and establishment of project preparation facilities in selected countries and the creation of national climate change trust funds (in Indonesia, Samoa, Tonga, Philippines, and India). The Cook Islands, Nauru, and the Republic of the Marshall Islands, among others, are also requesting support. By the end of the project period, it is expected that these national project preparation facilities will be fully operational and, in some cases, the main funding portal for climate change adaptation programs in the selected countries. In addition, the project aims to identify and strengthen a regional project preparation facility in Asia and the Pacific to supplement its long-term sustainability.

In the case of the Indonesia Climate Change Trust Fund (ICCTF), USAID Adapt Asia-Pacific has assisted with: (i) preparation of project prioritization and selection criteria; (ii) preparation of several small-scale projects; (iii) development of a monitoring and evaluation system for adaptation projects; and (iv) development of an overall funding and sustainability strategy for ICCTF. Throughout this assistance, USAID Adapt Asia-Pacific has provided *ad hoc* advice to ICCTF Secretariat staff on a wide range of implementation issues, leading up to the launch and potential ICCTF role in implementation of the National Climate Change Adaptation Strategy (RAN-API).

In Samoa and Tonga, the project assisted with the design and implementation arrangements for national climate change trust funds, though the specific role of each fund as portals for future climate financing is likely to vary. In the Philippines, USAID Adapt Asia-Pacific has assisted the Department of Finance (DoF) in its application to become the National Implementing Entity (NIE) for the Adaptation Fund and expects to further assist DoF in project preparation once this NIE status is confirmed.

Accordingly, each country will have different priorities and requirements for project preparation facilities, and by the end of the project it is expected that USAID Adapt Asia-Pacific will have identified these requirements in each of the selected countries requesting assistance, and where possible will have provided technical support as needed.

## X. WAY FORWARD

USAID RDMA plans to carry out a mid-term evaluation of the project during FY2014, which may lead to an adjustment in project emphasis. Building on project experience and lessons learned from FY2012 and FY2013 with respect to project preparation, capacity building, and the difficulty national governments have in directly accessing limited climate change adaptation financing, USAID Adapt Asia-Pacific intends during FY2014 to:

- While continuing to build on past, successful collaborative efforts with multilateral development partners, identify entry points to work directly with national government agencies to build institutional capacity to identify and prepare adaptation projects, while pursuing other national and sub-national government institutions to develop capacity building and project preparation activities;
- Work with national governments whose adaptive capacity the project has strengthened to identify and prepare adaptation projects;
- Pursue more twinning partnerships to enhance USAID Adapt Asia-Pacific capacity building activities to improve access to adaptation financing and to prepare adaptation projects;
- Employ collaboration with multilateral intermediaries more selectively and strategically; and
- Continue to explore new sources of climate change adaptation financing, including the Green Climate Fund, domestic public finance, and private sector sources.

<http://www.adaptasiapacific.org>

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