

Quick off the blocks?

UK adaptation finance and integrated planning



CAFOD
Just one world

working
together
with

tearfund

Quick off the blocks?

UK adaptation finance and integrated planning

Written by Lis Martin, Paul Venton and Sarah Wiggins

With the support of Sarah Wykes and Richard Weaver

Edited by Seren Boyd

Front cover photo by Ralph Hodgson / Tearfund

Designed by Wingfinger Graphics

© Tearfund and CAFOD 2012

This report is based on empirical research conducted by Tearfund and CAFOD and draws on the insights of many individuals and organisations. While their input has been extremely important, the recommendations made in this report are Tearfund and CAFOD's alone.

Acknowledgments

Thanks to those individuals interviewed in Nepal and Bangladesh government ministries, the World Bank, NGOs and research organisations, and to the Department for International Development in the UK for its written response. These valuable insights provided the basis for this report. We hope we have been able to capture the core elements of what we learnt.

Thank you to Ian Tellam at Adaptify for consenting to be cited in this report. All other interviewees wished to remain anonymous and so our references reflect this request.

With thanks to Tearfund staff Mike Wiggins and Laura Taylor, and to Paula Nyunt, Kate Crowley and Philippe Mougine at CAFOD for their comments during the course of the research.

Quick off the blocks?

UK adaptation finance and integrated planning

| | |
|--|----|
| Executive summary | 2 |
| Acronyms and abbreviations | 5 |
| 1 Introduction | 6 |
| 1.1 Overview | 6 |
| 1.2 An integrated approach to adaptation | 7 |
| 1.3 Research methods | 8 |
| 1.4 Current state of adaptation finance | 8 |
| 2 Case studies | 15 |
| 2.1 Bangladesh | 15 |
| 2.2 Nepal | 17 |
| 2.3 Niger | 20 |
| 3 An analysis of DFID and PPCR support for integrated approaches to adaptation using the building blocks | 22 |
| BUILDING BLOCK 1 3.1 Strong institutional frameworks and clear political leadership | 22 |
| BUILDING BLOCK 2 3.2 A comprehensive, country-owned adaptation strategy and action plan | 25 |
| BUILDING BLOCK 3 3.3 Country-owned adaptation financing mechanisms | 31 |
| BUILDING BLOCK 4 3.4 Ongoing and improved sharing of learning and communication on climate change and variability and on adaptive practices to inform dynamic decision-making | 35 |
| BUILDING BLOCK 5 3.5 Reflection of local issues in national policy, planning and implementation | 38 |
| 4 Conclusions and recommendations | 42 |
| 4.1 Recommendations for DFID | 43 |
| 4.2 Recommendations for multilateral adaptation financing mechanisms | 44 |
| References | 46 |

Executive summary

Delays in international action to cut greenhouse gas emissions and thus prevent further global warming are already having devastating consequences for poor and vulnerable communities in developing countries. There is an urgent need for finance that delivers support to these communities rapidly, appropriately and tangibly to help them adapt to climate change.

If the agreed 2020 target of at least US\$ 100 billion a year for adaptation and mitigation action is to be met, finance must be additional to existing aid budgets and be scaled up from 2013 onwards.¹

In fact, the cost of adapting to the impacts of climate change, before mitigation is even taken into account, is estimated to be at least US\$ 100 billion a year.² Developed countries must therefore both meet and, if possible, exceed their current commitments to provide climate finance, and must ensure a significant increase in the proportion spent on adaptation, to meet the needs of vulnerable communities and to rectify current underfunding.

The bulk of adaptation funding will need to be public finance, including from new and innovative sources such as carbon pricing of international shipping and aviation. Private finance has an important role to play in meeting the incremental costs of climate action, particularly mitigation, but is unlikely to provide the solution to the adaptation needs of poor and vulnerable communities.

BANGLADESH

Villagers try desperately to build stronger dykes to protect themselves against rising sea levels.



Peter Caton / Tearfund

¹ See page 9.

² World Bank (2010)

The issue of how and when climate finance is raised is important. How the money is spent on the ground is also vitally important and is the focus of this report. Adaptation finance must not be used to fund a separate sector but should support an integrated approach to development planning. In this Olympic year, *Quick off the blocks?* evaluates whether the finance for adaptation provided by one donor, the UK, helps put in place the 'building blocks' of an integrated approach. It also calls on all donors to provide adaptation finance in a way that supports processes that are country-led and transparent, that plan for the longer term and that involve local people in their design, planning and implementation.

Evaluating UK support for adaptation to date, this report highlights good practice but also weak spots and lessons learnt from the experiences of just one out of many donors. The UK should be praised for outlining its international climate finance commitments up to 2015 and for committing to spend 50 per cent of finances committed on adaptation. There is still a need, however, for greater clarity about how the UK government will work with others internationally to ensure that the scale of finance required beyond the end of fast-start finance in 2013 will be mobilised.

The UK has given finance for adaptation through both bilateral and multilateral channels, predominantly to least developed countries. Significantly, the UK is the largest donor to the Pilot Programme for Climate Resilience (PPCR), one of the Climate Investment Funds (CIFs) managed by the World Bank. The UK has channelled 75 per cent of its finance through this mechanism.³

This research therefore focused principally on two countries, Bangladesh and Nepal, which are key recipients of both PPCR and bilateral assistance, with additional insights from Niger. Feedback from stakeholders in both countries revealed that, through its bilateral assistance, the UK has shown laudable leadership in the way that it promotes an integrated approach to climate change adaptation. Finance channelled through the PPCR, on the other hand, has failed to match these standards. Therefore, the UK, as the largest donor to the PPCR and with good bilateral practice to draw on, should exercise greater influence to ensure that its multilateral finance supports an integrated approach.

A 'sunset clause' for the PPCR is due to be enacted in 2012 and it is to be replaced with the Green Climate Fund (GCF) under the authority of the UNFCCC (United Nations Framework Convention on Climate Change). The newly established GCF provides an opportunity for developed country contributors to learn the lessons from existing financing mechanisms such as the PPCR and other CIFs and to formulate good donor practice that takes account of uncertainty and plans for longer-term timeframes. Therefore, it is imperative that robust and fully independent evaluations of the CIFs are conducted and that lessons are learnt and acted upon as this new multilateral adaptation financing mechanism becomes operational. The same applies to developed countries' bilateral assistance, such as the UK's international climate finance. This report provides one such evaluation.

Despite the focus on the UK, the findings of this report are not intended solely for the UK's Department for International Development (DFID). It is hoped that the learning presented in this report will be helpful for other decision-makers, governments and donor institutions. A coherent global response is vital to ensure that adaptation is adequately financed and that this finance supports activity in-country which delivers successful adaptation outcomes for poor communities. Indeed, one key finding is that DFID should share its own expertise and lesson-learning to encourage other donors to follow good practice.

3 See pages 11–13.

Summary of recommendations

The following recommendations are aimed principally at DFID but also at other bilateral donors and multilateral adaptation financing mechanisms. As such, they are intended to help shape future adaptation financing.

- 1 **DFID's Multilateral Aid Review should assess whether multilateral donors are taking an integrated approach to adaptation.** DFID's Multilateral Aid Review (MAR), conducted in 2011, developed a framework and criteria against which the effectiveness of UK multilateral finance should be assessed.⁴ Applying DFID's criteria to our own standards of best practice (namely, an integrated approach to adaptation), DFID's support of multilateral adaptation finance should prioritise the following: country leadership; local people's representation; transparency and accountability in spending adaptation finance; and longer-term, not only short-term, timeframes. The next MAR should include and evaluate in greater depth these criteria for climate finance.
- 2 **DFID offices in developing countries should be more closely involved in multilateral adaptation initiatives in-country.** This could include regular input into the design, implementation and evaluation of multilateral programmes, and into building decision-making capacity. The good donor practices evident in DFID's bilateral funding arrangements are not as evident in the multilateral channels through which most of DFID's adaptation finance is disbursed, principally the Pilot Programme for Climate Resilience (PPCR).
- 3 **Donor support for adaptation must not compete with, or duplicate, developing countries' own adaptation plans and programmes.** Existing multilateral and bilateral adaptation programmes must embed the necessary processes for building in-country fiduciary risk management capacity, ensuring civil society participation and enhancing national leadership that promotes integration across ministries. In-country, a new multilateral fund or programme should only be established as a last resort.
- 4 **Programmes must not be driven by a requirement from developed countries to show 'results' in the short term.** Donor programmes must respond appropriately to the medium-term and longer-term adaptation needs of communities, as well as their immediate needs.
- 5 **Bilateral and multilateral donors must ensure that their programmes really do enable the men, women and children hardest hit by climate change to prepare for an uncertain climatic future.** Adaptation programmes must include processes for the following: sharing learning on climate change impacts; ensuring that country-based learning is properly participatory; promoting links between local experiences and national activities; ensuring civil society representation in the governance structure of individual multilateral adaptation funds; and creating structures and processes to enable civil society to monitor the overall implementation of a country's adaptation plan and strategy.

4 DFID (2011)

Acronyms and abbreviations

| | | | |
|---------------|--|---------------|---|
| ADB | Asian Development Bank | ICAI | Independent Commission for Aid Impact |
| AF | Adaptation Fund | ICF | International Climate Fund |
| BCCRF | Bangladesh Climate Change Resilience Fund | IFC | International Finance Corporation |
| BCCSAP | Bangladesh Climate Change Strategy and Action Plan | INGO | International non-governmental organisation |
| CBO | Community-based organisation | LAPA | Local Adaptation Plan of Action (Nepal) |
| CCTF | Climate Change Trust Fund (Bangladesh) | LDC | Least developed country |
| CDKN | Climate Development and Knowledge Network | MAR | Multilateral Aid Review |
| CDMP | Comprehensive Disaster Management Programme (Bangladesh) | MDB | Multilateral development bank |
| CIF | Climate Investment Funds | MOEF | Ministry of Environment and Forests (Bangladesh) |
| CSO | Civil society organisation | NAPA | National Adaptation Programme of Action |
| CVF | Climate Vulnerable Forum (Bangladesh) | NAST | Nepal Academy of Science and Technology |
| DCC | Department of Climate Change (Bangladesh) | NGO | Non-governmental organisation |
| DECC | Department of Energy and Climate Change (UK) | NOAA | National Oceanic and Atmospheric Administration (US) |
| DEFRA | Department for Environment, Food and Rural Affairs (UK) | ODA | Official development assistance |
| DFID | Department for International Development (UK) | PPCR | Pilot Programme for Climate Resilience |
| EU | European Union | SCF | Strategic Climate Fund |
| FSF | Fast-start finance | SPCR | Strategic Programme for Climate Resilience |
| FY | Financial year | UN | United Nations |
| GCF | Green Climate Fund | UNDP | United Nations Development Programme |
| GEF | Global Environment Facility | UNFCCC | United Nations Framework Convention on Climate Change |
| | | WB | World Bank |

1

Introduction

1.1 Overview

‘The International Climate Fund will help poor countries to protect the lives and jobs that are most at risk from climate change. It will support poor countries to adapt farming to a changing climate, protect precious water resources, and help poor people cope with more extreme weather events.’

Andrew Mitchell, UK Secretary of State for International Development

Numerous climatic changes have been recorded globally, including: changes in arctic temperatures and ice cover; widespread changes in rainfall and wind patterns; rising sea levels; and increases in the frequency and intensity of extreme weather events such as droughts, heavy rainfall, heat waves and storms.⁵ These climatic changes are already affecting the poorest people in developing countries the worst, as they often live in the most fragile environments and are especially reliant on climate-sensitive sectors such as agriculture and fisheries.⁶

This report is produced by Tearfund and CAFOD. It builds on previous research by Tearfund, as well as on ongoing work by Tearfund, CAFOD and our partners. As international non-governmental organisations (INGOs) working through local partner agencies in more than 40 developing countries, Tearfund and CAFOD are keen to ensure adaptation funding reaches the poorest communities impacted by climate change – those with the fewest resources to adapt to future climate-induced impacts.

Developed countries urgently need to scale up their commitments to provide adaptation finance but equally there is a need to understand how finance can best be channelled to support an ‘integrated approach’ to adaptation (see below) and to ensure that adaptation finance supports the most vulnerable, in the most effective ways possible.

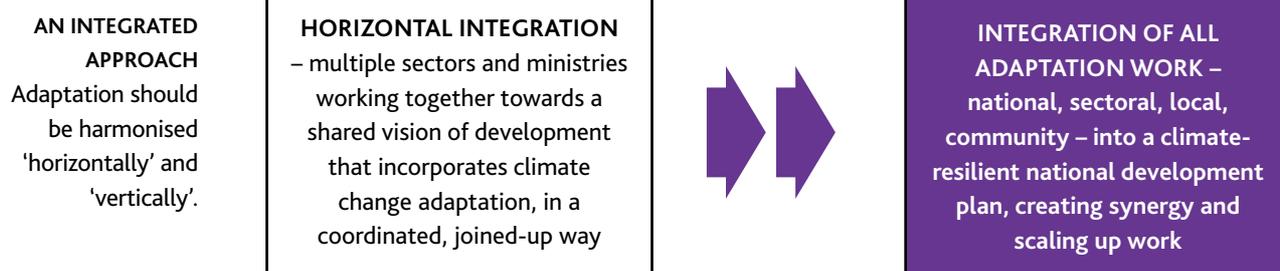
As a contribution to discussions on the current state of play, this report assesses whether and how the UK has supported an integrated approach to adaptation to date in Bangladesh, Nepal and Niger, using primary research. As the UK’s funding of international climate action is still in its infancy, the research does not present a comprehensive overview but rather provides a snapshot of current practice.

The report considers UK finance channelled both bilaterally and through the multilateral Pilot Project for Climate Resilience (PPCR) at the World Bank, and highlights the most relevant learning to date from these experiences, with the aim of informing decision-making on future adaptation support by the UK.

Tearfund and CAFOD recognise that ideally the same scrutiny should be applied to other bilateral donors, given that a coherent international response to funding adaptation is needed. We hope that the detailed recommendations for DFID contained in this report, as well as the more general recommendations for multilateral adaptation finance, will also influence future assistance by other developed countries.

5 IPCC (2007)

6 Ninety-five per cent of all deaths caused by disasters occur in developing countries, and losses from natural disasters are 20 times greater as a percentage of GDP in developing countries than in developed ones – UNFCCC (2008).



1.2 An integrated approach to adaptation

Tearfund's 2011 report, *Adaptation United*, argued for an integrated approach, seeking to build on current knowledge and provide some practical guidance for future adaptation in developing countries.⁷ Essentially, an integrated approach means that adaptation should be harmonised 'horizontally' across sectors, and linked 'vertically' between hierarchical levels of administration, and should include the needs of vulnerable communities at the local level.

Horizontal integration is needed because climate change action can impact on all aspects of development planning and therefore must be approached holistically. A collaborative, cross-sectoral approach has the potential to maximise the benefits of shared learning, tools and resources, avoiding maladaptation and a scenario where adaptation by one sector works against adaptation by another.

Vertical integration, combining top-down and bottom-up approaches, is necessary because ultimately adaptation action is only effective if it brings benefits by reducing vulnerability to climate risks. It is essential that the views and needs of affected communities and other local stakeholders form the basis of development planning. Communication between different administrative levels is essential for ensuring genuine participation of multiple stakeholders. Additionally, integration should be a country-owned (not donor-driven) process, which is supported by all development stakeholders.

Based upon these aspects of an integrated approach to adaptation, Tearfund developed some 'building blocks' that help articulate what this looks like in practical terms and so outlined what needs to be supported by adaptation finance.⁸

THE FIVE CORE BUILDING BLOCKS

- 1 Strong institutional frameworks and clear political leadership
- 2 A comprehensive, country-owned adaptation strategy and action plan
- 3 Country-owned adaptation financing mechanisms
- 4 Ongoing and improved sharing of learning and communication on climate change and variability and on adaptive practices to inform dynamic decision-making
- 5 Reflection of local issues in national policy, planning and implementation.

⁷ Wiggins (2011)

⁸ The eight building blocks presented in Wiggins (2011) *Adaptation United* have been consolidated to form the five building blocks described here and used throughout this study.

BUILDING BLOCKS
The five core requirements for integrated adaptation



With these building blocks in place, a country will be strongly positioned to deliver adaptation in an integrated way, and such an approach is likely to result in more successful adaptation outcomes for poor communities. These five building blocks are used to inform the analysis and the framework of findings for this report and to structure its recommendations.

1.3 Research methods

Between September 2011 and January 2012, Tearfund and CAFOD used the five building blocks to consider the extent to which UK climate change finance is supporting an integrated approach to adaptation. Research focused on Bangladesh and Nepal, with some supplementary information sought from Niger.

These countries were selected because:

- The UK supports adaptation there, both bilaterally and through the PPCR, and money is flowing within these countries.
- Tearfund and CAFOD have a close relationship with local partners there.
- The research was able to build on previous research carried out for Tearfund's report, *Adaptation United* (Wiggins 2011).

Semi-structured phone interviews were the main source of information for this research, supported by a review of available literature.

1.4 Current state of adaptation finance

1.4.1 WHY IS ADAPTATION FINANCE NEEDED?

Adaptation should be a priority because, even if greenhouse gas emissions across the world were halted today, the cumulative effect of emissions to date would still be experienced for the next three decades.⁹

Tearfund and CAFOD are gravely concerned that agreements made at the most recent international climate talks in Durban (December 2011) do not go far enough. They postpone the level of action needed to cut emissions and avoid dangerous warming so far into the future that the world is still on the path to at least 3–4°C global warming (based on countries' current emissions cuts pledges).¹⁰

⁹ Mahmud H (2011)

¹⁰ <http://www.climateactiontracker.org>

According to the latest comprehensive scientific assessment of climate change in 2007, this level of warming could result in:

- A further 1 billion people suffering increased water stress
- Decreased crop productivity for all, rather than some, cereals in sub-Saharan Africa¹¹
- Up to five times more people being at risk of coastal flooding
- A substantively increased burden on health services
- Some 20–30 per cent of plant and animal species being at increased risk of extinction (impacting people, as humans rely on ecosystems).¹²

In addition, excessive carbon emissions are also changing our oceans, increasing their acidity, and having a dramatic effect on marine life.¹³ This will impact the livelihoods of communities dependent on coastal ecosystems.

In 2012, *Managing climate extremes and disasters: lessons from the IPCC SREX report*¹⁴ highlighted the relationship between changing climate and the frequency, intensity, spatial extent, duration and timing of extreme weather and climate events, likely to result in unprecedented extreme weather and climate events.

1.4.2 WHAT ARE OUR MAIN CONCERNS ABOUT CURRENT ADAPTATION FINANCE?

- **Tearfund and CAFOD are calling for a rebalancing of current financial flows for climate action to ensure that 50 per cent is allocated to adaptation.** This is required to meet the ever-growing adaptation needs of the poorest and most vulnerable communities. To date (May 2012), only 19 per cent of global climate finance has gone towards adaptation.¹⁵ The UK's own international climate finance (ICF) shows a markedly better balance, with 39 per cent to date going towards adaptation (see Table 1, overleaf). In addition, the UK has committed to ensuring 50 per cent of its current ICF spending will go towards adaptation.
- **Climate finance must be additional to already agreed aid budgets.** To date, most climate finance globally has come from official development assistance (ODA). In the UK, all climate finance has come from ODA. However, the target agreed by nations in Copenhagen in 2009, of at least US\$ 100 billion a year in climate finance by 2020, cannot and should not be met by existing development finance commitments.¹⁶ Climate finance must be additional to this because: (i) past promises of ODA to poor people should be kept and funding for vital sectors such as education or health should not be diverted to climate finance; and (ii) the action needed to tackle the global climate crisis is new and additional to historical development needs. There is also an ethical imperative for developed countries responsible for the majority of emissions to provide finance to developing countries, in line with the 'polluter pays' principle.
- **A reliance on private sector finance to deliver climate action, especially adaptation, in the poorest countries would be misplaced.** Although private investment already plays a significant role in financing mitigation in many countries, particularly in middle-income countries, the incentives for private sector investment in adaptation, particularly in least developed countries (LDCs),¹⁷ are unlikely

11 <http://www.sciencemag.org/content/early/2011/05/04/science.1204531.abstract>

12 Table that draws on IPCC AR4 in Shaw (2009), p7. The next IPCC report (AR5) will be published in 2013–14 and may well show higher risks to ecosystems at lower levels of temperature rise than previously predicted.

13 http://www.oceanacidification.org.uk/latest_news/acting_on_evidence.aspx

14 IPCC (2012). The reports highlight the scientific findings of the IPCC's *Special report on managing the risks of extreme events and disasters to advance climate change adaptation* (known as 'SREX') for each region, and discuss the implications for society.

15 IIED (November 2011)

16 According to the OECD QWIDS database, net flow of annual global aid transfers amounted to US\$ 148 billion in 2011. This includes both Development Assistance Committee (DAC) and non-DAC donors.

17 <http://www.faststartfinance.org/sites/default/files/documents/UK%20Fast%20Start%20Finance%20Commitments%20by%20Country%20%202010-11.pdf>

to be strong. Moreover, the drivers of private sector investment are unlikely to align with the needs of the poorest communities.

- **Adaptation, especially in the poorest countries, is likely to continue to require additional public financing.** This means that it is crucial to identify and mobilise new sources of public climate finance, including innovative sources, so that finance can flow on the vast scales required to meet the needs of the poorest and most vulnerable countries. To date, 84 per cent of the UK's spending on adaptation has flowed to LDCs.¹⁸ Finally, any additional public financing should be in the form of grants or structured in such a way as to impose no additional debt burden.
- **The UK should support action to scale up finance to meet the 2020 target of at least US\$ 100 billion a year.** This is needed to ensure there is no gap in finance from the end of 2012, when the initial fast-start finance (FSF) ends. Action on new and additional sources of finance, such as carbon pricing of international shipping, is urgently required so they can make a contribution earlier rather than later. Currently, the UK is the only developed country with a plan for climate finance beyond 2012, but even this does not extend beyond April 2015.

1.4.3 HOW IS THE UK'S ADAPTATION FINANCE BEING CHANNELLED?

Table 1 Facts and figures

| | Allocation | Spend | Channel (bilateral or multilateral) |
|-------------------------|---|--|--|
| 2011–2015 ¹⁹ | £2.9 billion climate finance | | |
| 2010–2012 | £1.5 billion 'fast-start finance' | More than £1 billion already spent, of which £380 million spent on adaptation | <ul style="list-style-type: none"> – About 10% bilaterally, with a portion of this being spent in Bangladesh and Nepal (see Chapter 2 for more detail). – Nearly 90% through multilateral funds (72% of £1 billion committed is through World Bank-managed Climate Investment Funds).²⁰ |
| 2012–2014 | £1.4 billion in international climate finance | To be allocated as follows: 50% to adaptation; 30% to low carbon development; 20% to forestry | <ul style="list-style-type: none"> – 75% of £380 million adaptation finance spent via PPCR. Late-2011, the UK committed: <ul style="list-style-type: none"> – £30 million to the UN's Least Developed Countries Fund (LDCF) – £10 million to the Adaptation Fund (AF).²¹ |

The UK is on track to meet its 'fast-start finance' pledge to deliver £1.5 billion in international climate finance by the end of 2012.²² How the remaining £1.4 billion of climate finance is to be channelled and spent has yet to be announced. DFID has made a verbal commitment to channel finance in the future via the Green Climate Fund, subject to whether its design meets the criteria of the Multilateral Aid Review.²³

18 <http://www.faststartfinance.org/sites/default/files/documents/UK%20Fast%20Start%20Finance%20Commitments%20by%20Country%20%202010-11.pdf>

19 DFID, DECC and DEFRA (2011)

20 Ibid

21 These are outside the scope of this study as they have only just been earmarked and are not on the same scale as the PPCR, either globally or within target countries. They are part of the £2.9 billion UK climate finance, not additional to it.

22 Ibid

23 *International Climate Fund (ICF) Implementation Plan 2011/12–2014/15*. Technical Paper

1.4.4 THE PILOT PROGRAMME FOR CLIMATE RESILIENCE (PPCR)

The PPCR is currently the UK's primary vehicle for channelling adaptation finance. The aim of the PPCR is to give the poorest and most vulnerable countries the opportunity to transform their development planning by integrating climate change considerations into core development planning and implementation. The targeting of developing country finance and planning ministries, which commonly had little or no prior engagement with climate change, is a key strategy in PPCR programming. This strategy is analysed under Building Block 1 on page 22.

The PPCR is part of the Climate Investment Funds (CIFs), a collaboration by the multilateral development banks (MDBs),²⁴ that are managed by the World Bank.²⁵

The CIFs were set up in 2008 in the absence of international agreement on the use of UNFCCC as a means to channel funds on a significant scale to support developing countries' response to climate change. The UK was strongly involved in their design and has since made recommendations for their improvement.²⁶ Country donors have pledged US\$ 5.7 billion to the CIFs,²⁷ which makes them larger than all existing funds under the UNFCCC process.

One of the CIFs is the Strategic Climate Fund (SCF): within this fund, the adaptation component is the Pilot Programme for Climate Resilience (PPCR). In contrast to other multilateral funding mechanisms, the PPCR emerged with the promise of real money on the table for adaptation in pilot countries and regions.

Table 2 Total funds deposited for the PPCR by donor countries, as of November 2011

| Contributor | US\$ millions |
|-------------|---------------|
| Australia | 33 |
| Canada | 84 |
| Denmark | 14 |
| Germany | 40.8 |
| Japan | 87.74 |
| Norway | 12 |
| Spain | 13 |
| UK | 351 |
| US | 65 |
| Total | 700.54 |

Source: Climate Funds Update. Available at: <http://www.climatefundsupdate.org/listing/pilot-program-for-climate-resilience>

Donor countries have pledged nearly US\$ 1 billion to the PPCR and, as of November 2011, the total actually deposited (i.e. 'funds held in trust') for the PPCR amounted to US\$ 700 million (see Table 2). The UK has fulfilled its pledge to the PPCR, depositing a total of £225 million (US\$ 351 million), which includes the £202 million FSF for the period 2010–2011.²⁸ This makes the UK by far the largest contributor to the PPCR and indicates its recognition of the urgent need to mobilise funds for adaptation. The UK has recently committed a further £85 million to the PPCR, bringing its total contribution to £310 million (approximately US\$ 480 million).²⁹

24 African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank and the World Bank Group

25 The UK's Environmental Audit Committee (EAC) of the House of Commons recently said that 'the World Bank is not the most appropriate channel for future UK climate finance' globally (since it continued to support large-scale carbon projects). See: 'The impact of UK overseas aid on environmental protection and climate change adaptation and mitigation', Environmental Audit Committee, HC 710, June 2011, cited in ICAI (2011)

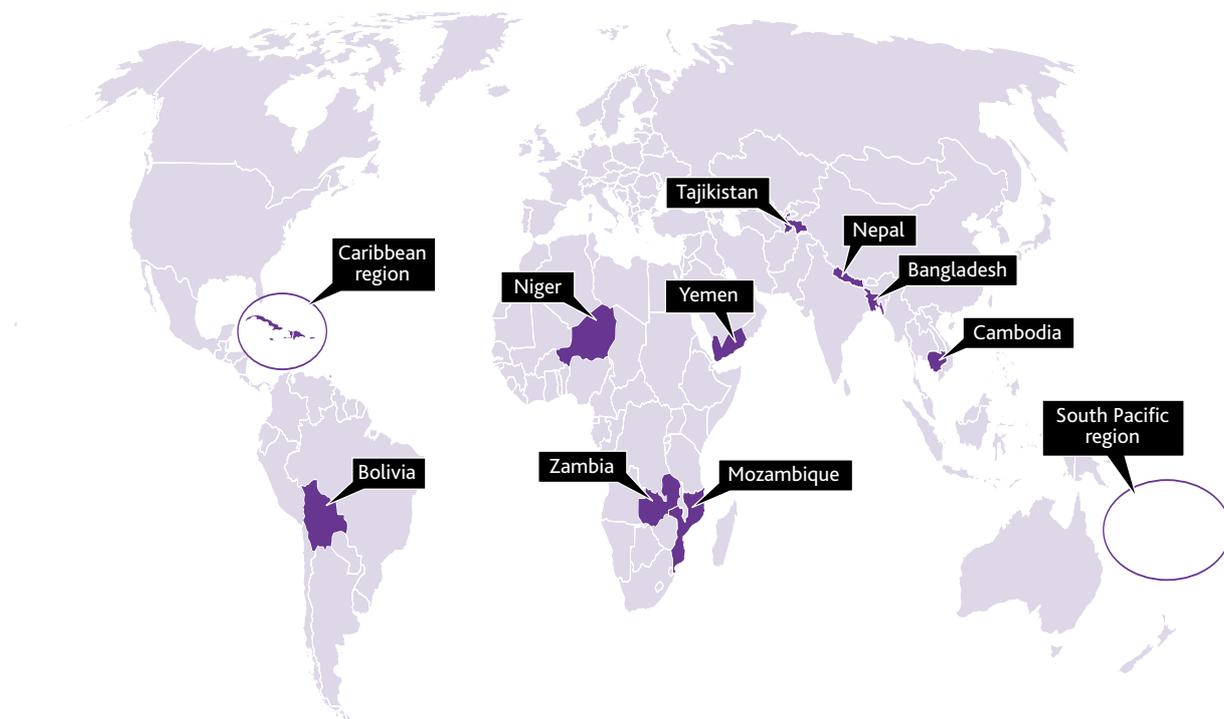
26 <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Joint%20CRP.5.pdf>
http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Measures_to_improve_operations_of_CIFs_11.18.11.pdf

27 <http://www.climatefund.info>

28 The other £23 million was deposited in 2008/9 and 2009/10.

29 DFID, DECC and DEFRA (2011)

Figure 1 PPCR pilot countries and regions



The PPCR is thus a particularly important research focus because:

- It is the main financing vehicle used by the UK to support adaptation.
- The UK is the PPCR's largest donor.
- The PPCR aims to transform core development planning in the poorest and most vulnerable countries.
- Some money is already flowing (albeit slowly) in developing countries, offering an opportunity to consider how well the PPCR is currently supporting an integrated approach.
- The PPCR experience is being cited as an important influence upon the design of the new Green Climate Fund.³⁰

Pilot countries under the PPCR are all highly vulnerable to climate change and they all also have an active MDB country programme.³¹ They include the countries targeted in this study: Bangladesh, Nepal and Niger. The other pilot countries are Bolivia, Cambodia, Mozambique, Tajikistan, Yemen and Zambia. The Caribbean and South Pacific are also included as PPCR regional programmes.

1.4.5 DO PPCR ASPIRATIONS FIT WITH AN INTEGRATED APPROACH TO ADAPTATION?

In relation to the 'horizontal approach' to adaptation outlined on page 7, the principles that underpin the PPCR are intended to ensure that any activities support a shift from sector-by-sector and project-by-project approaches towards a holistic and broad-based strategy to achieving climate resilience over the medium and long term.

³⁰ Fry (2011)

³¹ Climate Investment Funds (2009) *The selection of countries to participate in the PPCR: report of the Expert Group to the Sub-Committee of the PPCR.*

Other aspects of PPCR activities should also intrinsically support an integrated approach to adaptation. According to the PPCR guidance note on regional activities,³² these activities should:

- be embedded in the broader context of sustainable development and poverty alleviation, and not have a stand-alone design (other than on an exceptional basis)
- aim to be ambitious and innovative in their aims to build climate resilience
- strengthen collaboration with, and complementarity of, the activities of other development partners – including identifying other sources of financing
- build on existing efforts to build climate resilience (including National Adaptation Programmes of Action or NAPAs)
- take care not to duplicate actions but instead build a shared platform of development partners (e.g. international finance institutions/regional development agencies, UN agencies, bilateral agencies)
- outline how lessons learnt will be embedded and widely shared
- be inclusive, by providing mechanisms to ensure that the voices and needs of a wide range of stakeholders are taken into account, with special attention paid to the needs of the most vulnerable communities and people.

The national-level programmes under the PPCR are carried out in two phases

PPCR Phase 1

Phase 1 is designed to initiate a series of activities in each country, including facilitation of a cross-sectoral dialogue to arrive at a common vision of climate resilience in the medium and long term. During Phase 1, a Strategic Programme for Climate Resilience (SPCR), outlining an investment programme, is developed. The range of investments should be focused on one to three sectors or themes, or could be focused on a key sub-region of the country.



Endorsement of the SPCR for further development by the PPCR Sub-Committee (PPCR-SC) marks the transition to Phase 2 – the stage most pilot countries have reached.

PPCR Phase 2

Phase 2 focuses on implementing the SPCR through actions such as support for policy reform, institutional capacity building and scaling up other investments in key sectors such as water and agriculture. Examples of the types of investments that could be supported include: combining existing engineered coastal protection approaches in a country with nature-based adaptation through restoration of vast coastal mangrove areas; enhancing flood-forecasting systems and community-based risk reduction measures; and increasing food security by shifting cropping patterns and varieties in response to changed rainfall patterns.³³ This is achieved through a combination of technical assistance and financing specific investment projects.

³² <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/GuidanceNoteonRegionalPrograms6Aprilapproved.pdf>

³³ World Bank press release, Washington, 30 January 2009, 'Climate Investment Funds: countries identified for scaled-up adaptation funding' <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22050400~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

1.4.6 THE GREEN CLIMATE FUND

At the UN climate talks in Durban at the end of 2011, the governance mechanism for a new Green Climate Fund (GCF) was agreed. This outlined key principles in terms of national ownership of projects, balanced allocation between adaptation and mitigation, gender balance and safeguards.³⁴ The GCF board is also to have equal representation of developed and developing countries and the GCF will allow direct access for recipient countries through accredited national implementing entities.

The main reasons for setting up the GCF include to rationalise and centralise the plethora of existing funding channels and to ensure a more balanced allocation of international climate finance towards adaptation to meet the needs of the poorest countries. It is intended that a significant amount of future climate finance will flow through this new fund.

Tearfund and CAFOD support a GCF that will be able to handle significant amounts of money from different sources and will promote an integrated approach to adaptation.³⁵ The GCF should come under the authority of the UNFCCC and have robust processes to ensure gender balance, as well as transparency and accountability to citizens in developing countries that receive climate finance.

'I am pleased to announce today that the UK government will contribute to the set-up costs of the [Green Climate Fund] during 2012 and of course we will also be considering a substantial contribution to its activities once it is fully operational.'

Chris Huhne, former UK Energy and Climate Change Secretary³⁶

The UK has already pledged to contribute to the start-up costs of the Green Climate Fund. Its commitment to making a 'substantial contribution' to the GCF once operational is also to be welcomed (see quote above).

However, learning from the experiences of adaptation projects and programmes to date, whether financed bilaterally by the UK or multilaterally through bodies such as the UN's Adaptation Fund or the PPCR at the World Bank, will also be vital to ensure the effectiveness of the UK's future climate finance spending through the GCF.

34 CAFOD *Durban analysis* (2011) Available at: <http://www.cafod.org.uk/news/campaigns-news/durban-talks-end>

35 http://www.climatefundupdate.org/news/green-climate-fund-ready-set-go?utm_source=ODI_Update&utm_medium=feed

36 Quoted in E2B article (13 January 2012) 'Huhne: on course to be greenest gov ever'. Online at: www.e2bpulse.com/Publisher/Article.aspx?ID=296095

2

Case studies

2.1 Bangladesh

BANGLADESH
Rafiqsa Shikari's home
and paddy fields
were flooded during
a cyclone.



Peter Caton / Tearfund

Bangladesh is ranked the most climate-vulnerable country in the world.³⁷ The damaging effects of climate change include floods, salinity intrusion and droughts. This translates into increased submergence of arable agricultural lands and residential areas; drainage congestion and river-bank erosion; saline-water intrusion into surface groundwater aquifers, limiting access to fresh water for drinking and household use and for irrigation and fisheries; and the increased intensity and frequency of cyclonic events and storm surges.³⁸

The current financial allocation for climate change adaptation in Bangladesh is inadequate, considering the country's huge vulnerabilities and the number of people potentially exposed to climate impacts.³⁹ Mobilising adequate and timely financing to meet their needs is vital.⁴⁰

2.1.1 BANGLADESH'S PILOT PROGRAMME FOR CLIMATE RESILIENCE

Bangladesh requested US\$ 50 million in grants and US\$ 60 million in loans with respect to its SPCR, which was endorsed in November 2010.⁴¹

Some of the PPCR areas of intervention in Bangladesh to date are summarised in Table 3 overleaf.

³⁷ <http://cdkn.org/regions/bangladesh/>

³⁸ <http://www.climateinvestmentfunds.org/cifnet/?q=country-program-info/bangladeshs-ppcr-programming>

³⁹ The Bangladesh Climate Change Strategy and Action Plan, which was adopted by the government in 2008, envisioned a financing need of approximately \$5 billion during the first five years of the Plan.

⁴⁰ Ibid

⁴¹ Climate Investment Funds (12 October 2011) Semi-annual report on PPCR operations

Table 3 Summary of PPCR areas of intervention in Bangladesh ⁴²

| Intervention activity | Purpose | PPCR finance (US\$ million) | MDB | Comments |
|--|---|----------------------------------|-----|---|
| Investment project: promoting climate-resilient agriculture and food security | Strengthens agricultural products and practices so that they are adapted to the changing agro-climatic conditions of the coastal zones, ensuring food security and livelihoods for the most vulnerable | Grant and loan Total: \$13.1m | IFC | Preparations for scoping study underway and results will be used to design programme in early financial year (FY)13 |
| Investment project: coastal embankments improvement and afforestation | Strengthens coastal embankments to withstand daily, seasonal and erratic climate-induced disasters, including floods and cyclonic storms | Grant only Total: \$25m | WB | Major project: Project expected to be submitted for sub-committee approval in June 2012. Expected co-financing of US\$ 300 million, but expected to rise to US\$ 1 billion over ten years |
| Investment project: coastal climate-resilient water supply, sanitation, and infrastructure improvement | Improves water supply, sanitation and connectivity; improves water and sanitation systems' resilience to climate change impacts; reduces poverty and raises incomes in coastal districts by sustained year-round access to social services through construction and rehabilitation of all-weather access roads that can withstand severe flooding | Grant and loan Total: \$71m | ADB | Expected co-financing US\$ 215 million |
| Technical assistance: climate change capacity building and knowledge management | | Grant only Total: \$0.5m | ADB | |
| Technical assistance: feasibility study for a pilot programme of climate-resilient housing in the coastal region | | Grant only Total: \$0.4m | ADB | Programme proposal for the feasibility study is under development and will be submitted in FY 2012 |

2.1.2 UK BILATERAL ASSISTANCE TO BANGLADESH

- The UK's total annual bilateral aid contribution in 2010–11 was £174 million, 26% of which was channelled through local country offices of multilateral organisations, with a further 37% spent through NGOs.
- The UK's contribution will increase to a total of £1 billion in the period 2011–15. Most of this finance seeks to improve livelihoods, health and education.⁴³

⁴² Table adapted from Bangladesh's Strategic Programme for Climate Resilience

⁴³ ICAI (2011)

- In 2010–11, 6% of DFID’s country budget for Bangladesh was allocated to climate change. This will increase to 12% over the period 2011–15 (£123 million in total).
- The UK launched its £75 million Bangladesh Climate Change Programme in 2008. To date, £13 million (US\$ 20 million) has been spent. The programme is delivered through three channels:

| | Fund | Finance | Management | Purpose |
|-----------|--|--|---|--|
| Channel 1 | The Strategic Fund | £3 million | Managed directly by DFID | Builds climate change-related knowledge and skills in Bangladesh |
| Channel 2 | The Comprehensive Disaster Management Programme (CDMP) | DFID contribution is £12 million out of a total of £42 million ⁴⁴ | Administered by the United Nations Development Programme (UNDP) | Seeks to improve national and local risk reduction, preparedness and response |
| Channel 3 | The Bangladesh Climate Change Resilience Fund (BCCRF) | DFID contribution is £61 million of this £81 million fund ⁴⁵ | Bangladesh government-managed fund | Supports the implementation of the Bangladesh Climate Change Strategy and Action Plan with large investments |

2.2 Nepal

NEPAL
Young children survey a landslide near their village.



Helen Heather / Tearfund

Nepal was recently ranked the fourth most climate-vulnerable country in the world, due to its extraordinary geography (ranging from just 60 metres above sea level to more than 8,800 metres), its predominantly poor population and its weak institutional capacity to manage the range of climate challenges it is already facing.⁴⁶

Current climatic risks such as floods, droughts and landslides are severe and endemic, while glacial lake outburst floods pose increasing threats. Most climate projections for the region suggest that rainfall is likely to intensify and that extreme events will become even more frequent. Retreating glaciers and changes in seasonal snow fall and melt will lead to greater uncertainty about water flows and, in the long run,

⁴⁴ DFID also contributed about £6 million for assisting CDMP, mainly to support the Climate Change Cell (CCC) in the Ministry of Environment and Forests (MoEF).

⁴⁵ ICAI (2011)

⁴⁶ <http://www.climateinvestmentfunds.org/cifnet/investment-plan/nepals-ppcr-strategic-program>

diminish water availability. Rising temperatures are also predicted, which will put additional pressure on water supplies and may alter vegetation patterns. This in turn could seriously affect livelihoods and habitats, particularly at high altitudes.

The adaptation options prioritised in Nepal's NAPA include both urgent and long-term strategies across key vulnerable sectors developed by the six thematic working groups involved in the NAPA process. The strategies aim to increase communities' adaptive capacity through livelihoods support, improved governance, collective responses, improved service delivery mechanisms, and access to technology and finance. The NAPA has also promoted a watershed- and landscape-level approach to dealing with issues related to food security, biodiversity loss, water scarcity, energy use, settlements, disease outbreak and governance.

2.2.1 NEPAL'S PILOT PROGRAMME FOR CLIMATE RESILIENCE

Nepal's Strategic Programme for Climate Resilience (SPCR) states that the country's wide-ranging vulnerabilities require a systematic approach to building resilience, rather than a series of reactive, uncoordinated, short-term interventions.

To bring about such a structural shift, Nepal needs capacity building, institutional strengthening and coordination among government, private sector and civil society stakeholders, as well as key investments by both the public and private sectors. Because of the country's financial and technical constraints, Nepal would not be able to undertake the transformational changes required without the support of the PPCR.⁴⁷

Nepal has had to adjust its more recent loan request (endorsed in June 2011), because of a reduction in the remaining capital available within the PPCR facility. Nepal's request for US\$ 50 million in grants is supplemented by US\$ 36 million in loans.⁴⁸

Some of the PPCR areas of intervention in Nepal to date are summarised in Table 4 opposite.

NEPAL

This village was evacuated when the Koshi River flooded, and villagers later returned to try to rebuild their lives.



Prabodh Malla

⁴⁷ Nepal Strategic Programme for Climate Resilience

⁴⁸ Summary of the Co-Chairs' Meeting of the PPCR Sub-Committee, Cape Town, South Africa, 28–29 June 2011 (published 20 July 2011)

Table 4 Summary of PPCR areas of intervention in Nepal ⁴⁹

| Intervention activity | Purpose | PPCR finance (US\$ million) | MDB | Comments |
|---|---|---|-----|--|
| Investment project: building climate-resilience of watersheds in mountain eco-regions | Addresses the problem of scarce or unreliable access to freshwater resources (for drinking, irrigation etc) faced by communities in mountain ecosystems | Grant: \$16m Loan: \$25m Total: \$41m | ADB | MDB executed to ensure early start of the Project Preparatory Technical Assistance (PPTA) and to facilitate the processing and approval of the envisaged follow-on investment project |
| Investment project: building resilience to climate-related hazards | Addresses the priority risk of floods and droughts that claim human lives and undermine progress on economic growth and poverty alleviation | Grant: \$16m Loan: \$25m Total: \$41m | WB | Project was expected to be submitted for sub-committee approval in March 2012 |
| Technical assistance: mainstreaming climate change risk management in development | Facilitates the integration of climate change risk management into development planning and practices | Grant only Total: \$10m | ADB | |
| Investment project: building climate-resilient communities through private sector participation | Addresses some of the key agricultural productivity constraints, including (a) climate-induced stress conditions, (b) access to finance for agri-supply chain, including farmers, (c) climate proofing of some vulnerable infrastructure such as the hydropower sector. Explores private sector opportunities and challenges in climate-resilient housing for vulnerable communities | Grant: \$3m Loan: \$10m Total: \$13m | IFC | Preparations for scoping study underway and results will be used to design program in early FY13 IFC-executed because of its private sector mandate and thereby its comparative advantage to engage private sector meaningfully |
| Investment project: enhancing climate resilience of endangered species | Addresses the risks of climate variability and change on the habitats of endangered wildlife species | Grant only Total: \$5m | WB | Project was expected to be submitted for sub-committee approval in March 2012 |

2.2.2 UK BILATERAL ASSISTANCE TO NEPAL

- The UK is the largest bilateral donor in Nepal. The UK's total annual bilateral aid contribution between 2011 and 2015 will be £331 million. The priorities for this assistance include helping people adapt to climate change and reducing risk from disasters.⁵⁰
- In 2011–12, 8.5% of DFID's country budget for Nepal was allocated to climate change. This will increase to 19% by 2014–15.⁵¹

49 Table adapted from Nepal Strategic Programme for Climate Resilience

50 DFID Nepal (2011)

51 Ibid

- DFID's contribution to Nepal's NAPA is US\$ 800,000.⁵²
- DFID and the European Union (EU) are also giving US\$ 20 million towards the Local Adaptation Plan of Action (LAPA) programme – US\$ 4 million to be spent at a national level and US\$ 16 million to be divided between ten of Nepal's districts (not equally, but proportional to vulnerability and population size).⁵³
- DFID is funding a £10 million programme called 'Reducing climate change vulnerability of the poor' (2009–2014), to support the development of climate adaptation evidence and pilot approaches to improve the adaptive capacity of communities. The programme will focus on vulnerable groups, safeguarding their livelihoods and creating employment, whilst reducing people's vulnerability.⁵⁴
- The £26.2 million Livelihood Forestry Programme (LFP) 2001–2012 has worked to enhance the assets of rural communities through more equitable, efficient and sustainable use of forest/natural resources.
- The National Forestry Programme (NFP) will contribute to better livelihoods for poor, vulnerable and disadvantaged people, particularly women. The cost will be approximately £50 million – of which DFID's contribution will be £35–40 million (£3–4 million per year) and the Swiss Agency for Development and Cooperation's (SDC) contribution will be £15 million (£1–2 million per year), plus possible support from the government of Finland.⁵⁵
- The UK gave £166,000 in 2010–2011 to the Climate Change Programme to support the development of a strategic framework of action on climate change through which stakeholders can align their responses.⁵⁶

2.3 Niger

NIGER

Falling groundwater levels force previously nomadic Tuaregs to travel between new, deep wells.



Jim Loring / Tearfund

-
- 52 Nepal Strategic Programme for Climate Resilience
- 53 Wiggins (2011) and Nepal Strategic Programme for Climate Resilience
- 54 Nepal Strategic Programme for Climate Resilience
- 55 Ibid
- 56 UK Fast Start Project List 2010–11

For Niger, improved climate resilience and improved food security go hand in hand. The overall climatic trend is towards greater variability, with more frequent droughts, floods and sandstorms. In a country where about 84 per cent of the population derive their livelihood from agriculture, livestock, forestry and fishing, the use of appropriate practices for sustainable land management and water control is an essential entry point to improve resilience and reduce vulnerability.

Niger's numerous key development challenges related to climate change and variability include: increased food insecurity due to high degrees of climate and anthropogenic pressure; lack of capacity of major institutional stakeholders at national and local levels to mainstream climate change into policies; exacerbation of water scarcity due to increased incidence of droughts and floods, and rainfall variability; land degradation and soil erosion as the result of a combination of factors (including water and wind erosion); social exclusion and economic marginalisation of a growing number of households living in areas of climate risk; and high vulnerability of food producers to climate change and variability.⁵⁷

2.3.1 NIGER'S PILOT PROGRAMME FOR CLIMATE RESILIENCE

Niger's SPCR sets objectives to increase the most vulnerable people's resilience to climate hazards, to support the incorporation of climate resilience into development strategies and plans, to increase the awareness of main stakeholders about climate challenges, and to use existing participatory demand-driven processes.⁵⁸

Niger requested US\$ 50 million in grants and US\$ 60 million in loans with respect to its SPCR, which was endorsed in November 2010.⁵⁹

Niger does not receive bilateral finance for adaptation from the UK.

57 Niger Strategic Programme for Climate Resilience

58 Ibid

59 <http://www.climateinvestmentfunds.org/cifnet/sites/default/files/Niger%20PPCR%20Strategic%20Program%20-%20Endorsed.pdf>

3

An analysis of DFID and PPCR support for integrated approaches to adaptation using the building blocks

3.1 BUILDING BLOCK 1

Strong institutional frameworks and clear political leadership

A significant amount of national-level authority and leadership is required in order for climate change to be high on a country's political agenda. Strong institutional frameworks and clear political leadership are needed to support the functioning of a national climate change committee comprising multiple stakeholders from priority government ministries, experts and civil society. Such a committee can be the country focal point on climate change, and can design and implement an adaptation strategy and plan, and provide technical expertise.⁶⁰

3.1.1 SUMMARY OF FINDINGS

- DFID has shown its commitment to promoting climate change adaptation in an integrated way, by involving all priority ministries in developing countries and being inclusive of civil society.
- In Bangladesh in particular, DFID funding through the PPCR is in the early stages of actively building the capacity of the Ministry of Environment and Forests (MoEF) to strengthen its cross-sectoral influence.
- Through channelling its funds via the PPCR, the UK has promoted the increased role of finance and planning ministries in leading developing country adaptation planning and implementation. In this way, the UK has become an actor in an arena where there may be internal political tensions, as different ministries vie for power and control over climate finance.
- In practice, this enhanced role for finance and planning ministries has not yet been achieved, and despite the establishment of some national climate change committees, effective collaboration across ministries remains in its infancy.

3.1.2 AN ANALYSIS OF DFID AND PPCR SUPPORT FOR THIS BUILDING BLOCK

In Bangladesh, DFID is co-chair with the MoEF on the Local Consultative Group (LCG) on Environment and Climate Change. This is a coordinating mechanism for government, donors and civil society, which seeks to improve coordination and strategic decision-making on all climate change and environment programming in the country, centred on the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) (see also Building Block 2 below).⁶¹

DFID is showing active leadership in its role as co-chair. Going forward, DFID intends to use its role to ensure better integration across all key climate change programmes.⁶²

Complementary to this, the PPCR in Bangladesh seeks to bolster the newly formed Department of Climate Change (DCC) within the MoEF by building its capacity. This is intended to enhance the DCC's influence in shaping a cross-sectoral approach⁶³ and, if successful, should increase the options for the MoEF to manage adaptation for the country in the future.

60 Wiggins (2011)

61 DFID (2011)

62 Ibid

63 Bangladesh Strategic Programme for Climate Resilience

Different ministries vie for control over climate finance

However, there is a tension between a desire by environment ministries to coordinate country adaptation programmes, as is the case in Bangladesh and Nepal, and PPCR efforts to promote and strengthen the capacity of other ministries with a mandate for cross-sectoral coordination, planning and budgeting, such as the finance and planning ministries.⁶⁴ In Niger, for instance, there is reportedly conflict over which ministry leads on climate change.⁶⁵ The Ministry of Environment is seeking to lead, on the grounds that other ministries do not possess adequate technical knowledge.

Such tensions can be sparked or exacerbated by the role played by the multilateral development banks (MDBs) as the implementing agent of the PPCR. The MDBs are more familiar with dealing with finance and planning ministries than with environment ministries.

In particular, the MDBs appear to have less confidence in the capacity of environment ministries to manage fiduciary risk, given that typically the latter have not received large-scale funding flows. This lack of confidence can be perceived as a reluctance by MDBs to hand over control to national stakeholders. This perceived lack of trust has reportedly led to tensions between donors and recipient governments.⁶⁶

The PPCR in Niger has focused its support on the National Council on Environment for Sustainable Development (Conseil National de l'Environnement pour un Développement Durable),⁶⁷ along with the Ministry of Economy and Finance. This arrangement is considered better suited to cross-sectoral strengthening of adaptation programmes.⁶⁸

NIGER
Tuareg men build dykes to reduce rainwater run-off, which will help their crops to grow in the dry land.



Jim Loring / Tearfund

64 Climate Investment Funds (2009), p6

65 Interview with Niger NGO representative, January 2012

66 Personal communications in the research for Wiggins (2011) *Adaptation United* with various stakeholders from donor organisations, NGOs and government ministries in Bangladesh and Nepal supported these assertions.

67 Interview with Niger NGO representative, January 2012

68 Niger Strategic Programme for Climate Resilience

Promoting leadership on climate change and creating an authoritative focal point

Opinions vary on whether there is a single, most appropriate institutional home and focal point for a national climate change adaptation strategy. Historically, ministries of environment have been the most common entry point for climate change programming and they have hosted national climate change committees.

However, while finance and planning ministries often possess higher levels of authority and appear to be perceived to have lower levels of fiduciary risk, they lack technical capacity on climate change adaptation and there is the potential for them to sideline climate change in favour of issues higher up the political agenda.⁶⁹

In fact, ensuring that the focal point has authority to make decisions and the capacity to allocate funds is more important than where the focal point resides.⁷⁰ In practice, the promotion of greater leadership by planning or finance ministries, which appears to be encouraged by the PPCR across all its countries of operation, is still limited (e.g. to activities such as inviting planning officials to chair climate meetings).⁷¹

In Bangladesh, the roles of different ministries in taking responsibility for climate change adaptation have evolved over time, and the institutional destination of DFID funds has also varied. The MoEF inherited responsibility for climate change adaptation. However, according to one source, the UK felt that bilateral finance should not be provided direct to the MoEF because of concerns over fiduciary risk. (The UK had existing funding relationships with other ministries where fiduciary standards had previously been achieved, but not the MoEF.) The UK also wanted to promote adaptation as a cross-cutting issue and did not want adaptation funds to go only to environmental projects.

Thus, DFID originally funded climate change adaptation support through the country's highly regarded Comprehensive Disaster Management Programme (CDMP).⁷² Recently, DFID has donated to the Bangladesh Climate Change Resilience Fund.

3.1.3 RECOMMENDATIONS

For DFID and other bilateral donors

- DFID has shown good progress in supporting the implementation of this building block but needs to build on progress to date. It should consolidate recent good practice in its bilateral adaptation funding relationships, and also increase its reach to partner with more developing countries.
- This increased support should include: promoting integration of climate change planning across ministries; strengthening the capacity of environment, finance and planning ministries; and building civil society engagement in national planning processes.

For multilateral adaptation financing

- Make more effort to build and strengthen in-country coordinating mechanisms on climate change adaptation and include within them civil society representation.
- Scale up efforts to build the capacity of environment ministries and value their technical expertise, supporting them as key stakeholders in adaptation planning (whether or not they are the country lead on adaptation).
- Strengthen the role of finance and planning ministries and build their capacity. However, these ministries should not necessarily be supported as the country lead on adaptation.

69 Wiggins (2011) p40

70 Wiggins (2011) pp40–41

71 Interview with World Bank official, October 2011

72 Interview with independent international research organisation, October 2011

3.2 **BUILDING BLOCK 2**

A comprehensive, country-owned adaptation strategy and action plan

National adaptation strategies and action plans are required because central government needs a clear strategy and roadmap to ensure a fully integrated approach to adaptation across ministries.

Multiple stakeholders should be involved in the design and implementation, and particular priority should be given to civil society. All adaptation plans also need to take into account the uncertainty of the future, considering approaches to deal with climate impacts in the short, medium and long term.

All sectoral development policies need to incorporate the risks from the adverse impacts of climate change. These should be influenced by and aligned with a national adaptation strategy and action plan. To outwork adaptation strategies and plans, strong climate change focal points are needed across national-level ministries and departments. At the same time, efforts should be made to ensure that knowledge on climate change is institutionalised rather than vested in individuals.⁷³

3.2.1 SUMMARY OF FINDINGS

- Developing countries accepted the terms of the PPCR because it promised to be country-led and to build on prior work in-country, such as NAPAs.
- However, in the implementation of the PPCR, developing country governments have experienced some frustration because MDBs have been seen to be dominant in their shaping of PPCR initiatives, putting their own country priorities first.
- Difficulties in implementation in-country, combined with an over-emphasis on rapid delivery of results at a national level, driven by both donors and MDB implementing entities, have meant that PPCR initiatives have not been appropriately integrated into national priorities.
- This has led to a lack of long-term vision aimed at structural change.
- However, despite the evidence of short-termism, the World Bank's initial delivery of the PPCR was slow.
- DFID's bilateral programmes have been shown to be more supportive of country-led, integrated processes, but the UK has been unable to influence the PPCR implementation to act according to the same principles, despite being its biggest donor.

3.2.2 AN ANALYSIS OF DFID AND PPCR SUPPORT FOR THIS BUILDING BLOCK

MDB priorities dominate PPCR implementation

The availability of funds for adaptation approaching US\$ 1 billion was a big incentive for developing countries to engage with the PPCR, given that at the time other adaptation financing mechanisms did not provide – and still do not provide – similar levels of finance.⁷⁴

The PPCR did make some attempt to include national agencies and government departments in PPCR programming, e.g. in drawing up the Strategic Programme for Climate Resilience (SPCR) investment plans. However, some developing countries may be starting to regret their engagement with the PPCR, as they find that national authorities are not able to shape PPCR projects and programmes or align them with national adaptation strategies and priorities.

73 Wiggins (2011)

74 Interview with World Bank official, October 2011

Fry (2011) says that there is a pervasive sense that, in practice, the PPCR (and CIFs in general) involve a top-down, donor-driven approach.⁷⁵ The view that MDBs act in the interests of wealthy countries, rather than those of the developing countries where the programmes are being implemented, is echoed by other analyses⁷⁶ and by our research.

‘There are significant concerns that country ownership in CIF programmes is undermined by the MDBs acting as implementing agencies. This contravenes civil society and developing country calls for direct access to climate finance in a global fund. Furthermore, evidence from in-country operations shows that the MDBs can wield undue influence over the planning and delivery of CIF projects, at the expense of real country-driven policies and planning.’

Fry (2011), p2

Time pressure means that PPCR priorities often lack alignment with national priorities

There is an inherent tension between the PPCR’s rhetoric on country-owned processes (see sections on PPCR priorities on pages 11–13) and the pressures to achieve quick results that have surfaced from different quarters during its implementation.

Developing countries and NGOs, including Tearfund and CAFOD, have called for rapid and appropriate delivery of adaptation finance to the poorest and most vulnerable communities hardest hit by climate change.⁷⁷ Indeed, the PPCR was set up to channel fast-start finance for immediate and urgent adaptation needs. In line with this, the PPCR has a ‘sunset clause’ that ensures it will have completed its programme of funding and be replaced after 2012 with a UNFCCC-managed fund, i.e. the Green Climate Fund (GCF).

However, donors such as DFID appear also to want quick results from the PPCR for other reasons, such as internal pressures to justify spending taxpayer funds on international climate action.

In addition, the donor preference for using MDBs as the implementing entities for adaptation funding has in practice led to a skewed emphasis on short-term results. The expiry date hanging over the PPCR and other CIFs may in this sense have acted as a perverse incentive for short-termism. The MDBs are keen to demonstrate their effectiveness as implementing entities in comparison with other mechanisms so as to develop a strong case for their maximum involvement in implementing any future funding mechanism, such as the GCF.

As one NGO observer, speaking from a developing country perspective, has stated, the emphasis on quick delivery of results is a disincentive to promoting a long-term, more transformational approach to climate change adaptation in all development decision-making.⁷⁸

Such an approach is essential given the inherent uncertainty in climate change planning. Long-term support is needed to strengthen governance systems that can enable ‘adaptive management’. Realistically, this also involves handing over greater responsibility to national governments. While governments may not

75 Fry (2011)

76 Pickering (2010), quoted in Bird N, Brown J and Schalatek L (2011)

77 For example, see calls for rapid delivery, also aligned with national priorities, in Weaver (2009)

78 Interview with civil society representative to the PPCR, October 2011

currently have the capacity to implement such change quickly and effectively, donors should support them over the longer term to build the capacity required.⁷⁹ Donors should also promote genuinely participatory engagement of stakeholders in developing national planning for long-term resilience to climate impacts, articulated through a country's adaptation strategy and action plan, even if such processes take time.

In conclusion, donors and the MDB implementing agencies must not be fixated on, or restrict themselves to, funding and designing programmes to show immediate or short-term results.⁸⁰ In other words, they must not focus solely on picking the 'low-hanging fruit'.⁸¹

Slow delivery of PPCR programmes by the World Bank

Despite the apparent emphasis of donors and MDBs on quick results, delivery of the PPCR at a country level has had a slow start.⁸² Indeed, MDB implementation of fast-start finance through the PPCR has been seen by some as a contradiction in terms.⁸³ Slow implementation of World Bank-managed climate change activities funded by the UK was also a major criticism of the Independent Committee for Aid Impact (ICAI) and the focus of much attention from the International Development Committee (IDC).⁸⁴

Little support for national and long-term priorities in Nepal and Bangladesh

'The overwhelming power has been retained in the hands of the World Bank and the MDBs, both through the design phase and the early implementation at the international level. At country level, donors see themselves as having only little opportunity to influence the negotiation or implementation of the Strategic Programme for Climate Resilience (SPCR). It is at the country level that the emphasis on the MDBs as implementing institutions clearly shapes the direction of PPCR delivery.'

Seballos and Kreft (2011)

The findings of the research in Bangladesh and Nepal suggest that specific PPCR-funded interventions are finding it difficult to achieve a step change in a country's adaptation planning – particularly given the pressure to deliver results quickly and the resources available.

In Bangladesh, the PPCR seeks to be supportive of the country's priority adaptation activities (see box on page 28), and to catalyse the further extensive investment needed. This is especially the case in relation to needs in the coastal region and for medium- and long-term action.⁸⁵

In practice, however, the PPCR's major investment projects (see Chapter 2) are aligned with the MDB's existing priority activities. One justification given is that this is an attempt to 'climate proof' current donor

79 Ayers et al (2011)

80 See, for example, Natsios (2010)

81 Interview with civil society representative on the PPCR, October 2011

82 House of Commons oral evidence (2011)

83 Interview with independent international research organisation, October 2011

84 ICAI (2011) and DFID (2011)

85 Bangladesh Strategic Programme for Climate Resilience

investments.⁸⁶ While there may be some merit in this in terms of supporting the country's own existing planning objectives, arguably it detracts from the PPCR's original goal of promoting transformation of a country's core development planning.

National adaptation strategy and action plan in Bangladesh

Bangladesh launched its National Adaptation Programme of Action (NAPA) in 2005. The NAPA identified 15 priority activities. It was further updated in 2009 and identified 45 adaptation measures. The government of Bangladesh also prepared the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) in 2008 and revised it in 2009. This is a comprehensive strategy to address climate change challenges in Bangladesh with six thematic areas: (a) food security, social protection and health; (b) comprehensive disaster management; (c) infrastructure development; (d) research and knowledge management; (e) mitigation and low-carbon development; and (f) capacity building and institutional strengthening. Forty-four programmes have been identified and prioritised within these six thematic areas.

Key adaptation actions proposed under the NAPA and BCCSAP include:

- Improved weather forecasting and warning systems
- Improved and restored livelihoods in climate-vulnerable areas
- Developing climate-resilient rice and crop varieties and disseminating them to farmers
- Constructing more climate-resilient shelters
- Repair and maintenance of existing flood embankments and cyclone shelters
- Awareness-raising and public education towards climate resilience
- Capacity building and institutional strengthening.⁸⁷

In Bangladesh, while the NAPA primarily engaged sector-based line ministries, the BCCSAP process also drew in the more powerful ministries of finance and planning and the prime minister's office.⁸⁸ Framed by the BCCSAP, fourteen ministries have a focal point for leading their work on climate change. Further, the Bangladesh government's latest five-year development plan incorporates all elements of the BCCSAP.⁸⁹

In Bangladesh, PPCR investments overall focus on short- and medium-term adaptation needs and neglect longer-term activities, under-emphasising the need for planning around climate-induced migration, for example.

The Bangladesh SPCR's large investment in coastal embankment improvements and afforestation is an example of responding to a current and medium-term adaptation need. However, it is not clear that this kind of investment is the most strategic option in the long term, given that rising sea levels and other climate-induced changes could result in mass migration of millions of people from coastal areas of Bangladesh.⁹⁰

While the SPCR mentions that migration due to climate change impacts is a key emerging concern, it does not address this issue in any detail. Indeed, the recent ICAI report recognises there is currently a lack of

86 Seballos and Kreft (2011)

87 Bangladesh Strategic Programme for Climate Resilience

88 Alam et al (2011)

89 Wiggins (2011)

90 Stern (2007)

research and planning on how to manage migration caused by climate change in Bangladesh and the wider region, and recommends that DFID provide more support to this area.⁹¹

DFID and the World Bank will now be undertaking assessments of such migration risks,⁹² which should influence long-term planning. We recommend that these assessments also feed into PPCR programming.

National adaptation programme and plan in Nepal

Recent progress on adaptation in Nepal has been positive. The government of Nepal was one of the last Least Developed Countries (LDCs) to produce its NAPA and was able to learn from the experience of other LDCs. The process also drew on the Nepalese cultural approach of valuing and drawing upon local knowledge.⁹³ Nepal followed a programmatic approach. While the NAPA's thematic working groups developed their own project ideas, adaptation actions were evaluated holistically and prioritised.⁹⁴ Nepal's NAPA 2010 and Climate Change Policy 2011 advocate channelling more than 80 per cent of the total funds allocated for field-level climate change activities. Furthermore, the government of Nepal developed and approved, in November 2011, the national framework for a Local Adaptation Plan for Action (LAPA) to operationalise NAPA priorities, offering a strong basis for vulnerability reduction at the local level. The LAPA framework provides opportunities to respond to the most urgent and immediate adaptation needs and to integrate adaptation options into local-to-national development plans and programmes.

Despite the widely acknowledged success of Nepal's NAPA process, the country's PPCR initially seemed to disregard the NAPA. The PPCR-implementing agencies in Nepal, the World Bank and the Asian Development Bank (ADB), appeared to favour the design of a new programme, rather than aligning PPCR interventions with Nepal's NAPA priorities, and argued for the need to prioritise 'resilience' over 'adaptation'.

The lack of clarity over how the NAPA related to the PPCR, and the seeming inflexibility of the PPCR to accommodate and support the country's own adaptation strategy, have been a source of considerable frustration for the government.⁹⁵ However, government stakeholders and civil society organisations in Nepal now believe that the areas covered in the NAPA are broadly aligned with the SPCR's key areas of action.⁹⁶

One way this lack of clarity manifested itself in Nepal was in discussions about the use of different terminologies and, more substantively, different theories on how to overcome uncertainties in climate adaptation planning. Such difficulties are not restricted to Nepal and may reflect genuine concerns about the meaning of concepts, about the best course of action to take, and about what would constitute successful adaptation in what is still an emerging research field.

On the other hand, such discussions can also mask a desire to impose MDB or donor priorities on national priorities. As in the case of Nepal, starting PPCR adaptation planning from scratch without taking into account the existing NAPA is a highly ineffective approach. More effective would be to leverage opportunities within existing, country-owned development planning and use complementary, reinforcing activities under the PPCR to lock in progress.⁹⁷

91 ICAI (2011)

92 DFID (2011)

93 Interview with independent international research organisation, October 2011

94 Interview with government of Nepal official, January 2012

95 Interview with independent international research organisation, October 2011

96 See Wiseman and Chhetri (2011), Box 4: PPCR component and corresponding NAPA activities

97 O'Donnell (2010)

Inconsistency between DFID bilateral programmes and PPCR programmes, and inability of DFID to positively influence PPCR implementation to spread good practice

DFID is a major donor to the PPCR in Nepal and also has a longstanding bilateral development relationship with Nepal: DFID was a key donor to Nepal's LAPA (Local Adaptation Programme of Action). As such, DFID has an interest in seeing PPCR priorities aligned closely with national-level priorities articulated through the NAPA and the LAPA.

Indeed, DFID was key in supporting the development of the NAPA in Nepal from its initial GEF and UNDP design, to focus more on knowledge management, planning and stakeholder coordination and on planning within a longer-term timeframe – all of which support Building Block 2. In addition, DFID has actively sought to promote linkages between top-down and bottom-up approaches, namely through its significant support for the pioneering LAPA framework.

However, the UK's bilateral adaptation support to Nepal is not without its critics. One charge is that DFID's concern over fiduciary risk in the country's public financial management system resulted in a large proportion of funding flowing in the form of bilateral projects outside the central government budget.⁹⁸ Another is that a UK-based consulting firm was appointed to manage the LAPA work. The Ministry of Environment's concern was that learning from the process would be lost when the consultants left the country.⁹⁹

Nevertheless, overall it appears that, in relation to PPCR programming, DFID country offices may have little influence over this or other MDB-implemented climate change initiatives. In the case of Nepal, the DFID country office had to ask to be included on the MDB-led PPCR scoping mission. Despite being the major donor, it was not automatically invited.

More generally, at country level, bilateral donors reportedly feel that they have little opportunity to influence the negotiation or implementation of the SPCR, with the MDBs shaping the direction of PPCR delivery.¹⁰⁰ In the case of DFID's climate change programme in Bangladesh, there is no documentation setting out the objectives, expected results and timeframe for the use of DFID funding by the World Bank implementing agency of the multi-donor Bangladesh Climate Change Resilience Fund. Furthermore, delays

BANGLADESH

Cyclones destroyed the Roy family's livelihoods – they lost coconut trees, date trees and rice paddy, and were left with only this small strip of land.



Peter Caton / Tearfund

98 Pearl-Martinez (2011). See also page 32 of this report where we discuss fiduciary risk.

99 Interviews with independent international research organisation and government of Nepal official, October 2011

100 Seballos and Kreft (2011)

in spending DFID funds in Bangladesh were partly attributed to World Bank staff in Bangladesh lacking authority to disburse funds, which were controlled from World Bank headquarters in Washington.¹⁰¹

3.2.3 RECOMMENDATIONS

For DFID and other bilateral donors

- Establish and support bilateral and multilateral mechanisms that ensure meaningful, country-wide participation and ownership of decision-making on adaptation planning, and ensure that all its adaptation funding programmes are in line with such inclusive national adaptation strategies and action plans.
- Ensure that DFID country offices are able to input into national-level PPCR implementation led by MDBs, with the aim of sharing good practice from existing bilateral assistance and ensuring that the objectives and practices of bilaterally and multilaterally funded adaptation programmes are better aligned.

For multilateral adaptation financing

- Prioritise appropriate country-led delivery, including the alignment of MDB-funded adaptation programmes with a country's own development plans.
- Avoid placing inappropriate emphasis on short-term delivery of results.
- Ensure there is sufficient oversight over multilateral administrators.
- Prioritise meaningful engagement of civil society organisations in national planning and implementation processes (see also Building Block 5).

3.3 BUILDING BLOCK 3

Country-owned adaptation financing mechanisms

These financing mechanisms should ensure that implementation of adaptation actions is fully aligned with country priorities, rather than donor preference, and meets the needs of citizens. Where international funds are provided, safeguards are necessary to ensure that these are deployed for the benefit of people in need, and that corruption is minimised.

The ideal and most sustainable situation is that each country has its own transparent and accountable adaptation funding modality into which it can invest its own national funds and a range of bilateral and multilateral funding (so that it is not reliant on one funding source). From this modality, it could disburse the funding to multiple sectors and actors. Funding should be aligned with programmes set out in the country's climate change adaptation strategy and action plan. Any funding modality should have a multi-stakeholder board, including representation from priority ministries, senior politicians and civil society. Application processes should be transparent, with priority given to applications that promote civil society participation and cross-sectoral activities.¹⁰²

3.3.1 SUMMARY OF FINDINGS

- Donors are apparently reluctant to give adaptation finance as direct budget support or to countries' own designated climate trust funds, due to their concerns about fiduciary risk.
- Some developing country government representatives and NGOs admit that corruption and lack of transparency in handling adaptation finance are real problems. However, developing country government representatives also say that some of their ministries, e.g. disaster management and emergencies or finance ministries, do have the capacity to handle large amounts of finance transparently.

101 House of Commons oral evidence (2011) and ICAI (2011)

102 Wiggins (2011)

- Donors favour World Bank management of multi-donor adaptation funding, but the World Bank is seen by many developing country governments and NGOs as lacking in credibility.
- The UK has provided 75 per cent of the funds for the Bangladesh Climate Change Resilience Fund (BCCRF) and has helped establish it. This is a government-managed fund with civil society representation that has reduced the need for World Bank technical assistance to manage fiduciary risk (and reduced costs).
- So far, the BCCRF has focused on funding immediate 'uncontested' adaptation needs. While the PPCR aim was to go beyond this and address future climate impacts through its programme, this has yet to happen.
- Activities carried out under the BCCRF and the PPCR have achieved some level of complementarity but there is also a risk of activities being duplicated. Not enough has been done to prevent this.

3.3.2 AN ANALYSIS OF DFID AND THE PPCR'S SUPPORT FOR THIS BUILDING BLOCK

UK bilateral and multilateral adaptation support to Bangladesh highlights some of the challenges to realising an integrated approach to adaptation when it comes to country-owned adaptation financing mechanisms. Nepal and Niger do not yet have independent national adaptation financing mechanisms.

The Bangladesh government has set up its own Climate Change Trust Fund (CCTF), whereby national resources are used to fund approved projects. This reflects the government's recognition of the country's urgent need for adaptation funding. The country did not wait for adaptation finance from developed countries but instead allocated its own money and resources towards addressing climate change.

Developed country concerns regarding fiduciary risk and the mismanagement of funds

However, many developed country and multilateral agencies are reluctant to invest in nationally managed funding mechanisms, due to their need to allay concerns regarding fiduciary risk and the risk of corruption and mismanagement of funds among developed-country citizens. The global economic crisis means that developed countries are currently even less likely to take risks with taxpayer funds.¹⁰³

Thus, when DFID pledged to fund adaptation efforts in Bangladesh through the £75 million Climate Change Programme in 2008, it also played a central role in efforts to create a multi-donor trust fund for the country. The fund was designed to support the implementation of the country's adaptation priorities.

Plans for the fund originally envisaged a central role for the World Bank. Its role would have been to serve as co-chair of the management committee, facilitate daily operations of the fund, and monitor implementation. Donors favoured this role for the World Bank on the grounds that this would help in mobilising more funds, as well as managing fiduciary risk.

The government of Bangladesh argued that it had capacity to manage the fund itself.¹⁰⁴ Civil society organisations in Bangladesh were deeply concerned about the World Bank's role, which many groups saw as inappropriate interference with country-led financial management.¹⁰⁵

However, a government of Bangladesh representative interviewed for this report, who preferred to remain anonymous, also acknowledged that corruption is a real risk to adaptation finance.¹⁰⁶ Campaigning groups have also criticised a lack of transparency in the CCTF and claim that some projects are chosen for political reasons rather than on the basis of need.¹⁰⁷

103 Wiggins (2011)

104 Alam et al (2011)

105 Pearl-Martinez (2011)

106 Interview with government of Bangladesh official, October 2011

107 ICAI (2011)

There may be lessons learnt from the discussions over the management of adaptation funding in Bangladesh that can be fed into the design of the new Green Climate Fund. In particular, these may concern how to marry direct access to finance for developing countries with appropriate fiduciary, as well as environmental and social, safeguards.

Multiple actors and multiple funding channels can result in inefficiency

It has been claimed that MDBs, donors and national entities in Bangladesh all vie to establish funding arrangements that suit their own agendas.¹⁰⁸ However, coordination and communication are essential, because otherwise multiple, overlapping funding channels will result in duplication of efforts and inefficiency. Ideally, the funding channel would be a country's own transparent and accountable adaptation funding modality into which it can invest funds and a range of bilateral and multilateral funding (so that it is not reliant on one funding source).

The Bangladesh Climate Change Resilience Fund

In 2010, the multi-donor trust fund metamorphosed into the Bangladesh Climate Change Resilience Fund (BCCRF), linked with the BCCSAP. The fund is under government of Bangladesh management. It has a governance structure that consists of a governing council and management board, both with civil society representation.¹⁰⁹ Project proposals are submitted by ministries to the board. The board reviews the proposals to ensure that they align with the BCCSAP and do not duplicate the work of other ministries.¹¹⁰

Furthermore, instead of receiving a 15 per cent fee under the original model, the World Bank receives a much reduced fee for technical assistance and maintaining overall fiduciary oversight.¹¹¹ Japan withdrew its engagement from the initiative but Denmark, Sweden, the EU and the UK continue to donate funds. DFID Bangladesh has provided the lion's share (75 per cent) of current funds to BCCRF, with a £60 million contribution.

'Uncontested work' versus addressing future unknowns of climate change

The BCCRF has so far focused most of its efforts on cyclone shelters because this is considered 'uncontested work',¹¹² and the ICAI review paints this activity in a positive light.¹¹³ 'Uncontested work' refers to dealing with current pressing needs, as opposed to addressing future unknowns such as planning around future migration due to climate change.

The PPCR in Bangladesh is supposed to address long-term and possibly less clear challenges associated with climate change and to seek to support high-level reforms. Uncontested work should not be the business of the PPCR as it is supposed to be pushing the boundaries and going beyond 'business as usual'.

However, this discussion has highlighted how, while the PPCR in Bangladesh is aligned to support elements of the BCCSAP, it has focused on short- and medium-term adaptation needs, such as investing in coastal areas, neglecting longer-term risks. In addition, there is a risk of duplication as both the PPCR and BCCRF work on related activities such as resilient agriculture, reforestation and afforestation in coastal areas. Despite being the major donor in both cases, the UK has not exerted its influence to ensure that the BCCRF and the PPCR complement and build on, rather than duplicate, each other's efforts.

108 IDS (2011)

109 DFID (2011)

110 Flynn (2011)

111 The precise percentage varies depending upon how various World Bank services and functions are categorised under the terms of the agreement.

112 Interview with government of Bangladesh official, October 2011

113 ICAI (2011)

In Bangladesh, the UK demonstrated a pragmatic approach to country-level adaptation financing mechanisms. The need for fiduciary oversight and the potential for leveraging further resources meant the creation of the multi-donor trust fund was a necessary, if far from ideal, first step, even if the concerns raised nationally about the role of the World Bank as the implementing entity are legitimate. The UK played a key role in brokering a consensus between the MDBs and country stakeholders, including civil society.¹¹⁴

The ideal of a wholly country-owned fund capable of managing significant international flows of climate finance has not yet come to fruition in Bangladesh, although a good compromise solution has been achieved with the eventual establishment of the BCCRF. DFID is currently considering whether to fund programmes to strengthen the role of civil society in monitoring the activities of individual funds and the entire work of the BCCSAP.¹¹⁵

3.3.3 RECOMMENDATIONS

For DFID and other bilateral donors

- DFID has shown good progress in supporting the implementation of this building block in Bangladesh. However, in Bangladesh and in other countries, DFID should work with other donor countries and stakeholders to address the lack of coordination between the existing adaptation financing mechanisms.
- Once it is operational, substantial UK adaptation finance should be channelled through the Green Climate Fund, which is designed to promote an integrated approach to adaptation and which includes direct access modalities in line with this building block. The UK should champion a design of the GCF that establishes robust fiduciary safeguards for financing, as well as environmental and social ones, and supports transparency and accountability to citizens in all stages of national-level programme design and implementation.¹¹⁶

For multilateral adaptation financing

- Civil society must be represented in the governance structure of adaptation funds. Its voice must be strong enough to ensure that the needs of the most vulnerable are prioritised.
- Furthermore, civil society should be able to monitor the overall progress of a country's national adaptation strategy and action plan, as implemented through various funding modalities.
- There must be strong coordination to avoid overlap and to maximise complementarities where multiple adaptation financing mechanisms are used.
- The establishment of a new fund should occur only as a last resort. Preference should first be given to finding ways to build or support a country-owned fund and to expand existing funds wherever feasible.¹¹⁷
- MDBs and donors should earmark a percentage of investment for building in-country fiduciary risk management capacity.¹¹⁸

114 Interview with independent international research organisation, October 2011

115 DFID (2011) Management response to ICAI recommendations

116 See page 14 in the Introduction for more about the Green Climate Fund.

117 ICAI (2011)

118 This would complement the objectives of Bangladesh's SPCR which state, 'Under the umbrella of capacity enhancement, the PPCR can assist with enhancing the government's capacity to undertake fiduciary responsibilities of overseeing large flow of climate finance such as the PPCR, but also BCCRF and the Climate Change Trust Fund (CCTF), in a comprehensive and coordinated fashion within the broader context of sustainable development and poverty reduction.' This point was also raised in an interview with a World Bank official, October 2011.

3.4 **BUILDING BLOCK 4**

Ongoing and improved sharing of learning and communication on climate change and variability and on adaptive practices to inform dynamic decision-making

One of the most significant barriers to climate change adaptation is gaps in knowledge because of uncertainty over the likely damage from climate change in the future. Without a clear sense of the actual risks, it is difficult to design strategies and plans to deal with them effectively. Furthermore, adaptation actions deployed to reduce vulnerabilities have to demonstrate their value. There is a need to better understand how large amounts of adaptation finance can best be used to deliver measurable reductions in people's vulnerability.¹¹⁹ Learning must be institutionalised in order for country-led efforts to be sustained as knowledge gaps are closed in this rapidly evolving field.

3.4.1 SUMMARY OF FINDINGS

- Knowledge, learning and communication on effective adaptive practice should be a two-way process. There is both an input and an output: an input in terms of how development planning is continually influenced by the emerging understanding of climate change and its impacts and how to manage these, and an output in terms of the way in which development practice changes in response to this emerging knowledge.
- The PPCR should ensure that this two-way process is developed in pilot countries. This is particularly the case if the PPCR is designed to address longer-term structural development questions, unlike other adaptation financing mechanisms that may focus predominantly on project-based responses to immediate needs.
- There are several challenges preventing the PPCR and implementing agencies from ensuring that knowledge is shared on an ongoing basis and thus to ensuring that country-based learning is institutionalised, participatory and effective.

3.4.2 AN ANALYSIS OF DFID AND THE PPCR'S SUPPORT FOR THIS BUILDING BLOCK

The Climate Development and Knowledge Network

DFID has made a conscious effort to support the sharing of emerging knowledge on climate change with country-level partners to inform adaptation practice, through its support for the Climate Development and Knowledge Network (CDKN).

CDKN is a five-year initiative that is supporting 40 developing countries to build their knowledge, capacity and action plans on tackling climate change. The UK is contributing £45 million over five years (including £21 million fast-start funding).

In Bangladesh, CDKN was active through the following activities in 2011:

- Loss and damages associated with the adverse effects of climate change. Support to the government to develop a work programme on this subject, which will then be used as a model for other LDCs to replicate.
- Climate Vulnerable Forum (CVF). Support to the government as host of the 2011 CVF, which brings together leaders of the countries most vulnerable to climate change.
- Adaptation policy options and interventions for climate change-induced displacement of people. Research on the realities of climate change-induced displacement on the ground and identification of policy gaps.
- Participatory monitoring and evaluation for community-based adaptation. Developing a tool for effective participatory monitoring and evaluation of community-based adaptation.¹²⁰

119 Brooks et al (2011)

120 CDKN *Bangladesh country snapshot* (2011)

In Nepal, CDKN projects include:

- Building the capacity of the Nepal Climate Change Knowledge Management Centre (NCCKMC) to coordinate and manage climate change information in Nepal.
- Integrating climate change into the Nepal Food Security Monitoring System by widening the scope of the Ministry of Agriculture / World Food Programme system to include valuable climate change indicators.¹²¹

The absence of shared terminology on climate change adaptation and of shared indicators for monitoring and evaluation

Despite the potential for the PPCR to address longer-term structural development questions, there are many challenges to this in practice – not least, the absence of a shared terminology about adaptation, which remains an emerging field of knowledge.

Another challenge relates to measuring success. In essence, the PPCR is a process of 'learning by doing', not an established set of generic and clear guidelines that can be followed, step by step. In addition, different timescales and changes in climatic and environmental baselines make developing indicators for PPCR outcomes deeply problematic – as is true for any other climate change programme.¹²²

However, it is vital that ways of measuring results of PPCR programmes are found, because the benefits of an adaptation strategy will only become clear in relation to how well current and future climate change impacts are managed.

Insufficient sharing of learning on adaptation

Learning that helps address such challenges is likely to become an increasingly valuable and vital commodity. However, our research suggests that the sharing of learning on successful and unsuccessful adaptation practices and programming has been woefully limited to date.

The overall view from the research seems to reflect the comment made by the government official, below.

'It is hard to imagine a future and design the way in which uncertain risks are managed. There is a sense that PPCR leapfrogs into an uncertain world and demands to focus on adaptation to address the immediate challenges of climate change in LDCs.'

Government of Nepal official, October 2011

The World Bank recognises that learning and experiences of adaptation must be shared¹²³ and the PPCR has a Global Support Programme intended to facilitate knowledge-sharing at the regional and global level.¹²⁴

However, to date, the PPCR's promotion of learning has been limited to facilitating meetings of country stakeholders on a given theme. The first of these was a meeting of PPCR stakeholders on the subject of meteorological services (expanded to include the UK Met Office and the US National Oceanic and Atmospheric Administration [NOAA]).¹²⁵

121 CDKN *Nepal country snapshot* (2011)

122 Brooks et al (2011)

123 Interview with World Bank official, October 2011

124 Nepal Strategic Programme for Climate Resilience, p22

125 Interview with civil society representative to the PPCR, October 2011

Other examples where learning activities are included in the implementation of the SPCR include Nepal, where the Ministry of the Environment is mandated, with support from participating MDBs, to undertake knowledge management activities and the dissemination of lessons learnt, for instance through learning workshops.¹²⁶ In Niger, country-based learning is also programmed, although civil society representatives are sceptical about whether civil society organisations and local actors will benefit.¹²⁷

In addition, the track record of the PPCR in promoting open engagement with stakeholders to share learning and best practice has been criticised. In Niger, again, local capacity to influence the SPCR and its ability to assess the PPCR's effectiveness are deemed inadequate, but the PPCR has done nothing to rectify this.¹²⁸ Given that most PPCR activities have yet to begin in earnest, there is still the potential to improve the current lack of learning activities, in line with programme objectives detailed in official documents.

One aspect of best practice in terms of learning in-country is for PPCR programming to ensure that properly participatory processes are in place, targeting stakeholders, so that planning can take into account not just the maximum possible number of scientific and other technical inputs, but also local knowledge. This will help inform good-quality decision-making and prompt greater uptake of adaptation programmes.¹²⁹ DFID should use its leverage to encourage the World Bank and MDBs to develop and implement a robust approach to sharing learning and to ensure that country-based learning is properly participatory and benefits local actors (see also Building Block 5).

3.4.3 RECOMMENDATIONS

For DFID and other bilateral donors

- DFID is providing direct support towards building the capacity of country stakeholders through funding research and building knowledge. However, it must ensure that its assistance translates into greater sharing of learning among stakeholders, including civil society, which will lead to greater country ownership of adaptation decision-making.
- DFID must use its leverage to ensure that PPCR programming implemented through the MDBs develops a strong and robust approach to the sharing of learning on climate change adaptation and planning for uncertainty at the national level and between PPCR countries. The implementing agencies must ensure that country-based learning is properly participatory and benefits local actors.

For multilateral adaptation financing

- Establish clear mechanisms that are sufficiently resourced for gathering evidence and disseminating learning as the PPCR projects begin to deliver results.
- Ensure that learning is shared among country stakeholders, including civil society, and is clearly embedded in the implementation process on an ongoing basis.
- Ensure that learning is shared from external studies that explain how to design and then measure successful adaptation activities, including in the long term in relation to uncertain futures. This should be used to build capacity in developing countries (not just in developed countries).¹³⁰

126 Nepal Strategic Programme for Climate Resilience

127 Interview with Niger NGO representative, January 2012

128 Ibid

129 Giupponi and Giannini (2010)

130 Interview with Ian Tellam, Adaptify, October 2011

3.5 BUILDING BLOCK 5

Reflection of local issues in national policy, planning and implementation

Climate risk is not and cannot be divorced from normal everyday decision-making and activities. Household-level decision-making integrates local understanding of climate variability. Through real-life experience in recognising and dealing with risk and vulnerability, people at the local level, especially the most vulnerable, have a critically important contribution to make to sustainable development in the face of climate change.

In particular, civil society organisations (CSOs) that are able to articulate local needs should be involved in the design of adaptation initiatives, and their inputs should be recognised in project outputs, especially regarding benefits to the most vulnerable. It is also necessary to strengthen the capacity of local government and civil society (i.e. the organisation and mobilisation of local stakeholders). In this way, they can have meaningful input into local, sub-national and national development decision-making and can play a role in implementing activities.¹³¹

3.5.1 SUMMARY OF FINDINGS

- DFID's bilateral work has indicated a willingness to ensure that local vulnerability is addressed through stronger participation of local communities and other stakeholders in climate change planning and programming. However, there is still a lack of local inputs in national-level planning processes.
- Overall, the PPCR has yet to demonstrate that it places adequate emphasis on the views of local stakeholders and civil society in decision-making and implementation processes.
- Furthermore, many climate change adaptation initiatives, including the PPCR, are failing to create the conditions for integrating national- and local-level vulnerabilities and needs into planning and implementation in an effective way.¹³²

3.5.2 AN ANALYSIS OF DFID AND PPCR SUPPORT FOR THIS BUILDING BLOCK

'For adaptation action to be genuine and lasting, affected citizens and local actors must have strong ownership of it and active participation in it.'

Wiggins (2011)

'Our theory of change on achieving adaptation objectives and vision points to a number of desirable transformative changes... [These include] local empowerment and mutual accountability between those most affected by climate and decision-makers.'

Written response from DFID UK to the authors of this report (4 November 2011)

Country-driven and country-owned adaptation does not necessarily equate to meaningful engagement of civil society and accountability of decision-making to citizens. For example, the PPCR's Results-Based Management Framework for climate change, which aims to make its interventions 'country-driven', leaves

131 Wiggins (2011)

132 IDS (2011)

blank the columns on baselines and targets, as it argues that these are for the recipient country to identify. Consequently, there is a risk that the intervention is designed according to domestic political agendas ('wishlists' of projects) rather than being based on effectiveness in reducing vulnerability.¹³³

More generally, domestic political processes and space in developing countries determine and often limit the opportunities for empowerment of local people and mutual accountability between state actors and citizens through multilateral and bilateral interventions. Donors understandably tread lightly in dealing with these processes, even when the donor is the major funder, as is the case with the UK. The PPCR, like any other international development initiative, cannot and should not force a country to adopt a more participatory approach, but there is considerable scope for the PPCR to encourage countries to adopt processes that are more open and responsive to the needs of citizens, including at the local level.

It has already been stated in relation to **Building Block 2** that DFID appears fully aware of the value of bottom-up approaches and has actively sought to promote them.¹³⁴

- It is well recognised that the Comprehensive Disaster Management Programme (CDMP) in Bangladesh has resulted in a highly effective cyclone early warning system. This is made possible largely through strong vertical integration of predictions, weather warnings, public messages and ultimately action among vulnerable communities.
- In Nepal, DFID's support for the development of the LAPA shows a commitment to improved resilience at the local level and to involving local CSOs. However, this initiative has also created tensions at the national government level, where officials felt bypassed by the LAPA and DFID's preferred delivery mechanism, which was to use a consultancy and NGOs (see page 30).

Vulnerability cannot be reduced without local involvement

A prerequisite for reducing vulnerability effectively is local involvement. Local involvement, however, is not guaranteed by country-ownership, if the latter only extends to government officials.

The PPCR and the Climate Investment Funds (CIFs) in general have a rhetorical commitment regarding local and civil society engagement¹³⁵ but, at a country level, there are no explicit criteria regarding who should be involved in decision-making and how. The PPCR could – and should – be doing more to develop indicators to ensure that PPCR programmes promote robust and inclusive decision-making.

In the case of Bangladesh, direct involvement of the men and women most vulnerable to climate change impacts at local level was largely absent in the process of developing the BCCSAP.¹³⁶ The need for direct involvement of local beneficiaries is now a priority for the BCCRF, for which most support comes from the PPCR and the UK. Rather than national stakeholders recognising this omission from the BCCSAP process and seeking proactively to remedy it, the most vulnerable groups and intended beneficiaries of the PPCR investment projects, such as people working in fisheries, have still not been included in the planning processes for the PPCR roll-out.¹³⁷

In addition, the terms of reference for the SPCR's 'Development of a climate-resilient housing programme in the coastal region' project do not include full participation (or even consultation) with target communities to ascertain their needs, nor do they take into account traditional architectural practices. This is important, given that the project design is innovative, with several hundred houses per polder, rather than just shelters. The closest the programme document comes to recognising the importance of local participation in design of the project comes in the reference to 'a desire to ensure prospective designs are amenable to minor

133 Interview with Ian Tellam, Adaptify, October 2011

134 Interview with independent international research organisation, October 2011

135 Interview with civil society representative to the PPCR, October 2011

136 Alam et al (2011)

137 Pearl-Martinez (2011)

modifications to suit owner preferences'.¹³⁸ Overall, valuable local knowledge about climate risk and how to ensure a climate-resilient design of housing is not sought.

The mixed experiences of local stakeholder engagement in Nepal

Nepal has a history of social mobilisation and a strong acceptance and practice of using local knowledge in development planning. For example, the country has the largest community forestry movement in the world.¹³⁹ As discussed, the NAPA process in Nepal capitalised on these conditions by pioneering the development of local activities under the umbrella of a national strategy based on widespread consultations with vulnerable communities. Thematic working groups led by government ministries included a wide range of civil society representatives, including NGOs and academics. These thematic working groups met with vulnerable communities throughout the country and incorporated their perspectives into the planning process.¹⁴⁰ The process of developing local-level plans has also been important for building local government capacity.¹⁴¹

However, as outlined above, the PPCR has, at best, operated at a distance from this genuinely participatory process and there are concerns that NAPA and LAPA activities may be duplicated in Nepal's SPCR.

Nevertheless, Nepal's SPCR does express a strong intention to engage local stakeholders. For example, with regard to improving the climate resilience of watersheds in mountain eco-regions, district development committees and village development committees are to be the main government stakeholders at district, local and watershed level.

Other important stakeholders, according to the SPCR, are NGOs and CSOs, community forestry groups and water-user groups. Indeed, on paper, NGOs are expected to play an important role in project implementation, especially in mobilising and helping communities to assume their implementation role.¹⁴² It will be important to monitor whether these intentions become reality once implementation begins.

'CSOs are invited late to a capital city for a half-day meeting to "rubber-stamp" a plan.'

Civil society representative to the PPCR, October 2011

Weak civil society engagement in Niger

The concern that only lip service is paid to civil society participation during the design phase of PPCR pilots (see quote above) also surfaces in Niger.¹⁴³ There was very limited involvement of civil society in the initial design phase of the Niger SPCR through a validation workshop. However, this involvement has now ceased. NGOs see the implementation of the programme as a process focused upon giving technical assistance to government at the national level, and thereby apparently not warranting continual engagement and participation of national and local civil society actors.¹⁴⁴

-
- 138 Bangladesh Strategic Programme for Climate Resilience
 139 Interview with independent international research organisation, October 2011
 140 Pearl-Martinez (2011)
 141 Wiggins (2011)
 142 Nepal Strategic Programme for Climate Resilience
 143 Interview with Niger NGO representative, January 2012
 144 Ibid

This is of particular concern given the weak capacity of NGOs in Niger to advocate with MDBs and national government stakeholders on behalf of climate-vulnerable communities.¹⁴⁵ The PPCR, as a national-level programme, does not attempt to address this key gap by supporting local actors to input into national-level programming decisions. This low level of civil society engagement in the PPCR, the low internal capacity of NGOs and the absence of a collective NGO platform have reportedly made it difficult for local civil society and communities to understand how the PPCR is being implemented, let alone assess its effectiveness.

In general, our research suggests that, although NGOs, CSOs and CBOs may be given limited opportunities to input their views into the PPCR process, for instance through a consultation workshop, their ongoing participation is under-valued in comparison with that of other national stakeholders. This means vulnerable communities and groups become the objects rather than the subjects of the PPCR process.¹⁴⁶

3.5.3 RECOMMENDATIONS

For DFID and other bilateral donors

- DFID is aware of the value of bottom-up approaches and is actively seeking to promote them. However, it is vital that DFID uses its position of influence as a development partner positively, to encourage countries to adopt more systematic participatory processes that are responsive to, and representative of, the voices of men and women on the ground. This could include helping develop criteria or indicators for participation in adaptation planning, such as what kind of groups or representatives from local communities and wider civil society should be involved, and how – going beyond country ownership to ensuring genuine involvement of local people and proactively building their capacity to engage with the PPCR and other adaptation planning processes.

For multilateral adaptation financing

- While the PPCR cannot force a country to adopt a more participatory approach, it should do more to encourage this.
- The PPCR needs to do more than talk about participatory processes. It must set clear criteria or indicators for local and civil society engagement and explicitly establish participatory processes for managing adaptation finance structures, drawing on examples of good practice in similar, non-climate-related structures.¹⁴⁷
- MDBs must strengthen the capacity of local civil society to carry out coordinated advocacy on climate change adaptation to ensure that national-level programming benefits from the knowledge and expertise of local actors.

145 All information in this paragraph derives from the interview with Niger NGO representative, January 2012.

146 Seballos and Kreft (2011)

147 For example, the Global Fund for AIDS, Tuberculosis and Malaria

4

Conclusions and recommendations

The UK's leading contribution to funding adaptation bilaterally and multilaterally deserves praise. UK bilateral finance for adaptation has begun to support an integrated approach to adaptation with some success, in the countries studied in this report. The UK must build on progress to date and consolidate good practice in its bilateral programmes.

However, there is significant variance in the extent to which UK finance spending on climate adaptation via the multilateral World Bank-managed PPCR has contributed to an integrated approach. In short, often good practice observed in bilateral programmes has not been replicated in programmes funded through the PPCR.

Much greater efforts are required to ensure that multilateral adaptation finance, which accounts for 75 per cent of overall UK spending on adaptation, supports strong country ownership and the active participation of affected citizens and local actors. The UK must encourage other donors to champion integration. Furthermore, as the largest donor to the PPCR, the UK must exercise greater influence over its implementation at the national level, to ensure that it is aligned with good practice in the UK's bilateral adaptation assistance.

The Multilateral Aid Review (MAR) in 2011 developed a framework and criteria against which the performance of UK multilateral finance could be assessed.¹⁴⁸ In relation to the CIFs, the MAR identified important areas where CIF performance could be improved, including by working more effectively in partnership with recipient countries, nurturing country leadership and engaging civil society actors. Our research corroborates the MAR findings.

Assessing the building blocks outlined in this report against the MAR criteria highlights the need for DFID to ensure that its multilateral adaptation finance prioritises the following: country leadership, representation of local people in adaptation planning and implementation, transparency and accountability in spending adaptation finance, and the use of longer-term, not just short-term, planning timeframes. Such improvements would not only ensure more effective integration of adaptation in national development strategies but, in our view, would secure better value for money.

Our research shows that DFID is on a potentially strong footing as it seeks to secure more effective adaptation planning through multilateral organisations. In June 2011, the UK government submitted recommendations to strengthen the CIFs, which included improvements in country ownership and transparency, identification of results, and lesson-learning, knowledge management and communications.¹⁴⁹ Tearfund and CAFOD endorse these recommendations. However, it is unclear how or if the UK is ensuring that they are being implemented in the PPCR along with subsequent measures identified by the MDBs themselves to improve the operations of the CIFs.¹⁵⁰

This snapshot analysis of experiences of UK finance in Bangladesh, Nepal and Niger identifies crucial measures that DFID and other donors must take to ensure that future adaptation finance, both bilateral and multilateral, supports an integrated approach. In particular, as the PPCR is replaced by the GCF, the findings of this report highlight some of the potential lessons that can help to make the GCF more effective in terms of financing truly effective adaptation.

148 DFID (2011)

149 <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Joint%20CRP.5.pdf>

150 http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Measures_to_improve_operations_of_CIFs_11.18.11.pdf

4.1 Recommendations for DFID

BUILDING BLOCK 1

Institutional frameworks and political leadership

DFID has shown good progress in supporting the implementation of this building block but needs to build on progress to date. It should consolidate recent good practice in its bilateral adaptation funding relationships, and also increase its reach to partner with more developing countries. This increased support should include: promoting integration of climate change planning across ministries; strengthening the capacities of environment, finance and planning ministries; and building civil society engagement in national planning processes.

BUILDING BLOCK 2

Country-owned adaptation strategy and action plan

Establish and support bilateral and multilateral mechanisms that ensure meaningful, country-wide participation and ownership of decision-making on adaptation planning. Ensure that all its adaptation funding programmes are in line with such inclusive national adaptation strategies and action plans.

Ensure that DFID country offices are able to input into national-level PPCR implementation led by MDBs with the aim of sharing good practice from existing bilateral assistance and ensuring that the objectives and practices of bilaterally and multilaterally funded adaptation programmes are better aligned.

BUILDING BLOCK 3

Country-owned adaptation financing mechanisms

DFID should work with other donor countries and stakeholders to address the lack of coordination between the existing adaptation financing mechanisms.

Once it is operational, substantial UK adaptation finance should be channelled through the Green Climate Fund, which is designed to promote an integrated approach to adaptation and which includes direct-access modalities in line with this building block. The UK should champion a design of the GCF that establishes robust fiduciary safeguards for financing, as well as environmental and social ones, and supports transparency and accountability to citizens in all stages of national-level programme design and implementation.

BUILDING BLOCK 4

Improved sharing of learning and communication on climate change

DFID is providing direct support towards building the capacity of country stakeholders through funding research and building knowledge. However, it must ensure that its assistance translates into greater sharing of learning among stakeholders, including civil society, which will lead to greater country ownership of adaptation decision-making.

DFID must use its leverage to ensure that PPCR programming implemented through the MDBs develops a strong and robust approach to the sharing of learning on climate change adaptation and planning for uncertainty at the national level and between PPCR countries. The implementing agencies must ensure that country-based learning is properly participatory and benefits local actors.

BUILDING BLOCK 5

Reflection of local issues in national policy, planning and implementation

DFID is aware of the value of bottom-up approaches and is actively seeking to promote them. However, it is vital that DFID uses its position of influence as a development partner positively to encourage countries to adopt more systematic participatory processes that are responsive to, and representative of, the voices of men and women on the ground. This could include helping develop criteria or indicators for participation in adaptation planning, such as what kind of groups or representatives from local communities and wider civil society should be involved, and how. This means going beyond country ownership to ensuring genuine involvement of local people and proactively building their capacity to engage with the PPCR and other adaptation planning processes.

4.2 Recommendations for multilateral adaptation financing mechanisms

BUILDING BLOCK 1

Institutional frameworks and political leadership

Make more effort to build and strengthen in-country coordinating mechanisms on climate change adaptation and include within them civil society representation.

Scale up efforts to build the capacity of environment ministries and value their technical expertise, supporting them as key stakeholders in adaptation planning (whether or not they are the country lead on adaptation).

Strengthen the role of finance and planning ministries and build their capacity. However, these ministries should not necessarily be supported as the country lead on adaptation.

BUILDING BLOCK 2

Country-owned adaptation strategy and action plan

Prioritise appropriate country-led delivery, including the alignment of MDB-funded adaptation programmes with a country's own development plans.

Avoid placing inappropriate emphasis on short-term delivery of results.

Ensure there is sufficient oversight over multilateral administrators.

Prioritise meaningful engagement of civil society organisations in national planning and implementation processes.

BUILDING BLOCK 3**Country-owned adaptation financing mechanisms**

Civil society must be represented in the governance structure of adaptation funds. Its voice must be strong enough to ensure that the needs of the most vulnerable people are prioritised.

Furthermore, civil society should be able to monitor the overall progress of a country's national adaptation strategy and action plan, as implemented through various funding modalities.

There must be strong coordination to avoid overlap and to maximise complementarities where multiple adaptation financing mechanisms are used.

The establishment of a new fund should occur only as a last resort. Preference should first be given to finding ways to build or support a country-owned fund and to expand existing funds wherever feasible.

MDBs and donors should earmark a percentage of investment for building in-country fiduciary risk management capacity.

BUILDING BLOCK 4**Improved sharing of learning and communication on climate change**

Establish clear mechanisms that are sufficiently resourced for gathering evidence and disseminating learning as the PPCR projects begin to deliver results.

Ensure that learning is shared among country stakeholders, including civil society, and is clearly embedded in the implementation process on an ongoing basis.

Ensure that learning is shared from external studies that explain how to design and then measure successful adaptation activities, including in the long term in relation to uncertain futures. This should be used to build capacity in developing countries (not just in developed countries).

BUILDING BLOCK 5**Reflection of local issues in national policy, planning and implementation**

While the PPCR cannot force a country to adopt a more participatory approach, it should do more to encourage this.

The PPCR needs to do more than talk about participatory processes. It must set clear criteria or indicators for local and civil society engagement and explicitly establish participatory processes for managing adaptation finance structures, drawing on examples of good practice in similar, non-climate-related structures.

MDBs must strengthen the capacity of local civil society to carry out coordinated advocacy on climate change adaptation, to ensure that national-level programming benefits from the knowledge and expertise of local actors.

References

- Ayers J, Kaur N and Anderson S (2011) *Negotiating climate resilience in Nepal*. Institute of Development Studies (IDS) Bulletin 42.3
- Bangladesh Strategic Programme for Climate Resilience (2010) Dhaka, Bangladesh. Available at: <http://www.climateinvestmentfunds.org/cifnet/?q=country-program-info/bangladeshs-ppcr-programming>
- Bird N, Brown J and Schalatek L (2011) *Design challenges for the Green Climate Fund*. Policy Brief No.4, January 2011. ODI, UK
- Brooks N, Anderson S, Ayers J, Burton I and Tellam I (2011) *Tracking adaptation and measuring development*. Working paper. IIED
- CAFOD *Durban analysis* (2011) Available at: <http://www.cafod.org.uk/news/campaigns-news/durban-talks-end>
- CDKN *Bangladesh country snapshot* (2011) Available at: <http://cdkn.org/regions/bangladesh/>
- CDKN *Nepal country snapshot* (2011) Available at: <http://cdkn.org/regions/nepal/>
- Climate Investment Funds (2009) *Programming and financing modalities for the SCF targeted program, The Pilot Program for Climate Resilience*. Available at: <http://www.climateinvestmentfunds.org/cif/keydocuments/PPCR>
- Climate Investment Funds (2009) *The selection of countries to participate in the PPCR: report of the Expert Group to the Sub-Committee of the PPCR*. Available at: <http://www.climateinvestmentfunds.org/cif/keydocuments/PPCR>
- Climate Investment Funds (2011) *Semi-annual report on PPCR operations*. Available at: <http://www.climateinvestmentfunds.org/cif/ppcr>
- DECC and UK Aid (2011) *UK fast start climate change finance*. DFID: London, UK. Available at: <http://www.dfid.gov.uk/Documents/BROCHURE%20UK%20FAST%20START.pdf>
- DFID, DECC and DEFRA (2011) *UK fast start climate change finance*. London, UK: DFID, DECC, DEFRA. Available at <http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/3758-uk-fast-start-climate-finance-brochure-2011.pdf>
- DFID (2011) *Multilateral Aid Review: ensuring maximum value for money for UK aid through multilateral organisations*. DFID: London, UK
- DFID (2011) *Management response to ICAI recommendations*. Available at: <http://www.dfid.gov.uk/Documents/publications1/ICAI/Man-response-Bangladesh.pdf>
- DFID Nepal (2011) *Operational plan 2011–2015*. Available at: <http://www.dfid.gov.uk/Documents/publications1/op/nepal-2011.pdf>
- Flynn (2011) *Blending climate finance through national climate funds: a guidebook for the design and establishment of national funds to achieve climate change priorities*. UNDP: New York. Cited by AlertNet, 14 September 2011
- Fry T (2011) *A faulty model? What the Green Climate Fund can learn from the Climate Investment Funds*. Bretton Woods Project: London, UK
- House of Commons oral evidence (2011). International Development Committee on the work of ICAI, with Graham Ward and Mark Lowcock as witnesses (13 December 2011). Available at: <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/c1681-i/c168101.htm>

ICAI (2011) *The Department for International Development's climate change programme in Bangladesh*. Report 3 – November 2011. Independent Commission for Aid Impact: London, UK

IDS (2011) *Why politics matters for progress on international climate change initiatives*. IDS Policy Brief, October 2011

IIED (2011) *Adaptation finance: how can Durban deliver on past promises?* Briefing. November 2011
Available at: <http://pubs.iied.org/pdfs/17115IIED.pdf>

International Climate Fund (ICF) Implementation Plan 2011/12 – 2014/15 Technical Paper. Available at: <http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/3390-international-climate-fund-implementation-plan-201.pdf>

IPCC (2007) *Climate change 2007: adaptation and vulnerability*. Part of the Working Group II contribution to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (Parry, Canziani, Palutikof, van der Linden and Hanson). Cambridge University Press: Cambridge, UK, and New York, USA

IPCC (2012) *Managing the risks of extreme events and disasters to advance climate change adaptation: Special report of the IPCC* (Field, Barros, Stocker and Dahe). Cambridge University Press: Cambridge, UK, and New York, USA

Giupponi C and Giannini V (2010) *Participatory planning for climate change adaptation in the Brahmawinn Project*, Italy.

Mahmud H (2011) *Country-level assessments of climate change impacts*, (side event by the Bangladesh State Minister for Environment and Forests at COP 17, 5 December 2011)

Nakhoda S and Schalatek L (2012) *The Green Climate Fund: Ready, set, go?* Available at: http://www.climatefundupdate.org/news/green-climate-fund-ready-set-go?utm_source=ODI_Update&utm_medium=feed

Natsios A (2010) *The clash of counter-bureaucracy and development*, Centre for Global Development: Washington, USA. Available at: <http://www.cgdev.org/content/publications/detail/1424271>

Nepal Strategic Programme for Climate Resilience (2011). Available at: <http://www.climateinvestmentfunds.org/cifnet/?q=country-program-info/nepals-ppcr-programming>

Niger Strategic Programme for Climate Resilience (2010). Available at: <http://www.climateinvestmentfunds.org/cifnet/?q=country-program-info/nigers-ppcr-programming>

O'Donnell I (2010) *Addressing the grand challenges of disaster risk: a systems approach to disaster risk management*. Background paper for the *United Nations 2011 global assessment report on disaster risk reduction*. UNISDR: Geneva

Pearl-Martinez R (2011) *Owning adaptation: country-level governance of climate adaptation finance*. Oxfam Briefing Paper 146. 13 June 2011. Oxfam: Oxford, UK

Seballos F and Kreft S (2011) *Towards an understanding of the political economy of climate change*. IDS Bulletin, Vol 42, No 3, May 2011

Shaw S (2009) *The first cut is the deepest? Reducing global emissions*. Tearfund: Teddington, UK. Available at: <http://tilz.tearfund.org/webdocs/tilz/research/FirstCutIsDeepest.pdf>

Stern N (2007) *The Stern Review: the economics of climate change*. HM Treasury: London, UK

UK Fast Start Project List 2010–11 (2011). Available at: <http://www.faststartfinance.org/sites/default/files/documents/UK%20FAST%20START%20PROJECT%20LIST%202010-11.pdf>

UNFCCC (2008) *Physical and socio-economic trends in climate-related risks and extreme events, and their implications for sustainable development*. Technical paper available at:
<http://unfccc.int/resource/docs/2008/tp/03.pdf>

Weaver R (2009) *What the world is waiting for: action on adaptation*. Tearfund: Teddington, UK

World Bank (2010) *The costs to developing countries of adapting to climate change: new methods and estimates. The global report of the economics of adaptation to climate change study*. World Bank: Washington DC

Wiggins S (2011) *Adaptation United: building blocks from developing countries on integrated adaptation*. Tearfund: Teddington, UK

Wiseman K and Chhetri R (2011) *Minding the money gap: governance of climate change adaptation finance in Nepal*. Oxfam: Nepal

Quick off the blocks?

UK adaptation finance and integrated planning

A joint publication by:



www.tearfund.org

100 Church Road, Teddington, TW11 8QE, UK

Tel: +44 (0)20 8977 9144

Registered Charity No. 265464 (England and Wales)

Registered Charity No. SC037624 (Scotland)

20573-(0612)



www.cafod.org.uk

Romero House,
55 Westminster Bridge Road,
London, SE1 7JB, UK

Tel: +44 (0)20 7733 7900

Registered Charity No. 285776