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

# QUARTERLY REPORT

Fourteenth Quarter: January 1 to March 31, 2015

**Submitted By**

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**DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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**Submission Date**

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## 1. PROGRAM OVERVIEW/SUMMARY

|  |   |
|--|---|
| <b>PROGRAM NAME:</b>                                 | USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific (Adapt Asia-Pacific)  |
| <b>ACTIVITY START DATE AND END DATE:</b>             | September 27, 2011-September 26, 2016   |
| <b>NAME OF PRIME IMPLEMENTING PARTNER:</b>           | AECOM International Development   |
| <b>[CONTRACT/AGREEMENT] NUMBER:</b>                  | 486-C-11-00005  |
| <b>NAME OF SUBCONTRACTORS:</b>                       | Institute for Global Environmental Strategies, Kaizen Company, Development & Training Services, INC.  |
| <b>MAJOR COUNTERPART ORGANIZATIONS</b>               | Office of Natural Resources and Environmental Policy and Planning (ONEP), Thailand  |
| <b>GEOGRAPHIC COVERAGE (CITIES AND OR COUNTRIES)</b> | 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 |
| <b>REPORTING PERIOD:</b>                             | JANUARY 1-MARCH 31, 2015  |

### PROGRAM DESCRIPTION/INTRODUCTION

The Asia-Pacific region is highly vulnerable to the impacts of climate change and related natural disasters, partly due to the high concentration of people living in coastal areas and river basins affected by climate variability. Many countries in the region already suffer flooding, drought, and intensifying storm events, affecting lives and disrupting economies, especially in developing countries in the region.

Globally, the financing needs for climate change adaptation in developing countries for 2010-2050 are estimated at USD 100 billion per year. In 2010, Parties to the United Nations Framework Convention on Climate Change agreed in Cancun, Mexico to provide new and additional “fast-start” financing of 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 or the Pacific meeting this need.

Under a technical support services contract from USAID’s Regional Development Mission for Asia (RDMA), AECOM is currently implementing the *USAID Climate Change Adaptation Project Preparation Facility for Asia and the Pacific (USAID Adapt Asia-Pacific)*. The project supports the USAID/RDMA Regional Environment Office’s (REO) Development Objective of “*Improved response to environmental challenges in Asia,*” The project initially covered 13 countries in Asia and was later expanded to cover 14 Pacific Small Island Developing Countries. USAID Adapt Asia-Pacific addresses capacity and information needs of target 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 USAID Adapt Asia-Pacific is to establish a fully functional and self-sustaining adaptation project preparation facility that will support preparation of specific projects, and build the capacity of the region's governments to independently access climate adaptation funds. To establish a sustainable project preparation facility, the project 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, USAID Adapt Asia-Pacific will promote regional networking, gender mainstreaming and other social equity issues.

## SUMMARY OF RESULTS THROUGH MARCH 31, 2015

| STANDARD INDICATORS   | FY 2015 ANNUAL TARGET | FREQUENCY OF REPORTING | Q1 FY15   | Q2 FY15                                       | Q3 FY15 | Q4 FY15 | ANNUAL PERFORMANCE ACHIEVED TO THE END OF REPORTING PERIOD (%) | ON TARGET Y/N | REMARKS                  |
|---|-----------------------|------------------------|---|---|---------|---------|--|---------------|--------------------------|
| 1.1 Person hours of training completed in climate change supported by USG assistance/Number of people receiving training in Global Climate Change as a result of USG assistance | 4,000/150             | Quarterly              | 1,462/84 (1,022 men hours & 440 women hours; 56 men & 28 women) | 215/5 (118 m/hrs & 97 w/hrs; 3 men & 2 women) |         |         | 42%  | Y             |                          |
| 1.2 Number of institutions with improved capacity to address climate change issues as a result of USG assistance*   | 10                    | Quarterly              | 0   | 0   |         |         | 0%   | Y*            |                          |
| 2.1 Number of climate change adaptation projects with facilitated access to finance   | 7                     | Quarterly              | 2   | 2   |         |         | 57%  | Y             |                          |
| 2.2 Number of facilitated projects with a specific gender component   | 2                     | Quarterly              | 0   | 1   |         |         | 50%  | Y             |                          |
| 2.3 Number of people benefiting from climate change adaptation project approved or in the pipeline as a result of USG assistance  | 100,000               | Quarterly              | 87,544  | 23,896  |         |         | 111%   | 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   | \$100 Million         | Quarterly              | \$106 Million   | \$21 Million                                  |         |         | 127%   | 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                      | 3                     | Quarterly              | 1   | 0   |         |         | 33%  | Y             |                          |
| 2.6 Amount of funds in U.S. dollars from non-USAID sources mobilized and applied to support project preparation facility objectives   | \$250,000             | Quarterly              | \$60,447  | \$750   |         |         | 24%  | Y             |                          |
| 3.1 Number of regional environmental platforms created or strengthened  | 1                     | Quarterly              | 1   | 1   |         |         | N/A  | Y             | On-going support to APAN |

\*Ongoing technical support under these indicators will continue through the end of fiscal year. Results will be reported at the end of the fiscal year or prior to that if the technical assistance completed earlier.

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

## 2. ACTIVITY IMPLEMENTATION PROGRESS

### 2.1 PROGRESS NARRATIVE

USAID Adapt Asia-Pacific continued with program activities at both the regional and national level during the second quarter (Q2) of fiscal year 2015 (FY15). Key activity highlights and results are provided below by project task. Overall, the project progresses as planned.

#### TASK ONE: REGIONAL KNOWLEDGE SHARING PLATFORM

##### Summary of Key Accomplishments

Task 1 continues to develop USAID Adapt Asia-Pacific knowledge products and disseminate them widely through a strengthened regional knowledge sharing platform (i.e. APAN) and other networks, as appropriate. In FY15, Task 1 aims to increase the number of knowledge products produced. The knowledge products will consolidate and document lessons learned, best practices, and grounded project preparation experiences accumulated over the past three plus years of working in the region (mainly derived from Task 3 and 4). APAN's knowledge sharing capacity will also be strengthened by connecting with other major networks in the field.

Key achievements in FY15Q2 under Task 1 included signing of MOU between APAN and the Institute of Development Studies, formalizing the collaboration between the two regional knowledge sharing networks, the successful 7<sup>th</sup> Exchange Series on Climate Change Adaptation, and multiple key updates to the APAN website.

##### Knowledge Products on the APAN Web Portal/USAID Adapt Asia-Pacific Website

In Q2 FY15, Task 1 supported the development of knowledge products that aim to support capacity building among target Asia-Pacific government officials and improve their access to climate finance. A plan of action submitted in Q1 that included an indicative list of knowledge products to be produced in FY2015 was updated and shared through an online platform. The plan, outlining resources needed, includes a revised list of knowledge products:

1. Quick Guide to Climate Change Adaptation Funds
2. Toolkit on the Economics of Climate Change Adaptation
3. NABARD Package of Knowledge Products (Adaptation Project Evaluation Checklist; Appraisal Guidelines; and Vulnerability Assessment Report)
4. USAID Adapt Asia-Pacific Project Preparation Guidelines
5. RECOFTC Framework Community Forestry-Climate Change Adaptation
6. Paper on Strengthening Country Systems

Task 1 is currently updating the existing USAID Adapt Asia-Pacific Compendium on International Climate Change Adaptation Funds accessible on the USAID Adapt Asia-Pacific website: <http://adaptasiapacific.org/funds-compendium>. The Compendium was last updated in January 2014. Task 1, with technical support from the Task 4 Team Leader, is turning the content into a more user-friendly, printable "Quick Guide to Climate Change Adaptation Funds," which will be hosted on the APAN web portal and developed into a possible infographic. Technical descriptions on country eligibility, fund access, and approval processes for 12 adaptation funds, including the Green Climate Fund, are currently being developed and rewritten in clear, approachable language. A graphic designer has been contracted to support the publication's design and layout. The Quick Guide is planned to be completed in Q3 FY15.

For other knowledge products, Task 1 is supporting and following up with the USAID Adapt Asia-Pacific's consultant for NABARD and providing editorial and graphic design assistance to compile and repackage three knowledge products – namely, an Adaptation Project Evaluation Checklist; an Appraisal Guidelines; and a Vulnerability Assessment Report – for NABARD officials, which will also be relevant to other government officials in the Asia-Pacific. Dissemination methods and outreach opportunities will be identified and developed to publicize

the completed knowledge products for NABARD. The development of other USAID Adapt Asia-Pacific knowledge products will also continue in tandem in Q3 FY15.

### **Community of Practice for USAID Adapt Asia-Pacific**

This task focuses on supporting and strengthening the communities of practice that comprise mainly of USAID Adapt Asia-Pacific and APAN stakeholders and beneficiaries. The project's community of practice enables government officials and adaptation practitioners in targeted Asia-Pacific countries to interact with experts and with each other to gain knowledge in an online space.

The 7<sup>th</sup> APAN Exchange on Climate Change Adaptation (email-based discussion) was conducted under Task 1 from 12 March 2015 to 27 March 2015 focusing on "Mainstreaming Gender into Adaptation: Examples and Experiences." This Exchange was launched at the margins of International Women's Day to encourage CoP participants, including APAN and USAID Adapt Asia-Pacific beneficiaries, to reflect on the issue of gender equality as it relates to climate change adaptation. This email-based discussion was moderated by Task 4 Team Leader. The Exchange drew 9 substantive contributions from the region, including from government officials from Barisal City, Bangladesh, NABARD, India, and Pacific Island Countries. Adaptation practitioners from development partner organizations, such as WRI, SEI, IGES, GIZ, and SPREP, also contributed.

Based on the Exchange, the CoP participants broadly agreed that mainstreaming gender into projects is more desirable than developing a standalone component and understanding women's diverse needs helps to better design more targeted and effective projects. They also noted that more explicit gender requirements should be forthcoming from international financing institutions. An e-discussion consolidated replies report containing the full responses was uploaded on the USAID Adapt Asia-Pacific website and the APAN web portal accessible via this link: <http://www.asiapacificadapt.net/resource/7th-exchange-series-mainstreaming-gender-adaptation-examples-and-experiences-e-discussion>

In Q2 FY15, UNDP's Pacific Solution Exchange (PSE) Climate Change & Development (an active CoP platform operating in the Pacific) based in Suva, Fiji, expressed interest to conduct a joint PSE/APAN email discussion exchange to cross-post questions and responses on the Green Climate Fund posed by the Pacific Islands Forum Secretariat. Discussions are currently underway between PSE and Task 1 on how best to facilitate this Exchange.

The 8<sup>th</sup> APAN Exchange, planned for Q3 FY15, will focus on how cities and local governments relate to national governments in terms of accessing global climate change adaptation funds, as most funds are accessed by national-level entities. Live chat sessions with adaptation experts are also planned to be implemented in Q3 FY15.

### **Strengthening Knowledge Management Capacity and Key Action Implementation**

In Q2 FY15, Task 1 facilitated the finalization and signing of a Memorandum of Understanding (MOU) between APAN and the Institute of Development Studies' Eldis program – a leading online international development information service provider. The MOU was signed by Prof. Masataka Watanabe, Chair, APAN Steering Committee, and Richard Burgess-Gamble, Head of Finance, Institute of Development Studies, in January 2015. The MOU formalized the collaboration between the two regional knowledge sharing networks to disseminate relevant climate change adaptation content, including on climate financing, between the APAN web portal and the Eldis website. This collaboration includes harmonizing search terms using a common set of vocabulary, developing user stories, and being involved in IDS's Global Open Knowledge Hub that aims to improve the supply and accessibility of key content to policymakers.

Discussions were underway in Q2 FY15 with the APAN knowledge management team and web developers to implement components of the MOU, including establishing an automated exchange of new and existing climate science and adaptation knowledge between the APAN web portal and the Eldis website and improving overall search capabilities and linking of respective content. These efforts will be continued in Q3 FY15 and will serve to contribute to

APAN's increased knowledge management capacity and sustainability.

The web developers have also produced mock-up web pages of improved interfaces and listings of APAN news and events and refining the Community page to reflect the current directions for Community of Practice activities that focus on USAID Adapt Asia-Pacific-supported time-bound events – such as the APAN Exchange email-based discussions and live chat sessions.

In Q2 FY15, Task 1 also made 10 web updates on the USAID Adapt Asia-Pacific website and APAN web portal. Uploaded contents and their links are listed below:

1. News: [Mysore City Corporation Gives Green Light for Resilient Project Development](#)
2. News: [USAID Adapt Asia-Pacific launches online sourcebook, supports women's empowerment in Asia](#)
3. News: [USAID Adapt Asia-Pacific: It Takes Time and Effort to get Money for Climate Change](#)
4. News: [Learning to Assess the Economic Value of Climate Change Adaptation](#)
5. News: [Empowering women in Nepal to build climate resilience and protect their forests](#)
6. Resource: [The 6th Exchange Series on Climate Financing: E-Discussion Report](#)
7. Resource: [The 7th Exchange Series: "Mainstreaming Gender into Adaptation: Examples and Experiences" E-Discussion Report](#)
8. Resource: [Synthesis Report on outcomes and good practices from APAN organized capacity building training workshops \(2010-2015\)](#)
9. Event: [Resilient Cities Asia-Pacific 2015: The 1st Asia-Pacific Forum on Urban Resilience and Adaptation](#)
10. Event: [Workshop on Climate Risk Management in Planning and Investment Projects](#)

| <b>USAID Adapt Asia-Pacific (<a href="http://www.adaptasiapacific.org">www.adaptasiapacific.org</a>)</b> |        |                 |           |
|--|--------|-----------------|-----------|
| Period   | Visits | Unique Visitors | Pageviews |
| Q4FY12   | 2,725  | 1,804           | 6,989     |
| Q1FY13   | 1,505  | 961             | 3,737     |
| Q2FY13   | 1,892  | 1,296           | 4,941     |
| Q3FY13   | 4,018  | 2,613           | 10,510    |
| Q4FY13 (FY14 baseline)   | 3,272  | 2,226           | 8,262     |
| Q1FY14   | 1,864  | 1,377           | 4,558     |
| Q2FY14   | 2,177  | 1,643           | 5,161     |
| Q3FY14   | 2,674  | 1,992           | 5,635     |
| Q4FY14   | 3,389  | 2,205           | 8,074     |
| Q1FY15   | 2,996  | 2,190           | 6,211     |
| Q2FY15   | 3,315  | 2,456           | 6,119     |

| <b>APAN (<a href="http://www.asiapacificadapt.net">www.asiapacificadapt.net</a>)</b> |        |                 |           |
|--|--------|-----------------|-----------|
| Period   | Visits | Unique Visitors | Pageviews |
| Q2FY13   | 7,185  | 4,585           | 26,542    |
| Q3FY13   | 9,224  | 6,772           | 24,670    |
| Q4FY13 (FY14 baseline)   | 9,838  | 7,156           | 25,325    |
| Q1FY14   | 7,798  | 5,854           | 21,177    |

|   |        |        |        |
|---|--------|--------|--------|
| Q2FY14  | 7,138  | 5,718  | 17,243 |
| Q3FY14  | 7,533  | 5,918  | 17,699 |
| Q4FY14 – Main site                                  | 9,744  | 6,817  | 32,952 |
| Q4FY14 – 4 <sup>th</sup> Adaptation Forum microsite | 7,924  | 4,374  | 20,369 |
| Q1FY15*   | 17,063 | 14,996 | 27,957 |
| Q2FY15  | 6,980  | 5,500  | 15,887 |

*\*Note: During 8-11 December, a series of malicious attacks on APAN site led to the spike in traffic.*

### **APAN Stock Taking**

On February 11, 2015, an informal exchange was made between representatives from RDMA and the Ministry of the Environment, Japan (MOEJ), on how to continue support for APAN. The MOEJ expressed its intention to support the National Adaptation Planning process with special focus on impact and vulnerability assessment in the region. On March 23, 2015, Task 1 Team Leader met with the Regional Director and Representative for Asia and the Pacific of the United Nations Environment Programme, to follow-up on possible actions after the last APAN Steering Committee held in October 2014.

A Scope of Work and a paper to outline the key issues related to the sustainability of USAID Asia-Pacific's support to APAN were developed and submitted to RDMA for review. RDMA is currently in the process of convening meetings with MOEJ and UNEP to discuss this activity and finalize the scope of work.

## **TASK TWO: USAID ADAPT ASIA-PACIFIC ANNUAL FORUM**

### **Summary of Key Accomplishments**

On February 11-13, 2015, USAID Adapt Asia-Pacific participated in two plenary sessions in the Resilient Cities Asia-Pacific 2015 Congress hosted by the Bangkok Metropolitan Administration and organized by ICLEI – Local Governments for Sustainability held in Bangkok, Thailand. USAID Adapt Asia-Pacific's Adaptation Finance and Project Preparation Team Leader and Senior Technical Specialist for Climate Change Adaptation, Gender and Communications presented at the sessions and showcased the project's knowledge and lessons on financing urban resilience and on gender consideration in the climate change adaptation planning to city-level officials from across the Asia-Pacific as well as representatives from major international organizations, and key stakeholders. USAID Adapt Asia-Pacific also funded three participants—two from the Marshall Islands and one from Vanuatu—that provided 51 hours of training.

Task 2 also supported APAN's social media engagement for the ICLEI Resilient Cities Asia-Pacific 2015 Congress, posting 36 tweets on sessions from USAID Adapt Asia-Pacific, RDMA, Rockefeller Foundation, and other organizations to the APAN Twitter feed, sharing several photos of the Congress on social media, and stimulating retweets from other partner organizations. The USAID Adapt Asia-Pacific-supported APAN Twitter feed is accessible here: <https://twitter.com/APANadapt>

### **Supporting Sub-regional Events**

USAID Adapt Asia-Pacific is in discussion with the APAN Regional Hub Coordinator and APAN's partner organizations – the Climate Action Network South Asia (CANSAs, APAN's node for South Asia), the Secretariat of the Pacific Regional Environment Programme (SPREP, APAN's node for the Pacific) and ICLEI Southeast Asia (APAN's node for Southeast Asia) with respect to providing support for capacity building and building potential partnerships.

In addition to the ICLEI Congress held in Bangkok, Thailand, in February 2015, Task 2 is

exploring other possible sub-regional climate project-related events in the Asia-Pacific region to support. Based on initial discussions with CANSA in Q2, proposed topics for a possible workshop to be held in New Delhi, India, in Q4 were identified – they include: building institutional capacity to access the Green Climate Fund and incorporating the South Asian Association for Regional Cooperation (SAARC) development plan. Task 2 is also in discussion with SPREP to support a Pacific-focused project pipeline development workshop in Apia, Samoa, in Q4. SPREP is currently looking into possibly inviting other event partners as co-organizers. In addition, Task 2 is following up with ICLEI Southeast Asia, which is looking at a possible partnership with the Asian Development Bank (ADB) to co-host a proposed climate finance workshop in Manila, Philippines, in Q4. USAID Adapt Asia-Pacific is looking to support two of the three proposed APAN's sub-regional events in the pipeline.

### **TASK THREE: CLIMATE CHANGE ADAPTATION CAPACITY BUILDING PROGRAM**

#### **Summary of Key Accomplishments**

Progress under all Task Three components was in line with work plan projections. Items of note included: the project's Government Training Support Program (GTSP) assessment findings concluded that trainees gained substantial benefits from their participation in the program, initiation of field work and completion of portions of climate downscale modeling under WACC, and preparation of a revised course outline for the proposed UNU course under ECCA.

#### **Government Training Support Program**

A female economist from Timor Leste's Ministry of Finance successfully attended a ten-day training course on 'Building Resilient Communities: Community-Managed Disaster Risk Reduction'. An Assistant General Manager from India's National Bank for Agriculture and Rural Development (NABARD) attended a two-week course in 'Climate Change Adaptation in Agriculture and Natural Resources Management'. USAID Adapt Asia-Pacific conducted a one-year impact assessment survey with 16 alumni of the GTSP. The response rate was high at 87%. The survey confirmed that the trainees gained substantial benefits from GTSP participation, including increased technical capability, expanded responsibility with some project initiatives created, better job performance, and enhanced professional impact on colleagues and workplace. A six-month impact assessment survey was also begun during this period for more recent GTSP participants.

#### **Watershed-based Adaptation to Climate Change (WACC)**

Field work on a watershed-based climate change "vulnerability and capacity assessment" was begun, including extensive consultations at the project site and with government stakeholders in Thailand's Petchburi province and Bangkok. Downscaling of climate models was undertaken; of the two scenarios being used, RCP 4.5 was completed and RCP 8.5 is underway. The head of the National Research Council of Thailand's CC Center along with USAID Adapt Asia-Pacific staff visited Cambodia, Lao PDR, and Vietnam to follow up communications on their proposed participation in WACC, including terms of reference. The first conference call among all team members, including USFS, was held.

#### **Economics of Climate Change Adaptation Program**

Work planning was completed for 2015, showing how this first phase of ECCA would be completed by the end of September with a regional workshop of decision makers from participating countries. USAID Adapt Asia-Pacific will consider continuing its partnership with UNDP into a phase 2 later in the year. Contracting was completed for mentors of the country teams. Country teams continued working toward completion of their data analysis and/or report preparation. A revised outline of a proposed course to be delivered through the United Nations University was prepared and sent for UNU's consideration.

#### **Pacific-Cost Benefit Analysis (P-CBA) Initiative**

As USAID Adapt Asia-Pacific enters calendar year 2015 and commences implementation of its FY15 work plan, the project intends to continue to support its Pacific regional partners – GIZ, UNDP, SPREP, SPC, and PIFS – in extending cost-benefit analysis training across the Pacific region. As noted in the previous quarterly report, the project's initial support for the regional coordinator position concluded in late December. The project intends to continue to support the

regional coordinator position through a cost-sharing arrangement with USAID Adapt Asia-Pacific's long-standing partnership with UNDP. UNDP's internal procurement procedures and funding source, however, precluded putting the agreed arrangement in place during the reporting period, as proposed. To expedite matters, USAID Adapt Asia-Pacific and UNDP agreed on a short-term arrangement whereby USAID Adapt Asia-Pacific will contract the regional coordinator on a short-term basis through the end of June, at which time the joint USAID Adapt Asia-Pacific-UNDP cost-sharing contracting mechanism will take effect.

### **Urban Climate Change Adaptation and Resilience (UCCAR) Course Development**

Work continued on finalizing the seven modules as part of the UCCAR course. In Q2 plans were developed to test the modules with a focus of participants to further refine the modules prior to a full roll-out. USAID Adapt Asia-Pacific is currently in discussions with the East-West Center and 100 Resilient Cities to pilot test the Urban Climate Change Adaptation Course. The first pilot training is being planned for the end of May 2015 with the East-West Center followed by in-country trainings in Indonesia and Philippines. Discussions are ongoing with the 100 Resilient Cities for an event in August 2015.

### **DOF Accreditation Process in the Philippines**

USAID Adapt Asia-Pacific has been supporting the Philippines' Department of Finance (DoF) for the last two and a half years with its pursuit of accreditation as a national implementing entity (NIE) with the UNFCCC Adaptation Fund (AF). The principal issue remains the inadequacy of DoF's internal audit system and operating procedures per AF criteria. USAID Adapt Asia-Pacific understands DoF's Finance Secretary has approved the issuance of the long-awaited Department Order calling for the strengthening of DoF's Internal Audit Unit (e.g. hiring of additional personnel, development of a work plan, etc.). DoF, however, has not communicated formally with the project during the reporting period with respect to next steps nor the need for provision of further assistance to implement the terms of the Department Order.

### **Supporting Indonesia Climate Change Trust Fund (ICCTF)**

Following agreement from the bilateral USAID mission to deposit approximately \$5 million in the ICCTF, the mission requested USAID Adapt Asia-Pacific to help develop the project pipeline for utilization of those funds. In addition, ICCTF is applying for accreditation to the Green Climate Fund (GCF) and preparation of a solid project pipeline and adequate attention to environmental and social safeguards will assist in the accreditation process (which is being supported by CDKN which has sub-contracted Aequilibrium). To undertake this work, USAID Adapt Asia-Pacific is in the process of contracting an international consultant and 2-3 local consultants to assist ICCTF, based on agreed terms of reference which were developed by a USAID Adapt Asia-Pacific mission in March 2015.

### **Tonga Climate Finance Assessment**

The Ministry of Finance and National Planning, Kingdom of Tonga, has requested UNDP and the Pacific Island Forum Secretariat (PIFS), and other partners, including USAID Adapt Asia-Pacific, to undertake a Climate Financing and Risk Governance Assessment (CFRGA) that will make a practical assessment of options to strengthen the Government of Tonga's institutional capacity for improved access to and management of international climate and disaster funding. The proposed assessment will comprise seven areas, as follows: institutional analysis; funding source analysis; policy, planning and coordination; PFM and expenditure analysis; human resource management and development; aid and development effectiveness; and M&E, communication and reporting. USAID Adapt Asia-Pacific is providing the team's public financial management (PFM) specialist. The CFRGA team kicked off the assessment in January with a three-week mission, which included a round of meetings and interviews with officials from the Ministries of Finance and Environment and the collection of data for the relevant financial and institutional analyses.

USAID Adapt Asia-Pacific's consultant returned to Tonga in late February to help finalize the analysis and contribute to the first draft of the CFRGA assessment report, which was submitted for Government's review on February 27. The CFRGA team presented its first draft report, including its findings and recommendations, to the Government during a two-week mission in

late March. The mission involved an initial consolidation of findings by the team before undertaking a workshop to present the findings to stakeholders, including the Ministry of Finance. The mission and workshop provided an opportunity for the CFRGA team to engage with stakeholders and elicit feedback to use to refine and adjust the first draft report into the final report. The mission also provided the opportunity for the team to undertake additional meetings and follow up on gaps and issues identified in the stakeholder workshop. Following the March mission, the USAID Adapt Asia-Pacific consultant stopped through Suva, Fiji, where he debriefed the CFRGA partners, U.S. Embassy officials, and the USAID C-CAP project Chief of Party, who was interested in the CFRGA team's findings on planning and financing at the community level in Tonga. The team anticipates completing the second draft in May and submitting the final report in early June.

### **Strengthening PIFS Regional Role in Climate Finance**

Almost all activities in the Pacific region are pending release of funds from the State Department. It is planned to visit the Pacific region for detailed discussions on possible support to PIFS in May 2015.

### **Pacific SIDS Readiness for GCF Climate Financing**

The Secretariat of the Pacific Regional Environment Program (SPREP) has recently been accredited as a regional implementing entity for the Adaptation Fund and the Green Climate Fund (under fast track procedures). Few, if any, individual Pacific island countries are ready for accreditation to the GCF (or Adaptation Fund) and considerable work would be needed over several years to help them reach readiness. USAID Adapt Asia-Pacific has helped to assess readiness in RMI and Tonga, in association with PIFS, but it is unlikely that this work will continue in 2015-2016.

### **Operationalization of ADB/SPREP RTSM for Project Preparation**

As SPREP now has RIE status for the GCF and the GCF expects a full pipeline of projects to be submitted prior to October 2015, USAID Adapt Asia-Pacific has been in discussion with ADB and SPREP about providing additional technical assistance in this area, pending release of the State Department funds. ADB plans a side event on RTSM during the Pacific Climate Change Roundtable (12-14 May) and USAID Adapt Asia-Pacific will participate as part of a planned mission to the Pacific from 4-21 May 2015.

### **Capacity Building Program for Asia on Project Preparation**

The USAID Adapt Asia-Pacific project's mid-term evaluators recommended to use our experience in preparing adaptation projects for a wide range of intermediaries as the basis of a regional training program on project preparation, as more and more countries finally get direct access to international climate finance and are beginning to redirect large amounts of domestic budget resources to adaptation. We are currently discussing with UNDP and ADB if they would be interested in discussing joint development of the training modules and rolling the course out regionally over the next 12 months. The rationale for seeking an institutional partner for this effort is to ensure that the training is not just a once-off event but a regular training course that would be provided to government officials (and possibly others) in the longer term.

The course content could include the following:

- ✓ Generic project preparation procedures (problem trees, objectives trees, logical framework, implementation arrangements, monitoring and evaluation, environmental and social safeguards, gender considerations, project costing, procurement arrangements etc.)
- ✓ Project preparation activities specific to adaptation projects (vulnerability assessments, climate change projections, adaptation options, economics of climate change adaptation, institutional arrangements, budgeting (for separate climate financing) etc.), utilizing Adapt (and other) tools and methodologies
- ✓ Similarities and variations in project formats and application procedures (ADB, WB, UNDP, GEF, UNEP, AF, GCF etc.)
- ✓ Special characteristics of climate financing (accreditation, direct access, additionality, grant versus loans, private sector finance, etc.)

- ✓ Specific issues related to domestic sources of finance, including vertical linkages from national governments to sub-national governments.

### **Tools, Guidelines and Methodologies**

Throughout Q2, USAID Adapt Asia-Pacific has continued to work on refining and promoting the use of the tools and guidelines heretofore developed under the project. The *Sourcebook for Integrating Gender into Climate Change Adaptation Proposals* is being implemented as part of the UNDP-GEF project preparation activity for Building Resilient Shorelines in Timor Leste (under Task 4). Furthermore, the project has continued to promote the use of the Sourcebook through various channels, including at the ICLEI Resilient Cities Asia-Pacific conference, which took place in Bangkok, Thailand, in February and brought together over 200 local government officials and development practitioners from around the region. Further work related to the development and refinement of tools, guidelines and methodologies has been reported in reference to the development of knowledge products under Task 1.

## **TASK FOUR: TECHNICAL ASSISTANCE IN PROJECT PREPARATION**

### **Summary of Key Accomplishments**

Task 4 continues to meet its overall indicators, with additional projects submitted by NABARD to the Adaptation Fund during the quarter. Other project preparation activities are underway in Cambodia, Philippines, India, Nepal, and Timor Leste. To the extent possible, priority is being given to working directly with governments rather than intermediaries like UNDP and ADB.

### **Project Preparation Support to Cambodia (UNDP)**

In the beginning of Q2, the complete Project Document for the full sized GEF-LDCF project “*Strengthening the resilience of Cambodian rural livelihoods and subnational government systems to climate risks and variability*” was finalized and submitted by UNDP for approval from the GEF Secretariat. USAID Adapt Asia-Pacific contributed a national Gender specialist to work with the PPG team to detail the specific gender strategy and gender-responsive project outputs within the Project Document – work which completed in Q1 of FY2015. On March 26, 2015, the GEF approved the USD 4,567,500 project for implementation. The project, which will be implemented over 4.5 years July 2015 to December 2019, will - among other things - provide direct support to poor, landless women to develop climate resilient livelihood capacity that is not agriculture dependent, having a multiplier effect on the community.

### **Project Feasibility Study (PFS) for the City of Valenzuela – CDIA**

The PFS for Valenzuela City (VC) has reached the draft final report stage. A wrap up meeting was held on 5 February with City officials and the TA team to discuss the key findings. This was followed by meetings with the Department of Public Works and Highways (DPWH), World Bank and Asian Development Bank on 6 February to: (i) determine interest in financing the proposed project; (ii) understand their long-term focus regarding future flood control investments in the Philippines; and (iii) after considering financing options, determine the next steps for the PFS team in a new phase called “seeking finance”. USAID Adapt Asia-Pacific and CDIA staff attended these meetings and also discussed the next steps.

It is unlikely that the project will be implemented in its current project form as VC lacks the financial capacity (investment cost is approx. \$80 million) and no donor financing is available for the project. However, DPWH expressed interest in using the report to justify new parts of their ongoing program approach to long-term flood prevention infrastructure. The World Bank also expressed interest in using the report as part of its planned flood control program loan for Metro Manila (for Board approval in late 2015). ADB also expressed interest, subject to ongoing discussions with the Government regarding potential co-financing of the World Bank loan.

### **Supporting National Bank for Agriculture and Rural Development (NABARD), India**

Extensive support for NABARD and three executing entities was provided through iterative reviews of draft project document/project concept material from: (i) Towards Action and

Learning (TAAL) in Bhopal; (ii) BAIF Institute of Rural Development (BAIF) in Pune; and (iii) Royal Bank of Scotland Foundation, India (RBSFI), in Mumbai. In addition, a face-to-face meeting was held with RBSFI on 28 January in Mumbai, to assess progress in its project concept for the Adaptation Fund.

Of the three proposals TAAL has made most progress, and has diligently taken up advice provided by USAID Adapt Asia-Pacific and from AF secretariat reviews. BAIF has made slower progress. RBSFI has considered USAID Adapt Asia-Pacific's advice to restructure its project concept – but it remains several months away from being ready for the first submission to the AF – this may be ready by the end of the second quarter 2015.

By the end of the first quarter, USAID Adapt Asia-Pacific advised NABARD that only one of the projects was suitable for submission to the April 9-10 Adaptation Fund Board meeting (TAAL), but the project understands that NABARD has submitted all three project proposals. USAID Adapt Asia-Pacific awaits word from the April AF Board meeting to plan the next steps of its support. Further, USAID Adapt Asia-Pacific is supporting NABARD with development of tools to further strengthen NABARD and EE capacity in preparing and finalizing project proposals meeting AF requirements. These tools relate to a methodology for Vulnerability Assessment (VA) and a guide for Project Appraisal (PA). On the VA methodology, the project is awaiting additional NABARD inputs on indicators to finalize this document and, thereafter, plans to conduct a training program for NABARD staff on its use. The draft PA guide is ready and USAID Adapt Asia-Pacific will be reviewing this draft with NABARD inviting their comments and suggestions, if any, before finalizing during the next quarter.

### **Climate Change Adaptation Partnership with ICLEI - India**

USAID Adapt Asia-Pacific staff participated in a one-day planning workshop (30 January) with Mysore City Corporation (MCC) in Mysore, India, with officials from ICLEI-South Asia (ICLEI) and Cities Development Initiative for Asia (CDIA). The objective of the workshop was to meet with city officials and other stakeholders to secure approval for preparing a Prefeasibility Study of an Integrated Drainage and Climate Change project for up to four watersheds in the Mysore city area with the ultimate aim of accessing financing for the implementation of this climate adaptation project. Specifically, the project would address floodwater drainage infrastructure, including measures to make future drains more “green and modern”, with appropriate verges for bikeways and pathways for urban residents, and upstream greening measures for better catchment protection, including flood water infiltration.<sup>1</sup>

Preparatory background work to date includes: (i) Preparing a City Resilience Strategy: with support from the Rockefeller Foundation, in 2011-12, ICLEI worked with MCC to develop City Resilience Strategies using the ICLEI-ACCCRN Process toolkit. As per climate projections for the region, the city may experience high-intensity, short-duration rainfall events that could lead to or exacerbate urban flooding problems. In this context, the improved management of the natural drainage channels of the city becomes critical; and (ii) Identifying a suitable project for linking to adaptation finance: Based on a re-assessment of the Mysore City Resilience Strategy, discussions with the concerned MCC staff, reviews of financial documents, and a site visit by an expert team it was determined that there is significant potential of designing an integrated drainage project that rehabilitates the natural drains taking potential climate impacts into consideration, and addresses allied issues, such as safe disposal of solid waste and sewage, that exacerbate the drainage and flooding problem.

Subsequently, ICLEI officials have visited Mysore to work with the officials on preparing a request letter and application to CDIA for technical support in preparing the PFS. Field work on the study is not likely to commence until the fourth quarter.

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<sup>1</sup> On a visit to the nearby Mysore Zoo, we were shown existing floodwater drainage systems that include green features that comply with good international practice and are totally missing in the current city drainage infrastructure.

### **Trialing a Screening Tool for CCA on ADB Investment Projects**

ADB now requires all projects going to the Board of Directors for decision to have been passed through a bank-wide screening system for climate change impacts. USAID Adapt Asia-Pacific has assisted ADB in rolling out specific screening software (called AWARE) to help Bank staff meet this obligation. This activity was effectively completed in the previous quarter but a final report is still under preparation.

### **Women-only Community Forestry User Group's (CFUG) Demonstration Site in Nepal**

During Q2, USAID Adapt Asia-Pacific continued to work with RECOFTC: The Center for People and Trees, (the implementing partner and institutional home for the demonstration site) in refining the community forestry based adaptation framework, finalizing the vulnerability assessment methodology and report, and assessing potential funding sources for local level adaptation activities. The vulnerability assessment has identified three priority areas of intervention: responding to the perceived water shortage through a suite of water conservation, water access and drought resistance landscape management activities; strengthening agroforestry systems for more diverse and resilient ecosystems and livelihoods; and riverbank stabilization, potentially through bioengineering, to reduce erosion in and around the community forest. The implementation team has continued to engage with the relevant district and municipal authorities in Nepal, bringing them into conversation with the community-forestry user group to work out the details and begin their engagement in the activity's implementation, particularly related to incorporating climate change adaptation into the Community Forestry Operation Plan for the demonstration site. Feasibility assessments for the proposed adaptation interventions are currently underway and are expected to be finalized in Q3.

### **Building Shoreline Resilience to Protect Local Communities in Timor Leste**

During Q2, USAID Adapt Asia-Pacific began technical support to the Government of Timor Leste and UNDP, providing shoreline ecosystem management expertise as well as gender and social inclusion expertise on the preparation of the "*Building shoreline resilience of Timor Leste to protect local communities and their livelihoods*" project to be funded by GEF's Least Developed Countries Fund. USAID Adapt Asia-Pacific supported the facilitation of the project preparation's Inception and Baseline Workshop with relevant stakeholders in February 2015, which was followed by consultations and field research in March 2015. The draft ecosystems annex and gender annex are expected to be completed in Q3, and development of the Project Document further refined. The verification workshop and finalization of the project document are expected to take place in Q4, with submission to the GEF completed in September of 2015.

### **Implementation of Arafura and Timor Seas Strategic Action Program**

Under the partnership set out in the Letter of Cooperation (LoC) dated October 11, 2012, UNDP requested USAID Adapt Asia-Pacific participation in the regional Project Preparation Grant (PPG) team that will prepare the referenced document for Global Environment Fund Trust Fund (GEFTF) financing. GEFTF financing of US\$9.75 million and indicative co-financing of US\$101.55 million is programmed in the approved PIF document. The PPG will address environmental barriers in Timor Leste and Indonesia facing the Arafura and Timor Seas (ATS) through the implementation of a sustainable management approach that is set out in the Strategic Action Program (SAP) that was developed for ATS with support from GEF-5. The SAP has identified priority actions at the regional and national levels in Timor Leste and Indonesia to remove the key barriers to sustainable ecosystem-based management of the ATS that will address the priority environmental concerns of unsustainable fisheries; modification, degradation and loss of coastal and marine habitats; marine and land-based pollution; decline and loss of biodiversity and key marine species; and impacts of climate change. This project aims to enhance sustainable development of the ATS region to protect biodiversity and improve the quality of life of its inhabitants through conservation and sustainable management of marine and coastal ecosystems. In entering into this partnership, UNDP has agreed to include in the PPG consideration of gender differences in labor utilization when designing detailed project field activities and designing training activities targeting women on enhancing resilience of coastal ecosystems to improve livelihoods and nutrition at selected sites in Indonesia and Timor Leste. USAID Adapt Asia-Pacific has agreed to contribute two international specialists (gender and

biodiversity specialists) to the PPG team. The project spent the bulk of the reporting period on defining with UNDP USAID Adapt Asia-Pacific's role and contribution to the PPG team and in identifying and contracting the two project-supported international specialists. USAID Adapt Asia-Pacific's gender specialist will also form part of the PPG team. UNDP has scheduled the Inception Workshop for April 23-24 in Dili, Timor Leste.

## **TASK FIVE: OVERARCHING PROGRAM MANAGEMENT AND COORDINATION**

### **Project Management and Monitoring**

During this quarter, USAID Adapt Asia-Pacific finalized the FY 2015 work plan incorporating the mid-term evaluation's recommendations, and submitted it to USAID RDMA on February 13 for review and approval. Upon receiving questions/comments from COR on the work plan, USAID Adapt Asia-Pacific COP and DCOP met with him to provide clarifications.

USAID Adapt Asia-Pacific also prepared and submitted FY 2015 PMP (Monitoring and Evaluation Plan) to USAID RDMA for review and approval during this quarter.

In Q2, the project team continued to collect and review data from project activities to track the progress in achieving project performance indicators. Data collected is stored in the One Source online PMP tracking system for further updating and reporting.

### **Communication and Outreach**

The 10<sup>th</sup> issue of the USAID Adapt Asia-Pacific newsletter was published in January 2015. It included articles on: (i) the importance of economic analysis in climate change adaptation based on an interview with USAID Adapt Asia-Pacific project beneficiary from the Office of National Economic and Social Development Board (NESDB), Thailand; (ii) the official launch of the USAID Adapt Asia-Pacific Online Gender Sourcebook in Bangkok; and (iii) USAID Adapt Asia-Pacific's support to NABARD to secure approval for two projects from the Adaptation Fund.

The 10<sup>th</sup> issue of the USAID Adapt Asia-Pacific newsletter is accessible via this link: <http://www.icontact-archive.com/MTSxZdk2o5fRRyZmmDAR0iJfJKiguJul?w=3>

The 11<sup>th</sup> issue of the USAID Adapt Asia-Pacific e-newsletter is currently being finalized and will be published in April 2015. It will include articles on: (i) the challenges of Pacific Island Countries in accessing climate finance based on an interview with the Head Grant Writer from the Republic of Marshall Islands' Ministry of Finance; (ii) an update on the USAID Adapt Asia-Pacific-supported GEF project on "Building shoreline resilience of Timor Leste to protect local communities and their livelihoods" based on an interview with the Director General, Ministry of Agriculture, Forestry and Fisheries, Timor Leste; and (iii) the outcomes of the 7<sup>th</sup> APAN Exchange on mainstreaming gender into climate change adaptation project design.

## **2.2 IMPLEMENTATION CHALLENGES**

Receiving final and official commitment from the governments of Cambodia, Lao PDR, and Vietnam to join the Watershed-based Adaptation to Climate Change (WACC) activity has continued to be a challenge. The project has been assisting NRCT to regularly follow up with the three countries, but despite strong indications of support, the countries have to date failed to finalize agreement and identify their two team members. Unlike our experience with ECCA in partnership with UNDP, we have scant "project leverage" and lack an active in-country presence. Due primarily to later-than-expected finalization of contracts between NRCT and members of the WACC team, the completion date has been moved from December 2015 to March 2016.

## **3. PLANNED ACTIVITIES FOR NEXT QUARTER**

In the third quarter of performance in FY15, USAID Adapt Asia-Pacific will focus on activity implementation under all tasks per the third year Work Plan. Key performance objectives for the quarter are as follows:

- Develop and identify possible knowledge products to be produced in Y4 in communication with Task 3 and 4 team members and publish one product.
- Continue developing quarterly newsletter and publish one edition that includes three articles on project activities.
- Interview at least one project beneficiary for the e-newsletter.
- Continue APAN Exchange and publish one CoP report on how cities and local governments relate to national governments in terms of accessing global climate change adaptation funds.
- Identify other CoP activities in communication with Task 3 and 4 team members.
- Implement components of the signed APAN-IDS collaboration MOU.
- Continue to strengthen and improve the APAN web portal, including incorporating USAID Adapt Asia-Pacific's CoP activity into the APAN web portal.
- Finalize the APAN stock taking scope of work and initiate the assessment.
- Explore appropriate training opportunities with APAN's regional and thematic nodes and develop implementation plan.
- Continue supporting training of government officials in Asia under GTSP, and monitor results gained by participants (six-month assessment). Also establish and maintain networks of GTSP graduates for continued joint learning and sharing.
- Continue facilitation of Watershed-based Adaptation to Climate Change (WACC) and finalize cooperation with Cambodia and Vietnam, identify and contract country mentors, and commence support.
- Continue support on Economics of Climate Change Adaptation Program in Asia.
- Continue support on Pacific Cost-Benefit Analysis initiative, with focus on strengthening partnership with the University of the Pacific (USP).
- Follow up with DOF of the Philippines on its commitment to take forward strengthening of the Internal Audit Unit. Finalize identification, contracting and mobilization of consultants to provide technical assistance to ICCTF to develop a project pipeline.
- Support PIFS/UNDP on finalizing the Tonga Climate Financing and Risk Governance Assessment (CFRGA) Report.
- Conduct at least two pilot training sessions of the Urban Climate Change and Resilience training course.
- Scope out potential partners for joint development of the training module for a new regional capacity building program for Asia based on USAID Adapt Asia-Pacific's experience and lesson learned to date with project preparation.
- Support ICLEI and CDIA in the preparation of the request letter and application from the Mysore City Corporation for CDIA technical support and subsequent development of a pre-feasibility study and staffing for an integrated drainage project.
- Continue support to NABARD, India, in the finalization of a vulnerability assessment and project appraisal tools and the preparation of climate adaptation project proposals.
- Follow up on potential financing for the Valenzuela City, Metro Manila flood risk management project and provide assistance, if needed.
- Continue support for CF-CCA for women-based community forestry partnership.
- Support Government of Timor Leste and UNDP in project preparation on Building Shoreline Resilience to Protect Local Communities.
- Support UNDP with organizing April 23-24 inception workshop in Dili, Timor Leste, and with project preparation of Implementation of Arafura and Timor Seas Strategic Action Programs.
- Prepare quarterly report.
- Continue collection of data for PPR report.

