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CLIMATE CHANGE PROJECT PREPARATION FACILITY FOR
ASIA AND THE PACIFIC (ADAPT ASIA-PACIFIC)

Quarterly Report

Seventh Quarter – April 1 to June 30, 2013

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1. PROGRAM OVERVIEW/SUMMARY

Program Name:	Climate Change Project Preparation Facility for Asia and the Pacific (ADAPT Asia-Pacific)
Activity Start Date And End Date:	September 26, 2011-September 26, 2016
Name of Prime Implementing Partner:	AECOM International Development
[Contract/Agreement] Number:	486-C-11-00005
Name of Subcontractors:	Institute for Global Environmental Strategies, Kaizen Company, dTS
Major Counterpart Organizations	Office of Natural Resources and Environmental Policy and Planning (ONEP), Thailand
Geographic Coverage (cities and or countries)	Bangladesh, Cambodia, India, Indonesia, Lao PDR, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, Timor Leste, Vietnam, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu
Reporting Period:	April 1-June 30, 2013

1.1 Program Description/Introduction

The Asia-Pacific region is highly vulnerable to the impacts of climate change and related natural disasters due in part to the high concentration of people living in vulnerable coastal areas and river basins, and current climate variability. Many countries in the region already face flooding, drought, and intensifying storm events. Key economic sectors, especially in developing economies in the region, are also vulnerable to climate change. Globally, the financing needs for climate change adaptation in developing countries for 2010-2050 are estimated at USD 100 billion per year. In Cancun, Mexico in 2010, Parties to the United Nations Framework Convention on Climate Change agreed to provide new and additional “fast-start” financing amounting to USD 30 billion for 2010-2012, and set a goal of mobilizing USD 100 billion per year by 2020. Developing countries, however, face major capacity challenges in preparing project proposals to access these funds. An urgent task for the development community, therefore, is to assist developing countries in preparing high quality adaptation projects. At present there is no adequate mechanism in Asia meeting this need.

To support achievement of REO’s Development Objective of *“Improved response to environmental challenges in Asia,”* RDMA awarded a technical support services contract to AECOM International Development (AECOM) to implement the USAID/Climate Change Adaptation Project Preparation Facility for Asia, which initially covered 13 countries in Asia. The geographic coverage of the project was later expanded to cover 14 Pacific Small Island Developing Countries. The title of the project was changed to “ADAPT Asia-Pacific” from “ADAPT Asia”. ADAPT Asia-Pacific addresses capacity and information needs of eligible governments in the Asia region and selected Pacific islands countries in accessing climate

change adaptation funds and accelerating investments in initiatives that increase resilience to the negative impacts of climate change.

Principal Objectives and Activities: The principal objective of ADAPT Asia-Pacific is to establish a fully functional and self-sustaining adaptation project preparation facility that will not only support preparation of specific projects, but also build the capacity of the region's governments to independently access climate adaptation funds. To establish a sustainable project preparation facility, ADAPT Asia-Pacific will work closely with funding organizations and government agencies from countries across the region in focused activities in five key areas:

1. Sustainable regional knowledge sharing platform including a website;
2. Annual forum to bring adaptation funds and project proponents together;
3. Climate change adaptation project capacity building program;
4. Technical assistance in preparing funding proposals; and
5. Overarching program management and coordination for the afore-mentioned four technical tasks.

As cross-cutting themes, ADAPT Asia-Pacific will promote regional networking, gender mainstreaming and other social equity issues.

1.2 Summary of Results through June 30, 2013

Standard Indicators	Baseline FY 2013	Annual Target	Frequency of Reporting	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Annual Performance Achieved to the End of Reporting Period (%)	On Target Y/N
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	Quarterly	2	0	1		38%	Y*
1.1 Person hours of training completed in climate change supported by USG assistance/Number of people trained in climate change		3,822	Quarterly	736	1,588	1,317		95%	Y
2.1 Number of climate change adaptation projects with facilitated access to finance		3	Semi-Annual	N/A	2	0		60%	Y*
2.2 Number of facilitated projects with a specific gender component		1	Semi-Annual	N/A	0	0		0%	N*
2.3 Number of people benefiting from climate change adaptation project approved or in the pipeline as a result of USG assistance		29,000	Semi-Annual	N/A	16,500	0		56%	Y*
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	Semi-Annual	N/A	\$53 Million	0		82%	Y
2.5 Number of climate mitigation and/or adaptation tools, technologies, and methodologies, developed, tested, and/or adopted as a result of USG assistance		1	Semi-Annual	N/A	0	0		0%	Y
2.6 Amount of funds in U.S. dollars from non-USAID sources mobilized and applied to support project preparation facility objectives		\$200,000	Quarterly	\$15,470	\$67,713	122,407		102%	Y
3.1 Number of regional environmental platforms created or strengthened		1	Annually	N/A	N/A	N/A		0%	Y*

Note: The Results Performance Column depicts level of achievement expressed as a percentage of Actual versus Planned.

** Some key activities under the Capacity Building and Project Preparation Tasks that are scheduled to be finalized during the fourth Quarter of FY13 will contribute to the accomplishment of these indicator results.*

2. ACTIVITY IMPLEMENTATION PROGRESS

2.1 Progress Narrative

AECOM continued with development and implementation of various program initiatives at both regional and national levels during the second quarter of FY13 project implementation. Activity highlights and results are summarized below by project task. Key accomplishments during the quarter include: (1) very successful, holding of the ADAPT Asia-Pacific Second Annual Meeting in Nadi, Fiji, on June 3-4, in partnership with the Pacific Island Forum Secretariat (PIFS), the Pacific's premier regional climate financing organization, which established USAID and ADAPT Asia-Pacific as one of the key development partners in climate adaptation financing in the Pacific region in addition to providing invaluable guidance for future technical support to individual countries; (2) ADAPT Asia-Pacific support to formulation of the very successful national climate research strategy with the National Research Council of Thailand (NRCT) has led to follow-on discussions on possible twinning arrangements between the Thai and U.S. governments; and (3) ADAPT Asia-Pacific has ongoing or planned a full slate of project preparation activities with the respective governments and UNDP, ADB and the World Bank in Samoa, Tonga, Cambodia, Solomon Islands, Vanuatu, and Timor Leste. Overall, the project progresses according to the FY13 Work Plan.

Task One: Knowledge Sharing Platform

Summary of Key Accomplishments

Under Task 1, activities were implemented in three main areas: (1) Developing overarching knowledge management (KM) strategies; (2) Knowledge management platform website; and (3) Knowledge management through online Community of Practice (E-CoP). All components achieved scheduled tasks in the third quarter.

KM Strategies Development and Key Action Implementation

Based on comments and suggestions received on the draft Sustainability Strategy paper at APAN's steering committee meeting (Korea, March 17, 2013) and APAN's internal partners meeting (Bangkok, April 30, 2013), further revision was made in the sections on: (i) APAN sustainable financing; and (ii) focused services for impact generation as a knowledge network. A redefined organizational arrangement is discussed separately in the following section on developing/revising APAN Charter/guidelines.

Regarding point (i), securing funds for the provision of longer-term services is critical as APAN's financial base has been dependent on annual budgetary support and/or project funds from donors since its launch. As a strategy, consideration of charging for knowledge management/sharing services was proposed in the draft Sustainability Strategy; however, the discussion at the steering committee meeting received more cautious comments than encouraging ones, although the option was not totally dismissed. In the meantime, this will leave APAN's financial stability to ongoing fund raising efforts until it develops a different business model.

Regarding (ii), providing training and developing associated materials/modules were suggested as a possible strategy since APAN has a proven track record in organizing workshops for capacity development. Main comments received from the steering committee included: training programs require a more structured and longer-term engagement with participants and thus

they should be distinguished from workshops that normally last for only 1-2 days; donor organizations are already conducting a number of training programs in their ongoing projects and thus APAN should focus more on networking and coordination; and APAN's activities should be more demand-driven and thus the secretariat should assess policy makers' needs and map what other knowledge networks/initiatives are doing.

In response to the above, the following key actions were taken in the 3rd quarter:

- Assessed other existing knowledge management initiatives to identify strengths and weaknesses of APAN.
- Proposed a modified core business model for APAN, which is outlined in the revised Sustainability Strategy paper.
- Drafted an APAN Branding and Outreach Strategy.

Integrated KM Platform Website for APAN-ADAPT Asia-Pacific

Since its launch on January 24, 2013, the new APAN web portal has enjoyed exponential growth. Though the number of page-views declined 12.3% in this quarter, the number of visits continues to climb, increasing 21.0% compared to the previous quarter. In addition, the percentage of first time visits increased 12.7%, suggesting that the web portal is attracting more new visitors. In this quarter, the web portal began to play a more prominent role in supporting ADAPT Asia-Pacific and APAN's activities, such as hosting a live chat event for the Economics of Climate Change Adaptation (ECCA) training series.

Owing to popular ADAPT Asia-Pacific activities, such as the Annual Forum and the capacity building/training support for government officials, the project website also had a record quarter in terms of page-views and visitors. Twenty-one pieces of new content were added to the ADAPT Asia-Pacific website during Q3FY13, in addition to the 23 presentation files and 33 photographs posted to the Annual Forum section. Key statistics are presented in Table One.

Table 1. Key statistics of knowledge platforms

www.adaptasiapacific.org (ADAPT Asia-Pacific)			
Period	Visits	Unique Visitors	Page-views
Q4FY12 baseline	2,725	1,804	6,989
Q1FY13	1,505	961	3,737
Q2FY13	1,892	1,296	4,941
Q3FY13	3,797	2,479	10,002

www.asiapacificadapt.net (APAN)			
Period	Visits	Unique Visitors	Page-views
Q2FY13	7,185	4,585	26,542
Q3FY13	8,697	6,401	23,270

Knowledge Products on APAN web portal

Approximately 160 pieces of content were added to the APAN web portal during this quarter with the majority being knowledge products uploaded to the resource library and the rest a combination of news and events. Two issues of E-Communique newsletters were created and uploaded during Q3FY13. Some examples of the knowledge products uploaded are:

- *Climate Investment Funds: Understanding the PPCR in Bangladesh and Nepal*
- *Operationalizing a Gender-Sensitive Approach in the Green Climate Fund*
- *Technical Report on Technology Gaps and Needs in Asia Pacific*
- *Topic Guide: Adaptation Decision Making under Uncertainty*
- *Country Report: Mainstreaming climate change resilience into development planning in Cambodia*

Community of Practice for ADAPT Asia-Pacific

E-CoP groups were created on the APAN web portal for participants of the ECCA capacity building program and the ADAPT Asia-Pacific Second Annual Meeting. A short introduction on E-CoP was provided at the June 2013 ADAPT Meeting in Fiji. Eleven country-specific ECCA CoP groups were also created on the APAN web portal to facilitate online discussions.

In the lead-up to the ADAPT Asia-Pacific Second Annual Meeting in Fiji, the UNDP Pacific Solution Exchange (PSE), in close collaboration with ADAPT Asia-Pacific facilitated an email-based discussion on 'Challenges of Climate Change Finance – Experience and Advise.' This cross-regional e-discussion elicited quality responses from 21 leading practitioners in the Pacific region. An "Ask-the-Expert" Live Chat event was held on June 19, 2013, which followed and built upon the ECCA capacity building workshop held in March 2013. This 'live' discussion was attended virtually by 11 participants across three time zones from Bangladesh, Indonesia, Mongolia, Nepal, Thailand, Vietnam, and Yale University, which contributed to a lively discussion. Through an interactive session, participants shared their feedback and increased their understanding on the Agriculture Survey Instrument, coding and sampling method – an assessment tool developed to undertake country level cost analysis on climate change adaptation. Ms. Claudia Ortiz, ADAPT Asia-Pacific's Climate Change Adaptation Economics Consultant, moderated the chat. A summary of the discussion was posted on the APAN and ADAPT websites and shared with participants. Two more live chat events are planned before the next ECCA workshop in October 2013.

An e-CoP article outlining updates on ADAPT Asia-Pacific's CoP activities was drafted and published in the April 2013 edition of the ADAPT Asia-Pacific newsletter.

Task Two: ADAPT Asia-Pacific Annual Forum

Summary of Key Accomplishments

Under the Task 2, ADAPT Asia-Pacific successfully held the Second ADAPT Asia-Pacific Annual Meeting in the Pacific with the participation of 110 stakeholders representing Pacific Islands Countries, global and regional donor institutions, private sector and civil society representatives.

Second ADAPT Asia-Pacific Annual Meeting

The ADAPT Asia-Pacific Second Annual Meeting was held on June 3-4, 2013 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 was part of

the first-ever “Pacific Climate Change Resourcing Event Week”, which was organized under the auspices of Pacific Climate Change Roundtable (PCCR) Resources Working Group (RWG) and supported by UNDP, USAID and AusAID.

The event followed a three-day Pacific Climate Change Financing Workshop (30 May-1 June 2013) in Nadi, Fiji. Together the combined events sought to improve Pacific Island Countries’ (PICs) access to funds that would help finance their vital climate change adaptation projects. The event answered the call from the Pacific community at last year’s ADAPT Asia-Pacific First Annual Meeting in Bangkok, Thailand, to further engage in the region, address PIC-specific issues, and share experiences across the Asia-Pacific region.

Around 110 participants attended the meeting – 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). Other representatives attended 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. ADAPT Asia-Pacific funded the participation of 46 government representatives at the Meeting and 11 PIC representatives at the PIFS Workshop. An innovative Development Marketplace ‘carousel’ session on day 2 of the Meeting provided a valuable opportunity for Pacific countries (14 PICs) to present to 12 development partners their priority requirements to help improve access to climate financing. The Marketplace was the first of its kind in the region and was designed to maximize, through a country-driven process, the opportunities for countries and development partners to engage effectively on how best to match development partners’ existing and planned climate change financing support with specific country needs. Development partners also gained a better understanding of the on-ground challenges Pacific countries face, including navigating donor requirements and prioritizing development needs. Feedback from country delegations was extremely positive, with the suggestion made that such marketplaces could become a mainstreamed part of future regional meetings, given their benefits for both countries and development partners. ADAPT Asia-Pacific summarized results of discussions and started follow-up discussions with individual country teams on potential partnership opportunities after the Annual Meeting.

A stand-alone website was created in advance to host the Meeting agenda, speaker profiles, list of participants, event press release, photos, presentation slides, and other materials. The Final Report containing the full proceedings of the meeting will be finalized in July 2013. The Second Annual Meeting was a huge success, which the participants reflected in the very positive, post-event evaluation.

Task Three: Climate Change Adaptation Capacity Building Program

Summary of Key Accomplishments

Assistance to the Royal Thai Government is achieving very positive results: (i) The climate change research strategy for Thailand, designed in an extensive collaborative effort with ADAPT Asia Pacific and USAID, is now largely complete; the National Research Council of Thailand (NRCT) has taken full ownership of the strategy, and is considering possible twinning arrangements with one or more US Government agencies as a follow on; and (ii) The Office of Environment and Natural Resources Policy and Planning (ONEP) sent a note to ADAPT Asia-Pacific praising the support they are receiving. The preparation and delivery of capacity building/training courses are on schedule: (i) The program on the economics of climate change

has entered the field work phase and has received a very positive response from participating countries; (ii) Preparations for the delivery of two climate finance training courses in India are largely complete, and the contract to prepare a course on urban climate change adaptation has been issued and work has commenced. The regional program to support government officials in attending existing training courses has begun with selection of seven officials (out of 27 applicants) on a competitive basis to attend courses primarily at regional training institutions in Asia. Preparation of a sourcebook on gender considerations in climate change adaptation projects is expected to start in July, but in the meantime, significant support from key stakeholders has been garnered. A joint USAID RDMA/ADAPT Asia-Pacific mission to Washington, D.C. in May 2013 generated an enthusiastic response to ADAPT Asia-Pacific activities to the extent that the World Bank, for example, has now established two specific focal points for interactions with our project.

Preparation of Climate Change Research Strategy for Thailand

A large audience of 100 climate change scientists, senior line ministry officials, NGO representatives, and others met at the National Research Council of Thailand (NRCT) on June 17, 2013 to discuss the draft final version of the National Climate Change Research Strategy. Among the first such initiatives undertaken in Asia, the strategy will be the foundation for high quality, evidence-based climate change programs and projects that are competitive in seeking domestic and international funding. The draft strategy was prepared jointly by NRCT, the Office of Natural Resources and Environmental Policy and Planning (ONEP), and the Royal Institute of Thailand (RIT), with USAID/ADAPTS Asia-Pacific's technical assistance. This fifth and final consultation workshop was opened by the Secretary-General of NRCT. NRCT will incorporate comments received during the workshop and finalize the strategy prior to its public release at the Thailand Research Expo to be held 23-27 August in Bangkok. Earlier, the draft strategy's nine recommended research programs were incorporated into the National Climate Change Master Plan (2013-2016), which is currently under government consideration.

Capacity Building Program on the Economics of Climate Change Adaptation (ECCA)

The first regional ECCA training workshop was held in March 2013 in Bangkok, when more than 50 representatives from 11 country teams met to enhance their ability to design effective climate change adaptation projects and integrate adaptation into national economic development planning. Subsequently, the teams returned to their respective countries and began detailed planning for carrying out data collection. Mentors were recruited to help guide the country teams in their field work, and mentor-led follow-up national workshops on cost-benefit analysis have been held in some countries, with others to be organized in coming weeks. A moderated live chat session, the first for the ECCA program and for the ADAPT Asia-Pacific project, was held on the evening of June 19 and involved a question and answer session between country team representatives and project staff/mentors concerning the envisaged agriculture survey. Preparations are now underway to deliver the second regional ECCA training workshop in October.

Regional Program for Capacity Building Support for Government Officials through Training Courses

The design of the program, including a detailed application process and selection criteria, were finalized, approved by USAID and posted on the project's website at <http://www.adaptasiapacific.org/activities/support-government-officials-asia-training-climate-change-adaptation-and-finance>. All concerned USAID country missions were informed of the program and given an opportunity to comment on the substance of the program prior to its approval. A senior selection committee was formed, met in June and selected on a competitive basis the seven best applicants from among the total of 27 applicants to date. Successful

applicants came from Bangladesh, Vietnam and Indonesia. Sponsored training courses (Adaptation Academy Foundation Course in Oxford, UK; Community Forestry for Adaptation to Climate Change in Chiangmai, Thailand; and 9th International Training Course on GIS for Disaster Risk Management in Bangkok, Thailand) will improve government officials' technical capacity to design and implement climate change adaptation activities in their countries. ADAPT Asia-Pacific is also planning to collaborate with these government officials when they are back from these training courses to engage them in-country activities when possible.

Workshops on Climate Change Finance in South Asia

Preparations are nearing completion for a two-day regional workshop on "Options for an Innovative Climate Finance Regime for South Asia". ADAPT Asia-Pacific with APAN and its South Asian node, Climate Action Network South Asia (CANSAs), as well as USAID-supported LEAD project, are collaborating in the development and delivery of the workshop to be held in New Delhi on August 19-20, 2013. The workshop will bring together representatives from a range of key government stakeholders in South Asia, including from central finance and planning ministries, environment, and line agencies. The workshop's goal is to accelerate flows of climate change adaptation finance to the countries of South Asia. It aims to enhance understanding among national decision makers of existing public and private climate finance mechanisms available to South Asian countries, identify potential sources of new and innovative finance in both the public and private sectors, and identify good practice models, among other objectives.

Working with The Energy and Resources Institute (TERI) in New Delhi, ADAPT Asia-Pacific is providing support for a five-day course on climate finance during the week of July 22. The workshop will be held at the "TERI Retreat", a specially-built training campus outside New Delhi. The 25 workshop participants will include Secretary/Joint Secretary officials from India who are doing a two-year climate change MSc program at TERI University, as well as Indian officials responsible for implementation of state-level climate change strategies. It is expected that at the end of the course participants will fully understand major issues surrounding climate finance, the various financial sources and mechanisms available, and how the learning can be integrated with present climate change action plans and strategies in which the course participants have a design and/or implementation role. The workshop will be offered annually over the next two-three years.

Developing a Training Course on Urban Climate Change Adaptation and Resilience

An RFP was issued in March for developing a training course on urban climate change adaptation and resilience. The East-West Center of Honolulu, Hawaii was selected to undertake the work. To date they have produced two reports, a compendium of ongoing related training courses and an initial recommendation of urban climate change adaptation course priorities.

Assistance to ONEP

Technical support provided to ONEP by ADAPT Asia-Pacific was acknowledged by ONEP's Secretary General, who expressed his "special appreciation for [three specialists who] have been tremendously helpful... Their work on community-based adaptation and ecosystem-based impact assessment is highly commendable, and will lead to critical policy recommendations in the areas of local adaptation and ecosystem-based adaptation." Looking forward to FY 2014, ONEP has requested our support to: (i) help determine whether and how Thailand should proceed with a process leading to possible application to the Adaptation Fund for National Implementing Entity (NIE) status; and (ii) development of a National Adaptation Plan. Discussions on these two proposals are ongoing. Also being discussed is a possible twinning

arrangement between the Thai and US governments based on the national climate change research strategy.

Technical Assistance to Indonesia Climate Change Trust Fund

ADAPT Asia-Pacific has provided continuing support to the Indonesia Climate Change Trust Fund (ICCTF). ADAPT Asia-Pacific continued supporting the development of a project selection and ranking procedure and improvement of the monitoring and evaluation system, which culminated in a workshop designed to trial the selection and ranking system and build capacity among potential government agency stakeholders. Indonesia Climate Change Trust Fund (ICCTF) brought together 25 stakeholders from government, civil society and academia in a 3-day workshop in Bandung, Indonesia to present the project preparation and selection tools developed by the ICCTF team with USAIDADAPT Asia-Pacific's technical support. During the workshop, ICCTF's technical team and ADAPT Asia-Pacific's consultants presented the new tools, received input and feedback from participants, and identified project proposals with potential to receive funding under ICCTF in 2013-2014. Using the newly developed project preparation and selection tools, ICCTF is planning to award at least four climate change adaptation-related small grants in the fields of fisheries, agriculture, public health and water resources. These projects will be implemented by line ministries, CSOs and academia this year.

In addition, ADAPT Asia-Pacific was also asked to assist ICCTF in developing a sustainable financing strategy. Future funding sources remain a major concern for ICCTF because most donors are beginning to regard Indonesia as a middle-income country no longer eligible for grant funding, while the Government has made it clear that it will not borrow for climate change adaptation. In addition, it was pointed out that ICCTF is not the only climate change fund operating in Indonesia (with major funding (\$1 billion) from Norway being directed to a special unit in the President's office, and US funding (\$900 million) going into the Millennium Challenge Account – Indonesia with its own office arrangements).

Capacity Building Activities in the Philippines

ADAPT ASIA-Pacific continued to provide technical assistance to the Philippine Department of Finance (DOF) in addressing the comments of the AF Accreditation Panel pertaining to its NIE accreditation application. The complete response package, including supporting documents, was submitted to the AF on June 18. The next Accreditation Panel meeting will be 23 to 24 September 2013. Preparations for the required institutional arrangements, such as the formation of an NIE Technical Working Group and NIE Steering Committee, were discussed with the National Economic Development Authority (NEDA) and Climate Change Commission.(CCC) Discussions about developing a work program, including identification of projects for AF financing, development of a Climate Financing Strategy, and capacity building for DOF staff on climate change issues, are ongoing.

Supporting Samoa Trust Fund Work

ADAPT Asia-Pacific's support to the Government of Samoa and the World Bank in designing a National Climate Change Adaptation Trust Fund is entering its final stage. The World Bank invited ADAPT Asia-Pacific's trust fund consultant to participate at the World Bank/Ministry of Finance (MoF) April 3, 2013 High Level Forum on Samoa's Response to Climate Change, where he introduced and guided the discussion on the preparatory work toward establishment of a climate change trust fund. ADAPT Asia-Pacific's consultant made a presentation on the key recommendations surrounding the establishment of the trust fund that MoF and other key stakeholders need to consider moving forward. While this assignment is now complete, ADAPT Asia-Pacific understands the World Bank and Government of Samoa will

likely request ADAPT Asia-Pacific continued support in finalizing the design of the trust fund and in its subsequent operationalization.

Preparing a Sourcebook on Gender Considerations in CCA Projects

Proposed preparation of the sourcebook was raised during meetings that were held with various stakeholders in Washington, D.C. in May. The proposal received very supportive responses from representatives of USAID/Washington, the State Department, and the Climate Investment Funds. All three will provide staff to serve on a Technical Review Committee to ensure the quality of the final product. Contracting with dTS is expected to be completed in July.

Supporting Climate Change Finance Workshop in the Pacific

ADAPT Asia-Pacific, in collaboration with AusAID, supported the organization and conducting of the Pacific Climate Change Financing Workshop, which was held from 30 May to 1 June 2013 in Nadi, Fiji and co-hosted by the Pacific Islands Forum Secretariat and the South Pacific Regional Environment Programme (SPREP). ADAPT provided support in the form of consultants for the Workshop design, implementation and reporting, as well as financial support for the participation of 11 PIC representatives. Outcomes of the meeting (identification of CCA needs of PICs; potential partnership opportunities, etc.) directly informed the subsequent ADAPT Asia-Pacific Second Annual Meeting (3-4 June) in Nadi. Jointly, these events enabled direct and targeted discussion of adaptation finance priorities between ADAPT Asia-Pacific countries and key development partners.

Mission to Washington, D.C.

Brad Philips, COR of the ADAPT Asia-Pacific project, and Bob Dobias, Team Leader of ADAPT Asia-Pacific, visited Washington, D.C. during the period 20-24 May, meeting with officials from the Treasury Department, State Department, USAID/Washington, Asian Development Bank, World Bank, Climate Investment Funds, World Wildlife Fund and World Resources Institute. The trip generated an enthusiastic response from all agencies visited. In addition to the response to ADAPT Asia-Pacific's gender sourcebook (described above), there was great interest in the economics of climate change adaptation capacity building program, especially within the World Bank. Generally, the World Bank requested an expanded relationship with ADAPT Asia-Pacific and, as a result of the mission, has established internal focal points specifically to facilitate this objective. The mission generated opportunities for new or expanded collaboration with each of the other institutions visited. Details are contained in the trip report, available from ADAPT Asia-Pacific project files.

Task Four: Technical Assistance in Project Preparation

Summary of Key Accomplishments

Project preparation activities with UNDP and the ADB have continued in full swing in Samoa, Tonga, Cambodia, respectively, while preparation for project involvement with UNDP in Solomon Islands and Vanuatu has also proceeded. Reflecting a general concern over the lack of external funding for climate change adaptation, the Task 4 team has also been examining possibilities of mobilizing funds from domestic public finance sources, assisting with readiness for climate change adaptation funding, and beginning the process of determining a specific niche in relation to private sector funding. In general, the team has been attempting to use its involvement in multilateral agency intermediation of climate financing as an avenue to opening up direct assistance to the governments involved, although this continues to be difficult. The project has found greater acceptance in the Pacific region than in Asia, in part due to access constraints imposed by the bilateral USAID missions.

Project Preparation Support to Samoa (UNDP)

ADAPT Asia-Pacific is presently in discussion with the Government of Samoa and UNDP regarding support to the Ministry of Natural Resources and Environment (MNRE) in the preparation of a GEF-financed LDCF project focusing on *Economy-wide Integration of CC Adaptation and DRM/DRR to reduce climate vulnerability of communities in Samoa*. The overall funding envelope for the project is \$13,650,000 in GEF LDCF grants. UNDP is in the process of engaging a project preparation grant (PPG) team of six experts to prepare a GEF/LDCF compliant project document for funding. ADAPT Asia-Pacific is discussing, in principle, supporting the project preparation team through the provision of a Climate-resilient Infrastructure Specialist and a Gender Expert. The assignment is envisaged to commence in September 2013 and to be completed for GEF financing approval in early 2014.

Project Preparation Support to Samoa (World Bank)

The World Bank (WB) project team's third mission under the PPCR *Enhancing the Climate Resilience of Coastal Resources and Communities Project* is planned for August 2013 after having received the inception and project preparation reports for review from the Government of Samoa, Ministry of Natural Resources and Environment (MNRE) consultant team. The main objectives of the third mission are to: (i) review the project proposals developed by the MNRE consultant team; (ii) reach agreement with government on the key aspects of project design based on the project preparation report; (iii) advise government on the work that remains to be completed in order for the project to be ready for appraisal and reach agreement on a time-bound work plan. The ADAPT Asia Pacific consultants (i.e. the International coastal management consultant and coastal engineer, as part of the WB team, will focus on the following tasks:

- a. Review the status and progress of the preparation phase of the project;
- b. Review with government the project preparation report and, more specifically, the objectives, strategy, approach, activities, financial and economic aspects, safeguards, risks and the overall design of the project;
- c. Undertake field work to assess/confirm the feasibility of technical interventions being proposed, including the costs and implementation arrangements;
- d. Review the overall management and implementation arrangements including linkages with related activities;
- e. Identify any remaining work to be undertaken by MNRE to complete project preparation and to prepare the project for appraisal; and,
- f. Contribute to an aide memoire, as requested, which will be discussed with government prior to departure, and to preparation of the Project Appraisal Document (PAD).

The fourth and final team mission will focus on submission of the PAD to the World Bank for potential funding under the PPCR. The expected total project budget is estimated at US\$7,100,000. The ADAPT Asia-Pacific team's inputs of work activities is for a period of approximately 6 months.

Project Preparation Support to Tonga

In the Pacific region, the Pilot Program for Climate Resilience (PPCR) under the Climate Investment Funds has country level activities in Samoa, Tonga and Papua New Guinea, as well as a regional component (which among other things is examining the possibility of establishing a regional technical support mechanism, similar to ADAPT Asia-Pacific). In Tonga, ADAPT Asia-Pacific has provided two climate change experts to assist the ADB project preparation team, which is tasked with preparing a Report and Recommendation of the President (RRP), which will go to ADB Board of Directors for approval of the \$20 million grant-funded project.

While also assisting with the design of the infrastructure sub-projects, particular assistance has been provided on the design and implementation of a climate change trust fund under the Ministry of Finance, which has now been approved by Cabinet, and will receive an initial injection of \$5 million from the PPCR.

Project Preparation Support to Cambodia

The first milestone inception/first progress report was submitted for discussion by ADAPT Asia-Pacific Regional Project Preparation Specialist and Climate Resilient Consultant to the Ministry of Rural Development (MRD) on July 1, 2013. The report covered progress of the ADAPT Asia-Pacific study on 40 village communities (Batch 3) in Banteay Meanchey province, including schedules and activities for effective Implementation. An early-July, third round of visits by Adapt staff to Cambodia led to discussions being held with MRD officials as a follow on to the submission of the inception/first progress report. The following bullet points summarize both the progress of work and the amendments to the original scope of works:

- Batch 4 ponds will be designed and contract documents prepared by October 2013. Construction bidding to commence in November-December 2013. ADAPT Asia-Pacific input will not be complete by this date, therefore “climate proofing” is unlikely to be built into this batch;
- Batch 5 (2 communes) will be identified in the first quarter 2014 for later design and construction. There is an opportunity for ADAPT Asia-Pacific to build in “climate proofing” designs;
- MRD requested the ADAPT Asia-Pacific team to seek potential non-ADB sources of funding based on ADAPT Asia-Pacific’s recommendations to “climate proof” future community ponds;
- A “working group” session is to be scheduled in September 2013 with the purpose of “disseminating” key findings and recommendations from ADAPT Asia-Pacific’s work to government officials and project stakeholders from the selected provinces;
- MRD requested ADAPT Asia-Pacific to produce management and pond design guidelines from the study;
- MRD requested ADAPT Asia-Pacific to include a gender component in the study; and
- MRD expressed interest in ADAPT Asia-Pacific providing V&A analysis training for its officials.

A revised inception/first progress report will be submitted that addresses the points summarized above. The remaining tasks for the study include the production of an Interim Report in November, visits to sites during January 2014 to assess ponds under actual operational conditions, and the submission of the Final Report around March 2014.

Project Preparation Support to Solomon Islands

During the past three months, the UNDP Project Preparation Grant (PPG) team has visited and assessed three of seven targeted project sites, which included Taro township and Poroporo village, Gizo township, and Santa Catalina island. The ADAPT Climate Resilient Consultant conducted Vulnerability & Adaptation (V&A) assessments of water resources of the three project sites. The PPG Phase commenced on March 11, 2013 and will run for six months. The project proposes to leverage US\$6.850 of Global Environment Facility (GEF) financing for this project. Project duration is for 48 months after receiving approval of the Project Document (ProDoc) from the GEF Board. The four remaining sites will be visited in the July/August period.

Project Preparation Support to Vanuatu

This UNDP project is aligned to the Least Developed Countries Fund (LDCF) and Special Climate Change Fund (SCCF) focal area with the objective of reducing vulnerability to the adverse impacts of climate change (CC) in selected coastal communities in Vanuatu, ADAPT Asia-Pacific is engaging four consultants as part of the Project Preparation Grant (PPG) team to assist in preparing a UNDP/GEF compliant project document. These include two national infrastructure and engineering experts and two international experts; one in gender and the other as integrated coastal management specialist. The project will focus on selected project sites along Vanuatu's coastal zone by studying how the coastal zone, its environment and communities are impacted by climate related threats and how climate resilience advice can be provided to coastal areas through integrated community approaches to climate change adaptation. The PPG phase is for six months to prepare the project document to access US\$8.030 million in GEF financing. The project duration is for 48 months after receiving approval of the Project Document (ProDoc) from the GEF Board. The Inception Workshop is planned for early August 2013 and site visits with the PPG phase commencing immediately thereafter.

CPEIR and Domestic Finance Work

During the quarter, work was completed on 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. A good strategic option for ADAPT Asia-Pacific to work on the domestic financing of climate change is therefore through a more narrow focus on the investment budget than other donors have taken to date in this area. This recommendation will be followed up in the fourth quarter with the National Economic and Social Development Board (NESDB) in Thailand to examine the need for climate proofing planned massive investment in infrastructure over the next few years. Consultation has also 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.

Pacific Islands Finance Ministers' Taskforce on Climate Financing

ADAPT Asia-Pacific was requested to assist the Pacific Islands Finance Ministers' Taskforce on Climate Financing and staff provided inputs to a questionnaire conducted by a consultant team appointed by ADB, as well as attending a roundtable meeting of the Finance Ministers held in the Cook Islands, which resulted in a policy brief presented by the ministers to the annual meeting of ADB held in New Delhi in May 2013. This Taskforce will also present its findings to the Finance and Economic Ministers meeting in July and the Pacific Islands Leaders' Summit in September 2013. The main conclusion of the ministers is that small island developing states would prefer climate financing to be delivered as direct budget support so that mitigation and adaptation can be mainstreamed into their development planning rather than off-budget projects and multiple reporting requirements.

Task Five: Overarching Program Management and Coordination

Project Management and Coordination

During this quarter, the ADAPT Asia-Pacific started to plan for FY14 activities. The team met on June 26 to initially discuss key future activities based on performance achievements to date. A draft FY 14 Work Plan is being developed and will be refined at the next meeting early next quarter for submission to USAID at the end of the fourth quarter.

Monitoring and Evaluation

During this quarter, the ADAPT Asia-Pacific team continued to collect and review data from project activities to track progress in achieving project performance indicators. Data collected are stored in the One Source online PMP tracking system for further updating and reporting.

Communication and Outreach

The 3rd issue of the ADAPT Asia-Pacific newsletter was published in April 2013 and included articles on the ADAPT Asia-Pacific Second Annual Meeting in Fiji, an update on ADAPT Asia-Pacific E-Community of Practice, ADAPT Asia-Pacific's support to government officials from Asia for training in climate change adaptation and finance, and on the project's session at the APAN Third Adaptation Forum in Korea. The 4th issue of the newsletter is scheduled to be published in July 2013.

2.2 Implementation Challenges

ADAPT Asia-Pacific encountered a few implementation challenges during the quarter, but, in general, it is expected that the overall work plan will be accomplished as planned.

The first challenge is related to working directly with developing country governments. Experience continues to demonstrate that there is a substantial demand for the kind of project preparation assistance provided by ADAPT Asia-Pacific. As long as funding is seen as a responsibility of developed countries (which are the main progenitors of climate change) and developed countries are not prepared to simply provide direct budget support, then most developing countries are still looking for external funding of climate change adaptation. They also insist on grant funding rather than loans, and new and additional funds rather than diversion of Official Development Assistance as a reflection of this responsibility—an increasingly difficult scenario in light of the global financial crisis and continuing fiscal crises in Europe. The recent mobilization of the Green Climate Fund is now seen as the most significant source of the pledged \$100 billion in climate financing by 2020, but access conditions are still not clear. Accordingly, the desired modality of working directly with developing country governments, especially in Asia remains a challenge.

Secondly, the three e-discussions, which ADAPT Asia-Pacific conducted during the quarter, demonstrated ADAPT Asia-Pacific's efforts to continuously support project beneficiaries to access climate finance. However, limited number of contributors to the e-discussions underscored the need to improve the E-CoP activity's design and approach. Going forward, E-CoP activities will increasingly utilize a Live Chat functionality in order to attract a higher level of participant engagement. . Consideration may be given to streamlining E-CoP functionalities on the APAN web portal.

2.3 Integration of Crosscutting Issues and USAID Forward Priorities

2.3.1 Local Capacity Development

To ensure local ownership and sustainability of the project's capacity building activities, the ADAPT Asia-Pacific team identified additional local universities and training centers (The International Centre for Climate Change and Development (ICCCAD) and University of the South Pacific) to engage in the organization of capacity building activities to be carried out by

ADAPT Asia-Pacific. ADAPT Asia-Pacific will continue exploring innovative strategies for cooperation that will include resource leveraging and twinning to ensure overall program sustainability.

2.4 Stakeholder Participation and Involvement

ADAPT Asia-Pacific has been successful in initiating collaboration with several development partners engaged in climate change adaptation project preparation in target countries, including UNDP, UNEP, the WB, and the ADB. The collaboration with UNDP has been particularly successful in supporting the preparation of climate change adaptation projects in a number of countries: Lao PDR, Nepal, Tuvalu, Samoa and Solomon Islands. Upcoming collaboration is planned for Vanuatu and Timor Leste. In addition, ADAPT Asia-Pacific worked with UNDP in the design and implementation of a major initiative to enhance the institutional capacity of selected national government officials from target countries in the economics of climate change adaptation. Following the successful collaborative first regional training on Economics of Climate Change Adaptation, country teams continued to receive technical assistance from both ADAPT Asia-Pacific and UNDP in agriculture/water sector data collection, identification of case studies and assessments on the costs/benefits of adaptation of the selected projects in advance of the next training scheduled for the FY14.

ADAPT Asia-Pacific also interacted with development partners in the Pacific region, such as AusAID, GIZ, , University of South Pacific, the Pacific Islands Forum Secretariat (PIFS), Secretariat of Pacific Regional Environment Programme (SPREP), and the Secretariat of the Pacific Community (SPC). In this quarter, ADAPT Asia-Pacific cooperated with PIFS and SPREP in organizing the Pacific Climate Change Resourcing Event Week, which included a Financing Workshop as a back-to-back event with the ADAPT Asia-Pacific Second Annual Meeting.

2.5 Management and Administrative Issues

During this quarter, the ADAPT Asia-Pacific received applications for the vacant position of Regional Technical Coordinator and interviewed short-listed applicants. Ms. Piyachatr Pradubraj, a Thai national, was found the most qualified to fill the position. The hiring process has begun and she is expected to start work in the next quarter. Several short-term specialists have also been contracted to support tasks under capacity building and project preparation during this quarter.

2.6 Lessons Learned

Working predominantly with multilateral agencies like UNDP, World Bank, and ADB as intermediaries for global funds has illustrated that in many cases there is no clear and distinct dividing line between climate change adaptation and business as usual development activities, despite the United Nations Framework Convention on Climate Change specifically requiring funding to be “new and additional.” The clearest case can be made in relation to “climate-proofing” major infrastructure projects (like roads, ports, airports), whereas rural infrastructure like irrigation systems or community ponds have proven more difficult to separate out specific adaptation components for different sources of funding. This separation between adaptation and business as usual becomes even more difficult when governments attempt to mainstream

adaptation into development planning, and are not particularly concerned about allocating funding to recognize this divide.

Direct support to the Royal Thai Government is bringing about early results and demonstrates that ADAPT Asia-Pacific can have direct and significant impact on national level capacity building.

There is a high level of interest among US government agencies, multilaterals and NGOs in the work that ADAPT Asia-Pacific is doing with UNDP on the economics of climate change adaptation. There also is a broad interest among the same agencies in the gender sourcebook. The project should continue to build on this interest by engaging with these agencies in appropriate roles, which will help broaden the eventual impacts on national/regional capacities.

3. PLANNED ACTIVITIES FOR NEXT QUARTER

In the fourth quarter of performance in FY13, AECOM will focus on activity implementation under all tasks per the second year work plan. Key performance objectives for the quarter are as follows:

- Finalize the APAN Sustainable Strategy paper and implement key actions
- Assess performance of the website by a conducting survey
- Publish and upload knowledge products on ADAPT Asia-Pacific website
- Publish the fourth E-newsletter
- Follow-up with participants of Second Annual Meeting, conduct interviews and organize an Ask Experts e-discussion
- Produce final version of the Thailand Climate Change Research Strategy, which will be distributed at the Thailand Research Expo to be held in August
- Explore possibility of establishing a twinning arrangement between the Royal Thai Government and the US Government based on the recently completed Research Strategy, which will include a meeting of Thai officials, perhaps with assistance from USAID
- Make logistical and technical preparations for the second training workshop of the Capacity Building Program on the Economics of Climate Change Adaptation (ECCA), which will be delivered in October. Preparations also will be made for associated events, expected to include a one-day workshop on National Adaptation Plan procedures and their integration with the ECCA and a meeting with Thai decision makers
- Continue screening and selecting candidates for the competitive training program for government officials attend training courses during the 2014 fiscal year
- Establish and maintain networks of training course graduates for continued sharing of information
- Deliver two training workshops on climate finance in India, one during the week of 22 July in collaboration with TERI and the other with APAN and its South Asian node, Climate Action Network South Asia (CANSAs), as well as USAID-supported LEAD project, on August 19-20, 2013.
- Continue technical support to ONEP, including the provision of three full-time consultants in climate change adaptation and one senior adviser providing support in international climate negotiations. Finalize arrangements for possible support with NIE accreditation and NAP preparation
- Complete updating of the UNDP NAP preparation guidelines

- Begin preparation of the gender sourcebook and CCA
- Complete Phase 1 of the Urban CCA activity
- Provide continued capacity building support to DoF of the Philippines with Adaptation Fund accreditation
- Continue technical assistance to ICCTF in Indonesia
- Advise Cook Islands with NIE accreditation, as requested
- Explore supporting operationalization of Samoa national climate change trust fund
- Explore partnering with UNDP to carry out Vanuatu “Strengthening Climate Change and Disaster Risk Governance” financial assessment
- Explore provision of targeted technical assistance to help counterparts to prepare CCA projects for financing from climate funds in the Philippines, India, Bangladesh, Indonesia, Nepal, and Sri Lanka
- Continue assistance to adaptation of rural community ponds under the ADB Second Rural Water Supply and Sanitation Sector grant in Cambodia
- Continue technical support to UNDP project preparation in Solomon Islands and Vanuatu
- Explore assisting UNDP/PIFS to undertake CPEIR-related work in one of the Pacific Island countries (likely to be Tuvalu)
- Explore a specific niche involvement for ADAPT Asia-Pacific in private sector funding, possibly through public-private partnerships
- Monitor development of the business model for the Green Climate Fund (GCF) and where appropriate assist developing countries in assessing/developing their readiness for direct access from this new funding source
- Prepare quarterly report
- Continue collection of data for PPR report
- Finalize FY 2014 Work Plan
- Prepare PMP report