

# **Asian Cities Climate Change Resilience Network**

## **Donor Mapping Report**

**August 2010**

**Rosie Sjögren**  
**Donor Engagement Consultant**

## **Table of Contents.**

<b>List of Acronyms Used</b> .....	<b>5</b>
<b>Climate Change Financing Architecture</b> .....	<b>9</b>
Introduction.....	9
The UN Climate Change Conference, December 2009.....	10
The Copenhagen Accord.....	10
Climate Change Financing Post-Copenhagen.....	11
The UN Secretary General’s High-Level Advisory Group on Climate Change Financing .....	13
The Challenges of Funding Climate Change Adaptation Interventions.....	14
The Asian Cities Climate Change Resilience Network .....	15
The Challenges of Leveraging Funding for the Asian Cities Climate Change Resilience Network .....	16
Donor Mapping Terms of Reference .....	16
<b>Climate Change Strategy Overview</b> .....	<b>18</b>
Asia Region Climate Change Strategies .....	18
South Asia .....	18
South East Asia .....	19
ACCCRN Programme Countries’ Climate Change Strategies .....	20
India .....	20
Indonesia .....	22
Thailand .....	23
Vietnam .....	23
<b>Development Banks Profiles</b> .....	<b>25</b>
Asian Development Bank.....	25
European Investment Bank .....	33
International Finance Corporation.....	35
Kreditanstalt für Wiederaufbau. ....	40
World Bank.....	45
<b>Multi-lateral Donor Profiles</b> .....	<b>55</b>
Adaptation Fund.....	55
Cities Development Initiative for Asia.....	60
European Commission.....	64
Global Environment Facility.....	70
Global Facility for Disaster Reduction and Recovery.....	79

Indonesia Climate Change Trust Fund.....	82
Nordic Development Fund. ....	84
United Nations Capital Development Fund.....	87
United Nations Development Programme.....	89
United Nations Environment Programme.....	94
<b>Bi-lateral Donor Profiles. ....</b>	<b>96</b>
Groupe Agence Française de Développement.....	96
Australian Agency for International Development.....	100
Canadian International Development Agency. ....	108
Danish International Development Assistance. ....	112
British Government’s Department for International Development.....	114
Ministry of Foreign Affairs of Finland – Development Co-operation.....	124
German Federal Government’s International Climate Initiative.....	127
Deutsche Gesellschaft für Technische Zusammenarbeit. ....	130
Japanese International Co-operation Agency. ....	135
Korea International Cooperation Agency.....	140
Netherlands’ Ministry of Foreign Affairs. ....	141
New Zealand AID. ....	146
Norwegian Agency for Development Co-operation, Ministry of Foreign Affairs.....	147
Swedish International Development Co-operation Agency.....	150
Swiss Agency for Development and Co-operation.....	156
United States Agency for International Development. ....	158
The United States Department of State.....	164
<b>Foundations’ Profiles. ....</b>	<b>165</b>
Asia Foundation.....	165
Bill and Melinda Gates Foundation. ....	167
Clinton Foundation.....	170
Ford Foundation.....	172
<b>Research Centre Profiles. ....</b>	<b>174</b>
International Development Research Centre.....	174
<b>Annexes.....</b>	<b>178</b>
Annex 1. The Copenhagen Accord - Paragraphs 8-10.....	178

## **Funding Streams.**

Figure 1: Climate Change Fund.....	30
Figure 2. Japan Social Development Fund.....	53
Figure 3. The Adaptation Fund. ....	57
Figure 4. Cities Development Initiative for Asia. ....	61
Figure 5. The Global Environment Facility Trust Fund. ....	73
Figure 6. The Global Environment Facility’s Small Grants Program. ....	75
Figure 7. The Nordic Climate Facility. ....	85
Figure 8. Direct Aid Program - India. ....	103
Figure 9. Direct Aid Program – Thailand.....	104
Figure 10. Direct Aid Program - Vietnam.....	105
Figure 11. Canada Fund for Local Initiatives Program - India.....	109
Figure 12. Canada Fund for Local Initiatives Program - Indonesia. ....	110
Figure 13. Conflict, Humanitarian and Security Fund Arrangement (CHSFA)*. ....	118
Figure 14. Civil Society Challenge Fund (CSCF).....	119
Figure 15. Development Innovation Fund.....	120
Figure 16. Strategic Programme Fund - Low Carbon High Growth Programme - India. ....	121
Figure 17. Strategic Programme Fund - Low Carbon High Growth Programme - Indonesia. ....	122
Figure 18. Fund for Local Co-operation - Vietnam. ....	125
Figure 19. The International Climate Initiative.....	128
Figure 20. The Netherlands’ Ministry of Foreign Affairs - Indonesia Facility. ....	143
Figure 21. The Netherlands’ Ministry of Foreign Affairs - Vietnam Facility. ....	144
Figure 22. The Norwegian Agency for Development Co-operation’s International Organisations and Networks. ....	148
Figure 23. SIDA’s DemoEnvironment. ....	152
Figure 24. Swedish International Centre for Local Democracy - Municipal Partnership. ....	153
Figure 25. Indo-Swedish Facility for Environment Initiatives and Innovations. ....	154
Figure 26. USAID’s Annual Program Statement - Climate Adaptation and Disaster Resilience, Indonesia. ...	162
Figure 27. The International Development and Research Centre.....	175

# List of Acronyms Used

---

ACCCRN	Asian Cities Climate Change Resilience Network
ADB	Asian Development Bank
AFD	Agence Française de Développement
AGF	Advisory Group on Climate Change Financing
AIP	Australia Indonesia Partnership
APP	Asia-Pacific Partnership
APS	Annual Program Statement (USAID)
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
AWG-LCA	Ad Hoc Working Group on Long-term Cooperative Action
BKMG	Badan Meteorologi Klimatologi dan Geofisika (Indonesia)
BMA	Bangkok Metropolitan Authority
BMU	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (Germany)
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CCCDF	Canada Climate Change Development Fund
CCDPL	Climate Change Development Policy Loan (Indonesia)
CCF	Climate Change Fund (of the ADB)
CCI	Clinton Climate Initiative
CCPL	Climate Change Policy Loan (Indonesia)
CDM	Clean Development Mechanism
CDIA	The Cities Development Initiative for Asia
CEO	Chief Executive Officer
CER	Certified Emission Reductions
CFLI	Canada Fund for Local Initiatives
CHSFA	Conflict, Humanitarian and Security Fund Arrangement (DFID)
CIDA	Canadian International Development Agency
CIF	Climate Investment Funds.
CIM	Centre for International Migration and Development
CMT	Core Management Team (of CDIA)
CN	Concept Note
COP	Conference of the Parties
CPS	Country Partnership Strategy
CSCF	The Civil Society Challenge Fund (DFID)
CSIRO	Commonwealth Scientific and Industrial Research Organisation (of Australia)
CSO	Civil Society Organisation
CTF	Clean Technology Fund
DANIDA	Danish International Development Assistance
DAP	Direct Aid Program
DFID	Department for International Development (British Government)
DIF	Development Innovation Fund (DIF)

DIPECHO	Disaster Preparedness - European Commission's Humanitarian Aid Department
DMC	Developing Member Countries
DRR	Disaster Risk Reduction
EDFI	European Development Finance Institutions
EC	European Commission
ECHO	European Commission's Humanitarian Aid Department
EIB	The European Investment Bank
ERTC	Environment Research Training Centre
EU	European Union
FCO	Foreign and Commonwealth Office (British Government)
FCRA	Foreign Contribution Regulation Act (India)
FIP	Forest Investment Program
FLC	Fund for Local Co-operation (of Finland)
FLEGT	Forest Law Enforcement, Governance and Trade
FSP	Full Sized Projects (GEF)
GCCA	Global Climate Change Alliance
GEF	Global Environment Facility
GFDRR	Global Facility for Disaster Reduction and Recovery
GHG	Greenhouse Gas(es)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HCMC	Ho Chi Minh City
IBRD	International Bank for Reconstruction and Development
ICCTF	Indonesia Climate Change Trust Fund.
ICLD	International Centre for Local Democracy
ICLEI	Local Governments for Sustainability (formerly International Council for Local Environmental Initiatives)
ICI	International Climate Initiative
IDA	International Development Association
IDRC	International Development Research Centre
IFC	International Finance Corporation
IKLU	Initiative for Climate and Environmental Protection
INGO	International Non-Governmental Organisations
ISDR	International Strategy for Disaster Reduction
JICA	Japanese International Cooperation Agency
JSDF	The Japan Social Development Fund
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KfW	Kreditanstalt für Wiederaufbau
KOICA	The Korea International Cooperation Agency
LCHG	Low Carbon High Growth
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund (GEF)
LOI	Letter of Inquiry
MDB	Multilateral Development Bank
MDG	Millennium Development Goals
MIE	Multilateral Implementing Entity (ies)

MOFA	Ministry of Foreign Affairs (of The Netherlands)
MSP	Medium Sized Projects (GEF)
NAPA	National Adaptation Programmes of Action
NAPCC	National Action Plan on Climate Change
NCF	Nordic Climate Facility
NDF	Nordic Development Fund
NGO	Non-Governmental Organisation
NIE	National Implementing Entity (ies)
NORAD	The Norwegian Agency for Development Co-operation
NTP	National Target Programme (of Vietnam)
NZAID	New Zealand Aid
ODA	Overseas Development Aid
PADOR	Potential Applicant Data On-Line Registration (EC)
PAKLIM	Policy Advice for Environment and Climate Change programme (Indonesia)
PIF	Project Identification Form (GEF)
PNPM	National Program for Community Empowerment (Indonesia)
PPCR	Pilot Program for Climate Resilience
PPP-SD	Public Private Partnerships for Local Service Delivery
PRC	Program Review Committee
RDI	Research, Development and Innovation
RDMA	Regional Development Mission for Asia
REDD	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
RFP	Request for Proposals
RPJM	National Mid Term Development Plan (of the Government of Indonesia)
SAARC	South Asian Association for Regional Co-operation
SALIN	Strategic Alliances with International NGOs (of the Dutch Government)
SCCF	Special Climate Change Fund (GEF)
SCF	Strategic Climate Fund
SDC	Swiss Agency for Development and Co-operation
SENSA	The Swedish Environmental Secretariat for Asia
SGP	Small Grants Programme (GEF)
SIDA	Swedish International Development Agency
SME	Small and Medium Sized Enterprises
SPF	Strategic Programme Fund (FCO-DFID)
SPRCC	Support Programme to Respond to Climate Change
SREP	Scaling Up Renewable Energy in Low Income Countries Program
TA	Technical Assistance
TERI	The Energy Research Institute (India)
TGO	Thailand Greenhouse Gas Management Organisation
TNUDF	Tamil Nadu Urban Development Fund
UN	The United Nations
UNCDF	The United Nations Capital Development Fund
UNDP	The United Nations Development Programme.
UNEP	The United Nations Environment Programme.

UNFCCC	The United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WB	The World Bank
WBI	The World Bank Institute



# Climate Change Financing Architecture

---

## **Introduction**

The United Nations Framework Convention on Climate Change (UNFCCC) sets an overall framework for inter-governmental efforts to tackle the challenge posed by climate change. It recognises that the climate system is a shared resource whose stability can be affected by industrial and other emissions of carbon dioxide and other greenhouse gases. The Convention enjoys near universal membership and entered into force in March 1994.

The Kyoto Protocol is an international agreement linked to the UNFCCC. It was adopted in Kyoto, Japan, in December 1997 and entered into force in February 2005. The key feature of the Kyoto Protocol is that it sets *binding* targets for 37 industrialised countries and the European Community for reducing greenhouse gas (GHG) emissions. The major distinction between the Protocol and the Convention therefore is that while the Convention *encourages* industrialised countries to stabilise GHG emissions, the Protocol *commits* them to do so. Recognising that developed countries are principally responsible for the current high levels of GHG emissions in the atmosphere as a result of more than 150 years of industrial activity, the Protocol places a heavier burden on developed nations under the principle of “common but differentiated responsibilities.”

The Convention lays out clear responsibilities for developed countries to provide financial resources for developing country mitigation and adaptation activities. Article 4.3 of the Convention states that: “[t]he developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources [and]...such financial resources, including for the transfer of technology, needed by the developing country Parties to meet the agreed full incremental costs of implementing measures that are covered by paragraph 1 of this Article”.

Climate finance is currently delivered through a range of public and private financial instruments including grants, concessional loans, equity and the project-based delivery mechanism under the Clean Development Mechanism (CDM). Under the UNFCCC mandate, finance is delivered through the Global Environment Facility (GEF), Adaptation Fund and CDM. The proliferation of funds and funding channels at both the international and national level has led to a fragmented, decentralised model in which developing countries face an array of uncoordinated funding sources, says the Global Canopy Programme<sup>1</sup>. The multiplication of funds with different governance structures and approaches makes the management of these revenue streams complicated for recipient countries. Additionally, fragmentation of funding can lead to competing centres of authority and a duplication of funding efforts.

At its thirteenth session in Bali in 2007, the United Nations (UN) Conference of the Parties (COP) launched the Bali Action Plan - a two-year negotiating process to design an ambitious and effective international climate change deal to follow on from the first phase of the Kyoto Protocol. As a part of this it was decided that a comprehensive approach to enable the full, effective and sustained implementation of the Convention should include, inter alia: “Enhanced action on the provision of financial resources and investment to support

---

<sup>1</sup> ‘The Little Climate Financing Book. A Guide to Financing Options for Forests and Climate Change’. Global Canopy Programme, 2009.

*action on mitigation and adaptation [including] improved access to adequate, predictable and sustainable financial resources*". To facilitate negotiations the COP launched the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA) that was scheduled to complete its work and report back at COP 15 in December 2009. AWG-LCA discussions have resulted in a set of common principles including the principles of adequacy, predictability, sustainability, equity, measurability, as well as the 'common but differentiated responsibilities and respective capabilities' mentioned. Their mandate was extended until COP 16 (December 2010).

## **The UN Climate Change Conference, December 2009**

Denmark hosted the UN Conference of the Parties 15 Climate Change Summit in December 2009, which saw officials from 192 countries gather in Copenhagen to discuss a new binding global climate agreement that will apply to the post-Kyoto period after 2012. The meeting was viewed as the culmination of the Bali Road Map process that began in 2007. That process has included two negotiating tracks to set commitments post-2012: (1) negotiations under the United Nations Framework Convention on Climate Change, based on the Bali Action Plan; and (2), negotiations under the Kyoto Protocol, which does not include the United States, as it did not ratify the Protocol.

The conference was largely seen as a disappointment given that no concrete agreement was reached regarding a binding international treaty to supplant or supplement the Kyoto Protocol, or indeed that no timetable was set in which to reach such an agreement. The suggested reasons for the lack of progress are numerous. The economist Lord Stern blamed the 'arrogance' of developed countries and their failure to understand fully the concerns of developing nations<sup>2</sup>, such as Brazil, India and China. Others have sought to lay the blame at the door of the European Union's internal politics, the US and their refusal to concede greater ground regarding emissions targets, a general lack of ambition, or climate change scepticism.

## **The Copenhagen Accord**

Instead, what did emerge from Copenhagen was the Copenhagen Accord, a non legally binding document that was negotiated by 28 developed and developing countries and the European Commission in the final stages of the Summit's negotiations (although chiefly drafted by the US, Brazil, India, China and South Africa). The process by which the Accord was drawn up has been widely criticised as being less than transparent – particularly when contrasted to the work done by the UNFCCC's Ad-hoc Working Groups on Long-term Co-operative Action<sup>3</sup>, whose progress some felt was undermined as a result of the Accord.

By the closure of the meeting in Copenhagen, the Accord had been agreed to by 49 countries, committing them to limit global temperature increases to no more than 2°C Centigrade. Since then, over 100 countries have associated themselves with the Accord. Developed countries committed to stating their 2020 carbon reduction targets by January 31<sup>st</sup> 2010 and developing nations were invited to put forward their actions. More than 70 countries (accounting for around 80% of global emissions) have put forward targets and actions under the Accord.

---

<sup>2</sup> 'Copenhagen Climate Summit Undone by Arrogance', Black, R, 16<sup>th</sup> March 2010, BBC News.

<sup>3</sup> 'Where's the Money? The Status of Climate Finance Post-Copenhagen'. Schalatek, L. (Heinrich Böll Foundation North America), and Bird, N. and Brown, J. (Overseas Development Institute), 2010.

In addition to the global temperature limit, the Accord also addresses the issue of climate change financing in paragraphs 8-10 (please refer to Annex 1). Here developed countries commit to mobilising US\$100 billion per annum by 2020 as well as providing 'fast-start' financing to developing countries 'approaching' US\$30 billion for the period 2010-12, with a balanced allocation between mitigation and adaptation. It is significant that more definite language is not used for the funding that is to be committed immediately. Indeed the language is similarly vague where the Accord refers to the 'wide variety of sources' from which the parties envisage securing the funding, including 'public and private, bilateral and multilateral, including alternative sources of finance'.

Fast-start actions under the Accord could include: capacity building for integrating adaptation into development and poverty reduction strategies, implementation of pilot and urgent adaptation actions, and capacity building in the area of mitigation (including low-emission development strategies, emissions monitoring, reporting and verification, capacity building and pilot projects in technology cooperation). Preference in terms of target groups is for the least developed countries, small island states, and Africa.

In addition, the Accord pledged to establish a Copenhagen Green Climate Fund as an operating entity of the financial mechanism of the Convention. It is expected that the design of the fund will be further discussed at the next UN Climate Change Conference – COP 16 - which will take place in Cancun, Mexico at the end of 2010.

### **Climate Change Financing Post-Copenhagen**

Given that sources of funding are somewhat fragmented, it is difficult to make precise calculations as to how much funding has been pledged so far under the Copenhagen Accord. However, as at June 2010 the total was estimated to be between US\$28 billion<sup>4</sup> and US\$31.32 billion<sup>5</sup>. Whilst this funding represents positive progress following the disappointing outcomes in Copenhagen, a number of concerns regarding the proposed financing – particularly the fast-start financing – have been raised<sup>6</sup>.

***New and Additional:*** The Accord states that 'new and additional' funding will be provided to developing countries. 'New' funding represents an increase relative to pledges or allocations from previous years. However, no baseline of comparison is stated in the Accord and the World Resources Institute states that a number of the pledges are simply restated or renamed commitments that have already been made in the past. Funds that are 'additional' ensure that their delivery does not result in the diversion of funds from other important objectives such as development. Some argue that good development is the same as good adaptation but this renders any accounting of new funds nearly impossible. Parties to the UNFCCC have not yet achieved consensus on a clear and specific definition of 'additionality' that can be applied uniformly to developed country financial pledges. This is a particularly acute issue given that the current economic situation, and its associated pressure to spend domestically, may mean that countries are tempted to simply shift payment obligations around.

---

<sup>4</sup> Project Catalyst: 'Making Fast Start Financing Work', June 2010:

[http://www.project-catalyst.info/images/publications/2\\_page\\_briefing\\_making\\_fast\\_start\\_finance\\_work\\_100607.pdf](http://www.project-catalyst.info/images/publications/2_page_briefing_making_fast_start_finance_work_100607.pdf)

<sup>5</sup> World Resources Institute, June 2010:

<http://www.wri.org/stories/2010/02/summary-climate-finance-pledges-put-forward-developed-countries>

<sup>6</sup> The following concerns are drawn from Project Catalyst (as before), the World Resources Institute (as before) and the International Institute of Environment and Development's briefing paper 'Copenhagen Climate Finance Promise: Six Questions', February 2010.

**Balanced Allocation:** The Accord states that there will be a balanced allocation of fast-start financing between adaptation and mitigation. However, there has been no agreement on what constitutes a balanced allocation. Historically, more than 80% of climate funds have been directed to mitigation - including Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD) - state Project Catalyst, and less than 20% to adaptation.

**Funding Channels:** A significant portion of the fast-start funds will flow through bi-lateral channels. The Climate Investment Funds (CIF) of the World Bank and the Global Environment Facility are the primary multilateral institutions through which other funds will be channelled. The governance of these funds has implications for the effectiveness and perceived legitimacy of the overall climate finance architecture. The involvement of the World Bank in climate finance is challenged on principle by many developing countries who would like to see climate financing mechanisms consolidated under a Global Climate Fund with UNFCCC authority<sup>7</sup>. Some of the criticisms revolve around the fear of unwanted conditionalities attached to monies channelled through the banks or concern regarding high administrative fees taken out by the banks. It is feared that the Copenhagen Accord, at least for the short- to medium-term, cements the proliferation of climate financing instruments and with it a significant role for the development banks in the provision of climate funding.

**Delivery on Pledges:** There is uncertainty regarding delivery by countries on their pledges. It is difficult to track and monitor fast-start finance pledges in the absence of a common reporting system and there is no clarity as to whether the calculus of pledges will only include the concessional portion of loans. The Copenhagen Accord's statements on climate finance lack a reference to a financing baseline, a starting year or starting amount from which to reach the promised US\$100 billion a year by 2020. Without the establishment of some sort of centralised global climate finance registry or reporting requirements to be overseen by the UNFCCC – which the Accord does not call for – it may prove difficult to have transparent, comparable, verifiable and measurable accounting of whatever pledges do eventually come in. There have been calls for COP 16 to agree that countries should provide interim reports on their pledges prior to the following UNFCCC COP in South Africa in 2011.

**Fund Disbursement:** Concerns have been expressed regarding the predictability and pace of the fund implementation – experience has shown that it may take several years to disburse even the fast track finance. Yet the new Copenhagen Green Climate Fund is supposed to be established for the management of a “significant portion” of future climate finance sums. The operation of the financial mechanism of the Convention is currently assigned exclusively to the GEF, subject to a review by the COP every four years. The language of the Copenhagen Accord suggests that a Copenhagen Green Climate Fund would not replace the GEF, but function in addition to the GEF. Given donor countries' doubt about the ability of the GEF to scale-up project financing, and developing countries' displeasure with the slowness of its funding release, it is unlikely that the GEF will house a future Copenhagen Green Climate Fund under its roof. How then might two UNFCCC funding institutions relate to and interact with each other? And how would the Adaptation Fund, established under the Kyoto Protocol and not the Convention, fit into such a scenario?

---

<sup>7</sup> Heinrich Böll Foundation and Overseas Development Institute, as before.

## **The UN Secretary General's High-Level Advisory Group on Climate Change Financing**

The Copenhagen Accord identifies the need to study the potential sources of revenue for financing mitigation and adaptation activities, technological development and transfer, and capacity building for action on climate change in developing countries (particularly the poorest and most vulnerable). The key mechanism for this is that of the UN Secretary General's Advisory Group on Climate Change Financing (AGF). The group is co-chaired by the Prime Ministers of Ethiopia and Norway with a 12-month secretariat established in New York.

The AGF, according to its Terms of Reference, will develop practical proposals on how to significantly scale up long-term financing from developed countries – both public and private sources. It will also examine the need for new and innovative long-term sources of finance, in order to fill the gap in international climate financing, and identify a methodological framework to assess the different financing proposals. The group will look at the feasibility of mechanisms, the sums that sources could potentially raise, their equity and their wider economic and social impacts. The Group will, in particular, address the needs for funding for adaptation of the most vulnerable.

The first meeting of the AGF was held in March 2010 to establish priorities and a plan of action. There was agreement that mobilisation of climate change financing is key to reaching a global climate agreement and that adaptation, mitigation and development objectives should not be addressed in a compartmentalised fashion. Whilst the group has decided to study public finance from climate and non-climate sources, they believe that public funding alone would not be sufficient to meet the 2020 target, so studying the potential for leveraging private finance was also identified as an essential objective. This includes the potential role that International Financial Institutions can play in helping to meet the financial challenges and leverage private flows. Other options being considered include a tax on international financial transactions, a levy on global aviation and shipping, and schemes that would raise money from auctioning off 'permits' to emit greenhouse gases. The AGF did note however that the period of intense pressure that many developed countries are currently facing in terms of their budgets will inevitably have implications for identifying sustainable sources of finance.

An update on progress was provided at the Bonn UNFCCC discussions in June 2010 and the Chair of the AWG-LCA identified the issue of institutional arrangements for financing and its relationship with proposed thematic bodies as one of the interdependent, unresolved issues requiring special attention. The following questions were consulted upon prior to the meeting: a) How to ensure coherence and coordination in delivering climate financing, and b) How the matching of action and support would work. In addition, the informal consultations also covered a proposed new fund, its design and governance. It was reported that there seems to be growing convergence among Parties on establishing a new fund as an operating entity of the financial mechanism under the Convention. Parties also highlighted the need for better coherence and co-ordination, and called for improved information sharing and a robust framework for measurement, reporting and verification of support provided by developed countries to developing countries. Many Parties proposed establishing a new body to undertake these functions and identified accountability to the COP as another area that would require further discussion. In addition, the function of matching the supply and demand of funds was seen as needing further consideration.

The group is to contribute a final report to the Secretary General and the current (Denmark) and next (Mexico) president of the UN Framework Convention on Climate Change Conference of the Parties by November 2010, for its 16<sup>th</sup> session in Mexico (December 2010).

### **The Challenges of Funding Climate Change Adaptation Interventions**

That the High-level Advisory Group's Terms of Reference specifically note the need to focus on addressing funding for adaptation of the most vulnerable is encouraging given that adaptation to climate change struggles to attract the same levels of funding as mitigation. By way of illustration, of the 2.39 billion Euro (US\$3.085 billion) confirmed pledge from 19 European Union Member States and the European Commission following Copenhagen, 63% will support mitigation while 37% will support adaptation. Similarly, of the USA's US\$3.185 billion pledge, around US\$1.072 billion or 34% is for adaptation<sup>8</sup>. Yet global funding requirements for adaptation to climate change in developing countries are high, with estimates of between US\$100-250 billion a year by 2030<sup>9</sup> and even these figures may underestimate the need if the scale and speed of emissions cuts do not improve.

One reason for this situation may lie in the technical and operational complexity of adaptation policies. These policies require an understanding of local climate impacts, involve many sectors of the economy and require taking both short and long-term effects into account. Whilst these actions are often co-ordinated at the national level, they are implemented at the local level, which may result in a capacity gap at sub-national or regional level.

Often a project-by-project-based approach is used for financing which is largely appropriate considering the need to transfer large amounts of money for adaptation, and so programme-based approaches such as budget support need to be further explored. In addition, adaptation projects, especially in community-based, social development focused settings, will not be as attractive to international private investors as those in the mitigation sphere.

A report produced for the United States Agency for International Development <sup>10</sup> (USAID) believes the problem is compounded by the fact that the bulk of adaptation financing has been used to carry out assessments, strategies, and pilots, rather than implementation. This can partly be explained by continued uncertainty regarding *how* to prioritise and implement actions identified in assessments and strategies such as the National Adaptation Programmes of Action. This may result in absorptive constraints, where resources are available. The report also states that there has been insufficient follow-up financing, which has contributed to the slow progress on adaptation implementation. There is also still need for some developing countries to estimate their national adaptation costs and to map vulnerability – until this is done it is not possible for them to properly advocate for their funding needs.

As mentioned earlier, there is difficulty involved in distinguishing development aid and adaptation expenditures, largely due to the considerable overlap between poverty reduction measures and measures to reduce vulnerability to the impacts of climate change. Currently, most donor countries decide themselves

---

<sup>8</sup> World Resources Institute, as before.

<sup>9</sup> International Institute of Environment and Development, as before.

<sup>10</sup> Asia-Pacific Regional Climate Change Adaptation Assessment. Final Report: Findings and Recommendations. International Resources Group, Washington, USA, April 2010.

under the Organisation for Economic Co-operation and Development's Development Assistance Committee's existing rules if they want to classify a project (and thus the funding for it) as climate-related<sup>11</sup>. An agreement on how to categorise projects as being primarily climate or development focused would allow for greater transparency and clarity in tracking adaptation financing. There has been some progress made around developing the OECD's 'Rio Markers' for adaptation financial flows (previously these have just been for mitigation) - such markers will allow an approximate quantification of the amount of aid that targets climate change concerns to be made.

A dependence on aid infrastructure heavily reliant on bilateral channels and donor-controlled funds for delivering adaptation funding is inappropriate, believes Oxfam<sup>12</sup>. The NGO is also concerned that figures calculating the need for funding are underestimated because they assume that previous low levels of development investment will be adequate in a future of greater climate variability. This, they state, may leave governments faced with a trade-off of either to continue with development or to adapt to climate change. But they say that without both, neither will happen.

## **The Asian Cities Climate Change Resilience Network**

The Rockefeller Foundation's Asian Cities Climate Change Resilience Network (ACCCRN) aims to catalyse attention, funding, and action on building climate change resilience for poor and vulnerable people by creating robust models and methodologies for assessing and addressing risk through active engagement and analysis of various cities. The anticipated results of the ACCCRN programme include:

### **1. Capacity building of Cities**

Selected cities in South and South East Asia will have improved capacity to plan, finance, co-ordinate, and implement climate change resilience strategies. Through engagement with and assistance provided by the ACCCRN programme, cities will generate and test a range of actions, models and process to build climate change resilience. Cities would employ a multi-stakeholder, participatory process to develop the human resources, knowledge, and institutions to produce and update resilience strategies and plans that include poor and vulnerable populations.

### **2. Network for knowledge, learning and engagement**

Practical and actionable knowledge generated in the programme are shared and used by a broad range of representatives of cities, civil society, donors, private sector and technical partners who engage with ACCCRN to mutually identify and solve key climate change resilience problems. At a national, regional and global level, the ACCCRN programme is linked with a growing number of networks and dialogue partners in the urban resilience space.

### **3. Expansion, deepening of experience, scaling up**

Through funding, promotion and dissemination of resilience building models generated in the programme, ACCCRN will engage with potential sources of funding and technical assistance globally; and new and more diverse partners provide resources and funding for replication in current and new cities to support the implementation of resilience plans and strategies.

---

<sup>11</sup> Heinrich Böll Foundation and Overseas Development Institute, as before.

<sup>12</sup> 'Beyond Aid. Ensuring Adaptation to Climate Change Works for the Poor'. Oxfam Briefing Paper. September 2009.

Currently the work focuses on 10 cities in 4 countries; cities which are experiencing rapid urbanisation as well as being extremely vulnerable to the impacts of climate change:

- Indore, Gorakhpur and Surat in India,
- Semarang and Bandar Lampung in Indonesia,
- Chiang Rai and Hat Yai in Thailand, and
- Da Nang, Quy Nhon and Can Tho in Vietnam.

Following an extended period of engagement and capacity building at city-level, the initiative is moving into its implementation phase. Cities are currently (as at July 2010) preparing proposals, based on concept notes reviewed by the Rockefeller Foundation, for submission in August 2010. A number of proposals will be funded by the Foundation which has set aside US\$20 million for funding such projects now and over the coming years. The initiative is seeking to complement its investment by leveraging additional funding for the pipeline of projects and ensuring collaboration and co-ordination with other donor agencies that have an interest in Asian urban climate change adaptation.

## **The Challenges of Leveraging Funding for the Asian Cities Climate Change Resilience Network**

A number of challenges face the Rockefeller Foundation in their bid to leverage further funding and support for the ACCCRN initiative, which include:

**Adaptation Focus:** Many donor agencies are focusing on mitigation activities since they are more easily implemented and measured than adaptation programmes. This means that the space for discussions on adaptation becomes squeezed and the general level of understanding regarding what constitutes genuine resilience may be limited.

**Country Selection:** The initiative selected India, Indonesia, Thailand and Vietnam as focal countries. However, many donors, particularly after the Paris Declaration, have been targeting their support on the least developed countries and phasing out of countries such as these which, some if not all, may be labelled as middle-income countries. Countries such as India and Thailand are seeking to establish themselves as donor nations rather than aid recipients whilst in Vietnam there are not many NGO funding mechanisms given the perception of a weak civil society by some donors. The issue of climate change is also highly politicised in countries such as India making co-ordination challenging.

**Urban Focus:** The focus of ACCCRN on urban environments limits the potential for additional funding since many donor agencies concentrate on rural communities. This is particularly true of Indonesia but does apply to the other three countries as well to some extent.

**City Selection:** The cities selected may be relatively well off within a national context (e.g. Surat in India) which again means that they will not necessarily be priorities for other funders.

## **Donor Mapping Terms of Reference**

The donor mapping exercise is a part of the Donor Engagement Workstream, which is a key component of the ACCCRN results framework detailed above. The objective is to map donors in India, Indonesia, Vietnam



and Thailand who have collaboration potential with the Asian Cities Climate Change Resilience Network. Multiple levels of donor co-ordination are to be mapped as follows:

1. Identification of local, regional, global funding mechanisms – this will comprise an overview of donor strategy and specific country-level strategy; a mapping of existing/future funding mechanisms suitable for ACCCRN partners; and data collation including fund theme, eligibility criteria, deadlines, funding amount available, grant duration, key exclusions, contact details. Action point recommendations will also be included.
2. Exploration of technical assistance potential – this will identify opportunities for collaboration with agencies through provision of technical expertise, rather than funding.
3. Potential for grant to loan options – this will detail discussions regarding the possibility of using grants to help unlock larger loans for city actors.
4. Alignment of adaptation investments through pooled resources – this aspect of the mapping will include the tentative discussions that have been taking place regarding the ways in which organizations can align their investments / resources for building city level climate change resilience. It is believed that more structured collaboration would enable amplification of the knowledge and awareness of what effective practice looks like through greater experimentation with resilience building approaches, and would promote a more shared vision for expanded programming in the future.

# Climate Change Strategy Overview

---

## **Asia Region Climate Change Strategies**

### **South Asia**<sup>13</sup>

The South Asian Association for Regional Co-operation<sup>14</sup> (SAARC) is an economic and political organisation, established in 1985 by Bangladesh, Bhutan, India, and Pakistan. Sri Lanka, Nepal and the Maldives; Afghanistan was later added as a member.

The objectives of SAARC are:

1. to promote the welfare of the peoples of South Asia and to improve their quality of life;
2. to accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realise their full potentials;
3. to promote and strengthen collective self-reliance among the countries of South Asia;
4. to contribute to mutual trust, understanding and appreciation of one another's problems;
5. to promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields;
6. to strengthen co-operation with other developing countries;
7. to strengthen co-operation among themselves in international forums on matters of common interests;
8. to co-operate with international and regional organisations with similar aims and purposes.

The 16<sup>th</sup> meeting of the Heads of Government of the member states of SAARC was held in Bhutan in April 2010 around the theme of climate change. As a result of the meeting, SAARC leaders adopted the Thimphu Statement on climate change, which amongst others, contains commitments to:

- Review and ensure timely implementation of the SAARC Action Plan on Climate Change (2009-11);
- Plant ten million trees over 2010-2015 as part of a regional afforestation and reforestation campaign;
- Commission a study for presentation to the 17<sup>th</sup> SAARC Summit on 'Climate Risks in the Region: ways to comprehensively address the related social, economic and environmental challenges';
- Commission a study to explore the feasibility of establishing a SAARC mechanism which would provide capital for projects that promote low-carbon technology and renewable energy; and a Low-carbon Research and Development Institute in a South Asian University;
- Establish institutional linkages among national institutions in the region to, among others, facilitate sharing of knowledge, information and capacity building programmes in climate change related areas;
- Develop national plans and regional projects on protecting and safeguarding the archaeological and historical infrastructure of South Asia from climate change adverse effects;
- Stress the imperative of biodiversity conservation and monitoring of mountain ecology in the region;
- Complete the ratification process for the SAARC Convention on Co-operation on the Environment at an early date to enable its entry into force;

---

<sup>13</sup> Source: <http://www.saarc-sec.org/>

<sup>14</sup> IT should be noted that both SAARC and ASEAN offer policy guidance and agreement but do not have any mechanisms for implementation other than via member states.

- Commission a SAARC Inter-governmental Climate-related Disasters Initiative on the integration of climate change adaptation with DRR to be supported by the SAARC Disaster Management Centre<sup>15</sup>.

SAARC leaders agreed to establish an Inter-governmental Expert Group on Climate Change to develop clear policy direction and guidance for regional co-operation as envisaged in the SAARC Plan of Action on Climate Change. The Expert Group will meet at least twice a year to periodically monitor, review and make recommendations on the implementation of the Statement. SAARC leaders also emphasised that global climate change negotiations should be guided by the principles of equity, and common but differentiated responsibilities and respective capabilities, and should be conducted in an open, transparent and inclusive manner. SAARC leaders further underscored the need to formulate a common SAARC position for the 16<sup>th</sup> Conference of the Parties to the UNFCCC and thereafter, including on separate financing for adaptation and mitigation as well as technology transfer.

### **South East Asia**<sup>16</sup>

The Association of Southeast Asian Nations (ASEAN) was established in 1967 by the founding countries: Indonesia, Malaysia, Philippines, Singapore and Thailand. Subsequently Brunei Darussalam, Vietnam, Lao PDR, Myanmar and Cambodia have joined. The aims and purposes of ASEAN are:

1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations;
2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
5. To collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples;
6. To promote Southeast Asian studies; and
7. To maintain close and beneficial co-operation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.

The 16<sup>th</sup> summit of the Association of Southeast Asian Nations took place in April 2010 in Vietnam. Following the session, in a joint summit statement, the leaders called for a legally binding global pact on climate change and urged richer nations to provide them with 'scaled-up' financial help to combat its effects. The leaders further urged richer countries to continue taking the lead with improved targets for cutting carbon dioxide emissions, but said they should take care not to affect trade. The ASEAN leaders will consider the possibility of developing an ASEAN action plan to better understand and respond to climate change.

---

<sup>15</sup> The director of the Disaster Management Centre is loosely involved with ACCRN.

<sup>16</sup> Source: <http://www.aseansec.org/>

The post-summit declaration had two parts. The first was entitled 'Towards a global solution to the challenge of climate change at COP 16/CMP 6' and the second 'Towards an ASEAN Community resilient to climate change'. Regarding resilience some of the key commitments included to:

- Enhance scientific collaboration including on the following areas:
  - a) Downscaling of climate change effects according to different greenhouse gas emissions scenarios for the South East Asian region and for local areas according to multiple models;
  - b) Detailed climate change impact assessment, vulnerability assessment, adaptation options and needs for the South East Asian region and sub-regions such as the Greater Mekong Sub-region;
  - c) Formulation of opportunities for GHG emissions mitigation with both domestic and international support in, for example water resources and peat land management, forestry, agricultural, industrial and domestic energy efficiency measures, renewable energy generation, and transportation;
- Engage in co-operation in research and development and knowledge sharing, including on agricultural management and practices so as to enhance food production, agricultural productivity and water resources sustainability, while adapting to the adverse effects of climate change and mitigating greenhouse gas emissions from the sector, thus ensuring food security in the ASEAN region;
- Incorporate mitigation and adaptation strategies into national development strategies and policies in line with sustainable development;
- Enhance ASEAN participation towards strengthening international co-operation to address climate change and assess its impacts on socio-economic development, health, environment and water resources, including activities on building adaptive capacities and supporting mitigation and adaptation actions; and
- Develop ASEAN climate change impact scenarios as the foundation to conduct an ASEAN report on climate change impact assessment so as to provide inputs to the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change in 2015.

## **ACCCRN Programme Countries' Climate Change Strategies**

### **India<sup>17</sup>**

In June 2007, the Indian Prime Minister established a Council on Climate Change under his chairmanship to co-ordinate national action for assessment, adaptation to, and mitigation of climate change. The Council decided that a National Action Plan was to be prepared in order to provide a concrete road map detailing how India will move forward in combating climate change. This National Action Plan on Climate Change (NAPCC) was subsequently released in June 2008.

The plan emphasises the need to maintain high economic growth rates to raise living standards, and "identifies measures that promote our development objectives while also yielding co-benefits for addressing climate change effectively". This has been criticised in some quarters for seeming to present climate change benefits as only a by-product of a sustainable plan to meet development targets and not as a goal in itself.

---

<sup>17</sup> Sources: The National Action Plan on Climate Change, Government of India 2008; <http://www.climate-leaders.org/climate-change-resources/india-and-climate-change/indias-national-action-plan-on-climate-change> and <http://www.pewclimate.org/international/country-policies/india-climate-plan-summary/06-2008>

The NAPCC sets out eight 'National Missions' as the way forward in achieving the Action Plan's objective. The focus of these missions is on "promoting understanding of climate change, adaptation and mitigation, energy efficiency and natural resource conservation". The missions are:

1. National Solar Mission - the NAPCC aims to promote the development and use of solar energy for power generation and other uses with the ultimate objective of making solar competitive with fossil-based energy options.
2. National Mission for Enhanced Energy Efficiency - This Mission is largely targeted at industry and calls for innovative measures to make energy efficient products in certain sectors more affordable.
3. National Mission on Sustainable Habitat – this Mission takes a threefold approach that includes improvements in energy efficiency of buildings in the residential and commercial sector, management of municipal solid waste, and promotion of urban public transport. It also seeks to improve the ability of habitats to adapt to climate change by improving resilience of infrastructure, community based disaster management and measures for improving advance warning systems for extreme weather events.
4. National Water Mission - the plan sets a goal of a 20% improvement in water use efficiency through pricing and other measures.
5. National Mission for Sustaining the Himalayan Ecosystem - The plan aims to conserve biodiversity, forest cover, and other ecological values in the Himalayan region, where glaciers are projected to recede significantly as a result of global warming.
6. National Mission for a Green India - goals include the afforestation of 6 million hectares of degraded forest lands and expanding forest cover from 23% to 33% of India's territory.
7. National Mission for Sustainable Agriculture - the plan aims to support climate adaptation in agriculture through the development of climate-resilient crops, expansion of weather insurance mechanisms, and agricultural practices.
8. National Mission on Strategic Knowledge for Climate Change -this Mission includes: research in key substantive domains of climate science to improve understanding of key phenomena and processes, global and regional climate modelling to improve the quality and accuracy of climate change projections for India, strengthening of observational networks and data gathering and assimilation to increase access and availability to relevant data, and creation of essential research infrastructure, such as high performance computing.

According to the NAPCC, the 8 National Missions are to be institutionalised by respective ministries and will be organised through inter-sectoral groups including, in addition to related Ministries, Ministry of Finance and the Planning Commission, experts from industry, academia and civil society. Each Mission has been given the task of evolving specific objectives for the remaining duration of the 11<sup>th</sup> 5-year Plan (2007-2012) and the 12<sup>th</sup> Plan period (through to 2017).

At the SAARC meeting in April 2010, India announced that it is to set up a fund - the 'India Endowment for Climate Change in South Asia' - to assist South Asian countries to adapt to the challenges of the changing climate. The Prime Minister also proposed establishing regional climate innovation centres in South Asia in order to stimulate research and development in clean and sustainable energy technologies which the members nations can have easy access to<sup>18</sup>.

---

<sup>18</sup> IRADe is the identified centre of excellence for urban development and climate change.

## **Indonesia**<sup>19</sup>

Indonesia hosted the UNFCCC 13<sup>th</sup> Conference of the Parties in Bali in 2007 and in the same year published its National Action Plan on Climate Change. In 2008, the Government formed the National Council on Climate Change and published its Development Planning Response to Climate Change, which was seen as a key practical step in mainstreaming climate action into the planning and budgeting process. The following year, the Government took steps to facilitate climate financing with the establishment of an Indonesian Climate Change Trust Fund. At the G20 gathering in September 2009, the Indonesian President announced that Indonesia would reduce GHG emissions by 26% by 2020 (this will be codified as domestic law through a Presidential decree), and make a further reduction of up to 41% with international support.

The Government has completed the National Mid Term Development Plan (RPJM) for 2010-2014, which lays out specific national, regional, and sectoral plans and serves as a basis for annual budgeting. The RPJM's key themes are developing people's welfare, democracy and justice, and it focuses on 11 sectoral priorities and three special national priorities. The priorities most related to climate change are those on energy sector issues, environmental issues and climate change, and disaster preparedness:

- Energy: reaching national energy security to ensure continuation of national growth through institutional restructuring and optimising the use of alternative energy.
- Environment and Disaster Management: conservation and managing of nature to support sustainable economic growth and welfare which is accompanied with disaster risk management to anticipate climate change.

Indonesia is also developing a strategic, multi-year policy and investment programme for low-carbon growth, as outlined in its Climate Change Sectoral Road Map (December 2009) and its submission to the UNFCCC in fulfilment of the Copenhagen Accord (January 2010). The emissions reduction plan, the Medium Term Development Plan and the National Development Priorities (2010), as well as the National Action Plan for Climate Change 2007 provide the framework for climate change initiatives within the country. Bappenas, as the Indonesian National Planning Agency, has taken the lead in terms of climate change co-ordination.

**Mitigation:** The Government's priorities for mitigation are firstly in forestry, land use change and peat lands; and secondly, in fossil fuel use in the power generation, manufacturing and transport sectors. Indonesia is taking action on peat and forest emissions through the development of pilot projects on peat lands and development of a national programme for Reduced Emissions from Deforestation and Degradation with a score of demonstration activities in development. Indonesia is incrementally addressing the governance issues that lie behind forest and land use emissions, including the passage of a long-awaited timber legality standard and verification system. In the energy sector, GOI has made efforts to improve the investment climate for renewable energy development through improved pricing and off-take requirements.

**Adaptation:** On the adaptation front, Indonesia is working to: establish maps of local vulnerability and adaptation information system by 2015; ensure climate-proof policy and regulations by 2020; pursue an adaptation-shaped development programme; and pursue adaptation-proof development. Investment in adaptation will be prioritised in: (a) the water sector to ensure the people can respond properly in the case of water shortage, drought and flood; (b) the marine and fisheries sector to prepare people to deal with coastal land inundation, extreme weather situation, and change in fishery productivity and zonation as a

---

<sup>19</sup> Source: 'Indonesia - Climate Change Development Policy Loan. Program Document'. The World Bank. May 2010.

result of the sea temperature change; (c) the agriculture sector to deal with the changing climate and the ensuing planting seasons/harvest and its consequences on the productivity of food and plantation crops; and (d) the health sector in anticipation of increasing vectors of infectious diseases like malaria and dengue as well as the increasing risks of respiratory and gastrointestinal diseases.

Indonesia has also established a national disaster management law and agency that is mainstreaming climate change into the disaster preparedness agenda.

### **Thailand**

Since its signature of the UNFCCC, Thailand has adopted national policies and established institutional structures to facilitate the consideration of climate change in national environmental policy. Institutions were announced or formalised during 2007, including a National Board on Climate Change chaired by the President and involving 17 government departments/ministries, with responsibility for the development of climate change policy and strategies. The Ministry of Natural Resources and Environment is the nominated national focal point for climate change issues.

In 2008 Thailand launched its 5-year 'Action Plan on National Climate Change' (2008 to 2012). The Plan comprises six national strategies dealing with climate change management and which were subsequently passed to the government agencies concerned with policy formulation and implementation. The six strategies under the plan are as follows:

1. Build capacity to adapt and reduce vulnerabilities to climate change impacts - approaches include creating capabilities to assess climate change impacts, and preventing and mitigating damage caused by climate change impacts.
2. Support the reduction of GHG emissions and increase GHG sinks on the basis of sustainable development – this strategy will focus on promoting the reduction of GHG in the energy, waste, industrial and agricultural sectors, and promoting CDM.
3. Support research and development to better understand climate change, its impacts and adaptation and mitigation options – this will include creating a knowledge base on options and also developing appropriate mechanisms to support policy-making.
4. Raise awareness and promote public participation in climate change problem solving – this will include a focus on the education sector.
5. Build the capacity of relevant personnel and institutions in dealing with climate change and establish a framework of co-ordination – this will include creating mechanisms to transfer knowledge and to share experiences.
6. Support international co-operation to achieve the goal of climate change mitigation and sustainable development.

### **Vietnam**

In 2008 the Government of Vietnam approved the National Target Program (NTP) to respond to climate change. The general objectives are to assess climate change impacts on sectors and regions and to develop feasible action plans to effectively respond to climate change in the short- and long-term. This is to ensure the sustainable development of Vietnam, to take opportunities to develop towards a low-carbon economy, and to join the international community's efforts in mitigating climate change and protecting the climatic system.

The specific objectives of the NTP are:

- a) To identify the extent of climate change in Vietnam due to global climate change and assess climate change impacts on every sector, area and locality;
- b) To identify measures to respond to climate change;
- c) To promote scientific and technological activities to establish the scientific and practical basis for climate change response measures;
- d) To consolidate and enhance the organisational structure, institutional capacity and the development and implementation of policies to respond to climate change;
- e) To enhance public awareness, responsibility and participation; and develop human resources to respond to climate change;
- f) To promote international co-operation to obtain external support in response to climate change;
- g) To mainstream climate change issues into socio-economic, sectoral and local development strategies, plans and planning;
- h) To develop and implement action plans of all ministries, sectors and localities to respond to climate change; to implement projects, and first of all pilot projects to respond to climate change.

For each objective specific targets have been developed to be achieved both by 2010 and by 2015. The NTP is divided into three phases:

1. 2009-10 – Starting up phase (including the development of action plans by Ministries, sectors and localities).
2. 2011-15 – Implementation.
3. After 2015 – Development.

The budget for implementing activities of the NTP in the period of 2009 -2015 (excluding funds for the implementation of the Action Plans of Ministries, sectors, and localities) is estimated at VND 1,965 billion (US\$103 billion), of which the structure of investment finance sources is as follows:

- Foreign capital: 50%.
- Domestic capital: 50%, within which:
  - Central budget: about 30%;
  - Local budget: about 10%;
  - Private sector and other capital contributions: about 10%.

The NTP to respond to climate change established a Steering Committee (of which the Prime Minister is the Chair), an Executive Board, and the Standing Office of the NTP, located at the Ministry of Natural Resources and Environment. The Standing Office is an assisting agency of the Executing Board to co-ordinate activities and chair the other ministries. The responsibilities of the People's Committees of Provinces and central-governed cities are:

- To develop and implement action plans to respond to climate change in their provinces and cities;
- To organise the implementation of related activities approved in the NTP;
- To ensure the correct and efficient use of funds allocated under the NTP;
- To mobilise additional resources and combine all related activities of other programmes within provinces/cities to achieve the objectives of the NTP;
- To comply with the monitoring and evolution principles defined in the NTP;
- To periodically report on the implementing progress of the NTP objectives and tasks at the provincial/ city level.



# Development Banks Profiles

---

## **Asian Development Bank**

The Asian Development Bank (ADB) is an international development finance institution whose mission is to help its developing member countries (DMC) reduce poverty and improve the quality of life of their people. ADB is owned and financed by its 67 members, of which 48 are from the Asia region.

Under 'Strategy 2020', a long-term strategic framework adopted in 2008, the ADB will follow three complementary strategic agendas: inclusive growth, environmentally sustainable growth, and regional integration. In pursuing its vision, ADB's main instruments comprise loans, technical assistance, grants, advice, and knowledge sharing.

## **The ADB's Climate Change Strategy:**

Each of ADB's five regional departments has prepared climate change implementation plans in order to better align climate-related investments and associated policy and institutional support with the priorities of ADB's DMCs. The core priorities of ADB's climate change programme are:

- Scaling up clean energy, including expanding the proportion of renewable energy supply in Asia and the Pacific as well as promoting energy efficiency;
- Promoting low-carbon, climate resilient transport and urban development;
- Investing in climate-resilient development;
- Furthering sustainable land use and forest management; and
- Supporting associated policy and institutional strengthening.

Through the ADB's Climate Change Fund<sup>20</sup> (CCF), capitalised initially from US\$40 million, the bank is supporting 44 projects that assist the further integration of mitigation, adaptation, and reduced emissions from deforestation and degradation into ADB's country programming. With partners from other Multilateral Development Banks (MDB), ADB is working to programme and disburse the Climate Investment Funds<sup>21</sup>. ADB is an executing agency of the Global Environment Facility and can assist DMCs in accessing resources for both mitigation and adaptation measures through this partnership.

**Adaptation:** ADB state that its adaptation programme helps to reduce the negative effects of climate change and anticipates and counters long-term impacts. ADB is supporting the integration of adaptation considerations through policy development, technical capacity and knowledge, institutional development, knowledge transfer, and investment planning. The ADB believe that the sectors at greatest risk of climate change in Asia and the Pacific are agriculture and natural resources, urban development, health, water resources management, transport (including coastal roads and ports), and energy (especially hydropower). They say that DMCs will need help to develop the necessary policy, institutional, and investment responses for each of these sectors to ensure that adaptive measures are implemented, and resiliency is improved - at regional, national, and local levels.

---

<sup>20</sup> Please refer to Funding Stream 1.

<sup>21</sup> Please refer to the World Bank profile below.

One of the bank's highest priorities is to strengthen co-operation between disaster risk management and climate change, in order to increase sector resilience, climate 'proof' projects, and to work with scientific partners and governments to make local climate impact prediction more meaningful. ADB plans to support more down-scaled climate modelling and regional data sharing to improve water resource management in climate 'hotspots'. ADB will also support emerging areas of interest, such as climate change-related migration, gender and climate change, community-based approaches to building climate resilience, and private-sector based instruments such as insurance products.

The ADB is starting to produce introductory sector briefing documents on climate change impacts, vulnerabilities, resources and possible adaptations as well as more detailed briefings (50-80 pages) which are being prepared for use at the project level. ADB is also developing a 'rapid screening tool' comprising 5-7 questions that project proponents can use to consider climate change adaptation. At a meeting held with the ADB office in Manila in May 2010 it was explained that the ADB cannot require climate change adaptation criteria on loans and are under pressure not to increase the workload of project officers or proponents, hence this somewhat 'light touch'.

At this same meeting the key issues emerging included:

- That the ADB has very different outcomes in mind and very different indicators of how they achieve them in comparison to the ACCCRN programme. For example, the goal of climate proofing a very large ADB portfolio, as against designing programmes that enhance resilience. This reflects a broader view of climate resilience that includes 'doing development better' rather than a new/ radically different approach.
- The ADB uses grant money to create new loan opportunities which feed its business model. This means that while ACCCRN can work with ADB, ACCCRN partners need to be conscious of the fact that what makes the bank 'tick' is very different to ACCCRN. This reflects a need on ACCCRN's side to learn and think through how an upfront, grant financed intervention can have impact and purpose in itself, but also fit within a process that helps the development of a larger loan agreement.
- The ADB had spent significant time thinking through models and modalities of multi-donor approaches to funding specific sectors. These can open the range of possible 'solutions' available to be considered by ACCCRN, which would address a number of the Rockefeller Foundation's legal and operational challenges around facilitating a 'virtual' or actual fund.
- There appeared to be a disconnect between the different ADB divisions' thinking about climate change - between those on the knowledge side and those with the budgets and implementation capabilities. Each part has something to offer, but ACCCRN will need to navigate this carefully to both achieve both ACCCRN's own objectives and those of ADB. It was suggested that ACCCRN's major entry point with ADB could be by joining the United Nations Environment Programme's (UNEP) Adaptation Network for Asia Pacific.

### **The ADB and ACCCRN Programme Countries.**

#### **India:**

Since the beginning of operations in 1986, the ADB has approved 144 loans in India amounting to US\$22,228.15 million. As of December 2009, the portfolio included 53 on-going loans for US\$8.4 billion with US \$2.8 billion going to transport, \$1.5 billion to water supply and other municipal infrastructure and services, US\$2.0 billion to the energy sector, and US\$2.1 billion to the finance sector.

The ADB's India Country Partnership Strategy (CPS) 2009–2012 has been designed to support the Indian government's efforts in addressing some of the binding constraints identified in the country's 11th Five-Year Plan. These include: creating jobs; providing essential services to the poor; reinvigorating the rural economy; developing human resources; and protecting the environment. The CPS 2009–2012 aims to significantly strengthen ADB support for infrastructure development in the relatively poorer states of India, promote public–private partnerships in infrastructure, support climate change adaptation and mitigation, and encourage innovative financing modalities (non-sovereign loans and co-financing) to increase the leverage of ADB operations.

Given the challenges of climate change and degradation of the environment, the environmental focus of the assistance programme has been enhanced significantly. Technical Assistance (TA) support will be provided to the implementation of the National Action Plan on Climate Change. The ADB will promote the use of hydropower, solar and other renewable energy forms, and facilitate reduction in pollution and greenhouse gas emissions by supporting the strengthening of the rail and urban transport infrastructure. ADB will also help to improve coastal protection and the management of water resources through flood control and better irrigation. Interventions in agriculture and water resources will address resource efficiency and conservation, and food security and climate change resilience will be enhanced through more environmentally sound land and water management. Urban sector interventions will address integrated water and solid waste management.

The 2009–2011 programme includes assistance for states such as Assam, Bihar, Chhattisgarh, Jammu and Kashmir, Jharkand, Madhya Pradesh, Orissa, Rajasthan, Uttaranchal, and those in the northeast, which suffer from one or more of the following factors: high poverty incidence, low levels of social development, weak capacity, and poor infrastructure.

**Indonesia:**

By the end of 2009, Indonesia had received a total of 303 loans amounting to US\$25.7 billion and 504 TA projects amounting to US\$282.9 million. Measured by loan approvals, Indonesia is ADB's largest client, and its second largest recipient of TA support. Measured in cumulative ADB lending, 41% of overall lending supported agriculture and natural resources, energy, and transport and communications. Law, economic management, and public policy accounted for 16% of the total lending, reflecting the significance of policy-based lending since the 1997 Asian financial crisis.

ADB's 2006–2009 Country Strategy focused on accelerating growth, job creation, and poverty reduction through improving the quantity and quality of physical and social infrastructure. The 2010–12 Business Plan details a focus on climate change adaptation in the area of sustainable water resources management as well as mitigation in the form of geothermal and energy efficiency projects. ADB is developing a new CPS in the coming year. Lending and TA support under the strategy will be aligned with the government's new Medium-Term Development Plan 2010–2014 and the core areas identified under ADB's Long-Term Strategic Framework. The new strategy will entail extensive consultations with the government, development partners, civil society, and the private sector.

**Thailand:**

Cumulative lending since joining ADB in 1966 amounted to approximately US\$5.47 billion for 86 loans, as of December 2009. The energy sector has received the greatest share of the loans (31%), followed by transport

and communications (24%); finance (14%); and water supply, sanitation, and waste management (11%). The balance is for projects in health and education, agriculture and natural resources, and industry and trade. As of December 2009, a cumulative amount of \$61.6 million had been provided for 162 TA projects covering a wide range of sectors.

ADB's operations in Thailand focus on the identified core strategic areas of partnership, which are:

1. Mainstreaming public–private partnership to assist the government to maximise opportunities for private sector participation in infrastructure, promote technologically advanced designs and systems, ensure timely construction, and achieve operational efficiencies.
2. Capital market development will be promoted, focusing on implementing the New Capital Market Development Master Plan in Thailand.
3. Environmental management and energy efficiency will be improved.

ADB's indicative lending programme for 2010 includes a public sector loan of US\$100 million to finance the Climate Change/Energy Efficiency Programme. This project aims to increase energy efficiency and energy diversification and to reduce greenhouse gas emissions. It will assess the feasibility of a US\$100 million climate change programme loan with the possibility of mixed co-financing for improving energy efficiency and energy diversification in urban mass transit, power and industry, and solid waste treatment subsectors. Attention will also be paid toward protecting investments in the energy and transport sectors from adverse impacts of climate change.

#### **Vietnam:**

Vietnam was among the founding members of the ADB in 1966, but operations were suspended between 1979 and 1992, before resuming again in 1993. Cumulative assistance since ADB resumed its operations in Vietnam includes 99 sovereign loans totalling US\$8.00 billion, 245 technical assistance grant projects amounting to US\$188.4 million, and 24 other grant projects totalling US\$139.1 million.

In 2009, the mid-term review of ADB's strategy for the period 2007–2010 concluded that there was need to incorporate into ADB's operations key emerging issues facing Vietnam, particularly those relating to efforts to mitigate the adverse impact of the global economic crisis in 2009 and to support implementation of the government's national programme to address climate change impacts jointly with other development partners. These issues will form the basis of the formulation of the next country partnership strategy for Vietnam for 2011–2015, as will assistance in infrastructure development through both public and private sector operations, and improving the efficiency of the economy. It is envisaged that assistance relating to climate change will largely be mainstreamed.

ADB continues to work with five other international financial institutions under the 'Six Banks Initiative'—Agence Française de Développement (AFD), the German development bank KfW, Japan International Cooperation Agency, Korea Export-Import Bank, and the World Bank—as well as with other development partners, under the Aid Effectiveness Forum.

At a meeting in May 2010, the ADB mission explained that the current portfolio in Vietnam is US\$6 billion, and that they add about US\$1.5-2 billion of new lending each year, of which about US\$1.1 billion is ordinary lending for heavy infrastructure (e.g. subways and urban water supply) and US\$400 million is 'softer'

concessional funding for livelihoods, capacity development, social sectors, rural infrastructure, and forestry. They have about 50 loans on-going.

In Vietnam, ADB's climate-related programming so far has included:

- Policy and institutional capacities: including support for development of energy conservation law, renewable energy law, water resources law and a Ho Chi Minh City (HCMC) climate adaptation study. This is being expanded as a climate change adaptation TA project in two provinces of the lower Mekong (Cau Mau and Kieng Giang) and supported by the Australian Agency for International Development (AusAID). This TA involves climate 'down-scaling' and integrated assessment modeling of risks on key sectors including energy, transport and agriculture, as well as development of adaptation options.
- Clean energy: focusing on hydro power and biogas, as well as transmission systems.
- Climate friendly urban development and public transport: the emphasis is on energy efficiency, including metro systems in Hanoi and HCMC.
- Carbon sequestration: a regional forest livelihoods pilot for REDD.
- Climate resilient development: a GEF Special Climate Change Fund grant for pilots of climate proofing rural infrastructure in northern mountainous provinces.

The mission explained that they are interested in doing more knowledge management work on the economics of adaptation. They are also very interested in promoting city level climate planning capacity and are working with the Nordic Development Fund (NDF) on a TA project whose objective is to provide support for two ministries, one province and 2 cities to develop action plans under the implementation of the Government's National Target Programme (NTP) on Climate Change. The cities are HCMC and **Da Nang**, as well as the province of Thanh Hoa. The budget for this TA includes a 2.5 million Euro (US\$3.1 million) grant from NDF (to be submitted to the NDF board for approval in September 2010) for both adaptation and mitigation related work. The Vietnam government will contribute US\$250,000 and there is **some interest from the AFD as well**. They will have about US\$500,000 for Da Nang over two years for TA support. The workplan includes 163 person months (61 foreign, 102 national) of consulting to be implemented by a consortium of international consulting firms. This TA is expected to be approved by the ADB board in October 2010.

For this particular intervention, the work is co-ordinated from the ADB Manila office and the consulting team (to be selected by tender process with a start date of November/December 2010) will be based in Hanoi and will work closely with Ministry of Industry and Trade, Ministry of Transportation, and Peoples Committees' of Da Nang and HCMC. The Ministry of Natural Resources and Environment will participate in all activities due to their role as the NTP standing office. The outputs from the TA will include:

- An Action Plan to support the NTP.
- Projected emissions under different scenarios.
- Mitigation options, including community based assessment for mitigation options.
- Use of climate modelling to develop integrated risk assessments for each option.
- Relevant policies and implementation rules developed to complement action plans in areas such as renewable energy, energy efficiency, GHG measurement and reporting, land use planning, and building codes.
- Identify adaptation options and undertake a community based assessment of these.

The work plan includes institutional strengthening for government agencies starting from November 2010 until August 2012. There are also plans for private sector involvement, and extensive community awareness and co-ordinated communication campaigns on climate mitigation and adaptation. The consultants will create a short list of mitigation and adaptation interventions and conduct community based assessment and feasibility analysis, finalise design and develop illustrative financing options for funding by other donors sometime after 2012. They will not fund any adaptation interventions themselves, rather only planning and capacity building.

The Rockefeller Foundation has connected with the Task Manager in Manila to discuss opportunities to collaborate and to seek to avoid duplication and externally-driven resilience planning in Da Nang. Concept notes have been exchanged. Discussions to date have agreed that whilst each organisation will fund different pieces of work, it will be specified in the Terms of Reference (for ADB’s consultants) and grant agreement (for ACCCRN) that partners need to work together and share information. A letter of agreement between ADB and Rockefeller which would spell this out has also been discussed. Similar co-ordination will be agreed with AFD as well.

### **Funding Streams:**

**Figure 1: Climate Change Fund**

<b>Programme Theme:</b>	The Climate Change Fund (CCF) was established to facilitate greater investments in DMCs to effectively address the causes and consequences of climate change alongside ADB’s own assistance in various related sectors. The CCF will invest in projects that lead to GHG emission reductions and carbon sequestration, biological diversity conservation, and climate proofing of development plans, investments and livelihoods.
<b>Programme Focus:</b>	<p>Funds are provided for Clean Energy Development; Reduced Emissions from Deforestation and Degradation and Improved Land Use Management; and Adaptation.</p> <p><b>Adaptation:</b> Proposals under the following project categories may qualify for CCF support:</p> <p><i>Agriculture</i></p> <ul style="list-style-type: none"> <li>a. Research, planning, or application of climate-resilient crop and/or animal varieties; and</li> <li>b. Climate proofing of agricultural (including irrigation) infrastructure and reform projects to promote resilience to future changes, e.g., temperature increase, precipitation variability, and greater frequency of extreme storm events affecting water availability and flows.</li> </ul> <p><i>Environment and Disaster Risks</i></p> <ul style="list-style-type: none"> <li>a. Research, planning, policy activities, or project implementation to enhance climate resilience in marine or terrestrial biodiversity hotspots and corridors, protected areas, or critical habitats, including wetlands, watersheds and coral reefs; and</li> <li>b. Research, planning, or policy activities to address links between climate change and disaster risk management.</li> </ul> <p><i>Socio-Economic Development Planning</i></p> <ul style="list-style-type: none"> <li>a. Research, planning, or policy development on the economic impacts of and adaptation options for climate change, with emphasis on health, gender, and ethnicity; and</li> <li>b. Analysis of and/or response to economic impacts and adaptation measures for vulnerable people, especially the poor, as well as climate change migrants and refugees.</li> </ul> <p><i>Industry</i></p> <p>Climate proofing of industrial projects sited in vulnerable locations to ensure that they can adequately withstand the impacts of climate change.</p> <p><i>Transport and Urban Development</i></p>

	<p>a. Climate proofing of road, rail, port, and subway projects to ensure adequate resilience to changing climatic conditions (e.g., future extreme events, changes in rainfall patterns, and changes in drainage patterns); and</p> <p>b. Climate proofing of sewage, drainage, and other city services projects to ensure that they are adequately resilient to the impacts of climate change.</p> <p><i>Water</i></p> <p>a. Activities to promote the resilience of integrated water resources management projects to future climate changes, e.g., temperature, rainfall, glacial melt, drainage patterns and flow, sea level rise, or an increase in the frequency or intensity of extreme weather events; and</p> <p>b. Climate proofing of water management or hydropower projects to ensure that surface flows and ground water recharge rates adequately account for changing climatic conditions (e.g., glacial melt, changing rainfall patterns, or increased evaporation from temperature increase).</p> <p>The following types of activities may qualify for CCF support:</p> <ol style="list-style-type: none"> <li>1. Preparation of relevant strategies or action plans for ADB, its regional departments, and DMCs;</li> <li>2. Investment in climate change mitigation or adaptation measures;</li> <li>3. Development of knowledge products and services related to climate change;</li> <li>4. Facilitating knowledge management activities, including regional conferences and workshops; and</li> <li>5. Funding to off-set ADB's corporate carbon footprint.</li> </ol>
<b>Priority Geographies:</b>	Responding to the special threats facing Asia and the Pacific, the CCF will prioritise interventions that will enhance the climate resilience of infrastructure and other investments, community livelihoods and key sectors, especially in the following geographic areas: (i) arid and rain-fed agricultural areas; (ii) densely populated coastal lowlands and deltas; and (iii) low-lying islands.
<b>Eligibility Criteria:</b>	<p>Project proposals can be initiated by agencies in Developing Member Countries, development partners, and ADB.</p> <p>All DMCs are eligible for CCF resources. Proposals for CCF support should:</p> <ol style="list-style-type: none"> <li>a. be consistent with the country partnership strategy and results framework;</li> <li>b. be consistent with the objectives of ADB's Climate Change Program;</li> <li>c. introduce innovative solutions;</li> <li>d. adopt a participatory approach;</li> <li>e. be catalytic;</li> <li>f. have high demonstration value in the sector; and</li> <li>g. have good potential for replication and scalability in the country and/or region</li> </ol>
<b>Application Guidelines:</b>	<p>User Departments (ADB departments that apply for CCF funding) will prepare a proposal using the application form and draft concept paper in standard ADB concept paper format and will submit them to the CCF Manager.</p> <p>Please refer to the website (see link below) for the formats.</p>
<b>Funding Rounds:</b>	<p>Applications will be reviewed in batches. Due dates for applications are: 31<sup>st</sup> January, 31<sup>st</sup> March, 31<sup>st</sup> May, 31<sup>st</sup> July, 30<sup>th</sup> September, 30<sup>th</sup> November.</p> <p>Successful applications will receive confirmation from the Secretariat within approximately 5 weeks of the relevant deadline.</p>
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	<p>Not stated.</p> <p>It is envisaged that the resources in the CCF will be applied as follows: (i) about 25% for adaptation; and (ii) about 75% for mitigation and land use.</p>
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	The ADB's Climate Change Fund, which had US\$40m grant money for 2008-2010, is due for replenishment this year, and would likely have a US\$15mn component for adaptation support.
<b>Contact Details:</b>	Initially the local ADB office in-country.

In addition to the CCF, the ADB established an Urban Finance Partnership Facility in December 2009. It is a multi-donor trust fund although currently only Sweden is supporting it for grants and the ADB is supporting with loans. The ADB is exploring the possibility of other donors co-operating.

The Rockefeller Foundation is discussing the possibility of establishing a multi-donor trust fund in conjunction with the ADB. This could be either an actual fund that represents a different Urban Finance Partnership, or a 'virtual' fund that aligns different donors' investments without actually pooling the funding.

### **Action Points:**

#### **Overall:**

- At the meeting with ADB Manila, it was suggested that ACCCRN's major entry point with ADB could be by joining the UNEP Adaptation Network for Asia Pacific. The process and benefits of joining the network are being further probed.

#### **Vietnam:**

- ADB in Manila are keen to see ACCCRN's Can Tho and Da Nang resilience plans, sector studies and vulnerability assessments.
- ADB have a water specialist in Hanoi working on a sanitation strategy for 10 cities that will include climate resilience/proofing. There is potentially overlap with the ACCCRN programme and so setting up a meeting could be beneficial.
- ADB in Manila recommended meeting the 'Six Banks Initiative' in Vietnam to present findings and interventions, when appropriate.



## **European Investment Bank**

The European Investment Bank (EIB) was created in 1958 as the long-term lending bank of the European Union (EU). The task of the Bank is to contribute towards the integration, balanced development and economic and social cohesion of the EU Member States. The EIB raises funds on the capital markets which it lends on favourable terms to projects furthering EU policy objectives. Besides supporting projects in the Member States, its main lending priorities include financing investments in future Member States of the EU and EU Partner countries. The EIB operates on a non-profit maximising basis and lends at close to the cost of borrowing. In 2009, the EIB raised nearly 79.4 billion Euro (US\$102.8 billion).

### **The EIB's Climate Change Strategy:**

The European Union has made climate change mitigation and adaptation a top policy priority. As the long-term lending body of the EU, the fight against climate change has thus also become a priority for the EIB. The EIB states that climate change considerations are mainstreamed in all of their sectoral policies and integrated into all operational activities and EIB project appraisals.

The Bank seeks to promote actions in five broad areas: mitigation; adaptation; research, development and innovation (RDI); technology transfer and co-operation; and support for the carbon markets. Financing activities related to climate change mitigation and adaptation are developed within the framework of the sectoral lending policies adopted by the EIB covering energy, transport, water, waste, and RDI. The EIB's operational initiatives include:

- Strong support for energy efficiency and renewable energy investments;
- Investments to accelerate the development and the use of cost-effective low carbon technologies and processes in all sectors;
- Support for the reduction of emissions from deforestation and degradation;
- Scaling up of lending in sectors particularly vulnerable to climate change and to governments and local authorities that need to adapt to climate change; and
- Providing technical assistance mechanisms.

In May 2010 the EIB, in response to a mid-term review of its 2007-2013 mandate, agreed to adopt several new elements. One of these was the activation of a 2 billion Euro (US\$2.6 billion) optional mandate, which had been placed in reserve until now. This optional mandate will be activated as a mandate dedicated to projects which contribute to the fight against climate change across all regions covered by the 2007-2013 decision.

### **The EIB and ACCCRN Programme Countries.**

All of the ACCCRN countries are eligible for EIB financing. Under the current 2007-2013 mandate, the EIB is authorised to lend up to 3.8 billion Euro (US\$4.9 billion) for financing operations supporting the EU co-operation strategies outside of the EU. The 3.8 billion Euro regional ceiling is broken down into an indicative sub-ceiling of 1.0 billion Euro (US\$1.3 billion) for Asia. There are no amounts allocated per country.

### **Funding Streams.**

The EIB can support viable public and private sector projects in infrastructure, industry, agro-industry, mining and services. Special emphasis is given to projects that contribute to environmental sustainability (including climate change mitigation) and to the security of the EU energy supply. The other core sector of activity will be to support the EU presence in regions through Foreign Direct Investment, transfer of

technology and know-how. EIB loans are project-oriented and linked to the financing of the fixed-asset components of an investment.

Projects with a total investment above 25 million Euro (US\$32 million) can be financed either directly to a project promoter or indirectly through a government or financial intermediary. Project promoters are required to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financing arrangements. The total investment of a typical project is above 40 million Euro (US\$52 million).

For smaller projects the EIB can lend through credit lines to selected financial institutions, which then on-lend the funds mainly to small and medium-sized enterprises. The financial institutions assess each project, assume the credit risk and set the loan conditions for the final beneficiary according to criteria agreed with the EIB. Interested promoters of such projects are advised to contact the banks and intermediaries directly.

In May 2010 the EIB agreed to establish a joint climate change fund with the Agence Française de Développement (AFD) and European Development Finance Institutions (EDFI). The parties intend to establish before the end of 2010 an investment matching facility – called the Interact Climate Change Fund - to invest in private sector climate change projects in Africa, the Caribbean and the Pacific, Asia and Latin America. The institutions share a joint interest in financing climate change and climate efficiency projects with the aim of creating a portfolio of climate friendly private sector investments in target countries. Partners will seek to demonstrate the financial attractiveness of climate-friendly projects to private sector investors in developing countries and emerging markets and will commit to act as catalyst lead investors to attract additional long-term investments. The institutions will further promote use of clean technology as an integral part of economic development and provide long term financing for renewable energy projects in countries facing acute energy shortages and restricted energy access, further contributing to economic development.

In June 2010 the European Climate Action Commissioner and EIB agreed to explore a joint climate finance initiative for developing countries as part of the European Union commitment made at the UN climate conference in Copenhagen. Although details are limited at this stage, the idea is to combine European Commission and Member States' grants with financing from the EIB and other European financial institutions to meet the different challenges posed by adaptation and mitigation in the most efficient way.

### **Action Points:**

#### **Overall:**

- Reach out to the EIB to learn more about the EIB's climate financing and the joint climate finance initiative in particular.

#### **India:**

- The European Commission (EC) is the co-ordinator for EIB in India and in May 2010 offered to connect ACCCRN with them, if wanted. They reported that the EIB is expanding its co-operation with India a lot – indeed they have a 3 billion Euro funding envelope. In addition KfW, AFD and EIB are signing a co-operation agreement for a loan to the Export-Import Bank of India to support investments contributing to climate change mitigation (renewable energy and energy efficiency sectors). It could prove beneficial to have an initial meeting with EIB in India.

## **International Finance Corporation.**

The International Finance Corporation (IFC) is a member of the World Bank Group. IFC coordinates its activities with the other institutions of the World Bank Group but is legally and financially independent. IFC's 182 member countries provide its authorised share capital of US\$2.4 billion, collectively determine its policies, and approve investments.

IFC's purpose is to create opportunity for people to escape poverty and improve their lives by:

- Promoting open and competitive markets in developing countries.
- Supporting companies and other private sector partners where there is a gap.
- Helping generate productive jobs and deliver essential services to the underserved.
- Catalysing and mobilising other sources of finance for private enterprise development.

Working with business partners, IFC invests in sustainable private enterprises in developing countries without the need for government guarantees. This direct lending to businesses is the fundamental contrast between IFC and the World Bank. Under their Articles of Agreement, the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) can only lend to the governments of member countries. IFC was founded specifically to address this limitation in World Bank lending. IFC also offers advisory services to support private sector development. Most of these activities are funded in partnership with donor countries; many involve close collaboration with the World Bank.

## **IFC's Climate Change Strategy.**

IFC Advisory Services in environmental and social sustainability work towards the large-scale adoption of business models that are profitable, good for the environment, and promote social development. They state that their projects address the market barriers that keep the private sector from adopting those models and that they test and demonstrate practices and technologies that can be adopted by entire sectors. IFC also support adaptation to the impacts of climate change, chiefly by addressing water access and biodiversity issues.

The IFC have set a target to increase their climate-friendly investment threefold over the 2008-11 period, from the US\$1 billion level over the preceding three year period. The IFC provides financing, in the shape of loans and equity, to climate-friendly projects. Activities in the climate change sphere include:

**Promoting climate friendly investments using commercial funds:** IFC, along with the World Bank, pledged to grow energy efficiency and new renewable energy lending by an average of 20% per year beginning in FY05. This target has been exceeded. IFC clean energy lending grew at an annual average of 51% per fiscal year over the last four fiscal years - from US\$221 million in FY05 to US\$1,034 million in FY09.

**Cleaner production.** IFC offers existing and new clients a combined package of cleaner production audits and financing to implement recommendations for improving energy and resource efficiency through low cost, high return measures.

**Clean technology.** IFC is now investing in early stage clean technology companies and private equity funds.

**Innovative concessional financing.** Funding from the Global Environment Facility (GEF) and more recently the Clean Technology Fund (CTF) has allowed IFC to pilot many pre-commercial sustainable energy projects.

**Carbon finance.** IFC has introduced value-added financial products to help mitigate risks in the carbon market by leveraging its ability to take on long-term projects in emerging markets.

**New analytical tools to better understand risks and opportunities:** IFC is developing new methods to calculate the carbon footprint of its investments, test the implications of assigning a price to carbon as a proxy for climate change costs, identify the financial risks of climate change, and evaluate how corporate value may be differentially affected by climate change policies.

**Outreach and collaboration with other stakeholders:** Through its relationship with the Equator banks and sharing of experience with international business organisations like the World Business Council for Sustainable Development and the World Economic Forum, IFC provides an important link between climate change-related business practices and evolving best practices like carbon disclosure

IFC also works in sustainable water market development where it aims to accelerate uptake of sustainable water technologies and practices to increase access to safe and reliable water and sanitation services.

### **IFC and ACCCRN Programme Countries.**

Following a meeting with the Head of Sustainability (Product Line division) in Washington in July 2010 it was clear that they are interested in learning more about business opportunities to support climate change resilience and concepts coming out of ACCCRN that involve private sector actors/creating new business opportunities.

#### **India:**

The held portfolio of US\$2.3 billion (as of June 2007) makes India IFC's third largest country of operations. In order to reduce poverty and promote sustainable economic growth, IFC believe that India needs a vibrant private sector which will:

- Increase the availability of high-quality infrastructure.
- Accelerate rural growth.
- Develop competitive manufacturing and service industries.
- Strengthen the financial sector.

Their activities are therefore focusing on supporting:

- Private sector involvement in infrastructure financing.
- Restructuring and modernisation of the manufacturing and services sectors to become internationally competitive.
- The development of new financial institutions and products.

In August 2010 IFC's Regional Business Line Leader for Access to Finance Advisory recommended a discussion with the Operations Officer responsible for housing finance and green construction in India. It was explained that the Access to Finance team are embarking on the development of products around large-scale affordable housing (in conjunction with the National Housing Bank) and promotion of micro-mortgages by private financial institutions. They have funds for a study and called for Expression of Interest in July (14 firms responded). They are just finalising the Request for Proposals which will be shared with a few of these firms for the final selection process. The study will be over 3 months and will be completed in January 2011.

The study will look at:

- Scoping regarding sustainable technologies – e.g. faster construction that is also environmentally friendly (less cement used and so on) and design features (particularly for entire housing complexes – say water harvesting and waste management – and also maintenance issues).
- Cost-benefit analysis regarding e.g. better designed lighting and how to reduce its cost over the lifetime of the project.
- Green building codes for commercial and residential buildings and how to incentivise this area. The National Housing Bank will anchor this component.

They would be keen to explore ways to collaborate particularly around the pilot phase/demonstration projects. They haven't decided on their geographical scope yet – they will be looking at those states which have the right policy environment. Several states have expressed an interest including Rajasthan and Madhya Pradesh. Their overall focus is on financial inclusion for the 7 poorest states (over the next 3-4 years).

#### **Indonesia:**

Through sustainable private sector development, IFC aims to reduce poverty in Indonesia by creating opportunities and improving people's lives. IFC investments in Indonesia range from US\$300 to 400 million annually with a focus on products that are in short supply in the local market, such as long-term finance, risk sharing and equity.

IFC in Indonesia has three objectives:

1. To reduce the impact of climate change by working with companies and local governments to promote sustainable forestry and agribusiness. They also invest in renewable energy such as geothermal energy and help banks identify and fund sustainable energy projects.
2. To increase rural incomes – particularly through agribusiness and forestry.
3. To promote sustainable urbanisation – by improving access to infrastructure, power, water, transport and housing with a primary focus on secondary cities. IFC also help local governments to promote investment and improve the business climate and expand access to finance to micro and small business to improve opportunities for people to escape poverty.

One of the Jakarta office's key areas of work around climate change is its works to increase access to financial services for underserved areas, with a focus on forestry, agribusiness and extending the reach of infrastructure. IFC Indonesia has had a sustainable energy finance project for 2 years which works with financial institutions in order to finance renewable energy production/products in conjunction with medium sized utility companies. They are also doing a scoping study to identify opportunities in sustainable energy initiatives which will look at renewable energy rather than energy efficiency in Indonesia and identify opportunities regarding use of waste from palm oil and rice mills. They do have both a rural and urban focus although most projects are in rural and secluded areas (e.g. plantation companies). Their focus is Kalimantan and Sumatra islands and they chiefly work with small and medium enterprises.

The IFC office in Indonesia explained in May 2010 that they are also trying to create a showcase project around energy efficiency and had recently started a scoping exercise in Jakarta on energy efficiency in buildings in urban setting. Their next step will be to conduct a baseline study for which they are preparing

tender terms of reference, although they will be giving advice on a green building code in parallel and also on a national roadmap for new/existing/commercial etc buildings. They could extend the work to other cities in the future.

They will also finish a scoping study in the next 1-2 months which looks at how to commercialise sanitary products with banks. It will be possible to share this, and it will likely have urban focus.

**Thailand:**

IFC states that it supports the Thai financial sector in highly developmental areas - especially microfinance and sustainability finance. In the microfinance area, IFC is in discussions with potential partners to provide an innovative financing package for supporting micro housing loans to members of community co-operatives. IFC is also looking to play a role in supporting the Government's infrastructure programme to spur economic growth and absorb excess liquidity in the banking system.

**Vietnam:**

IFC's strategic priorities in Vietnam focus on developing the financial sector, strengthening the investment climate, promoting private participation in infrastructure and privatisation, supporting small and medium sized enterprises, and investing in sectors where domestic demand is growing or where Vietnam has a comparative advantage. The Advisory Services programme has recently targeted cleaner production and environmental sustainability, improved labour and social conditions, and the establishment of new supply chains in agribusiness, amongst other issues.

The IFC office in Hanoi covers Vietnam, Cambodia, Thailand and Laos. Climate change has become a top priority for IFC over the past few years the delegation explained in June 2010. This is particularly on the advisory side, with mitigation being more advanced, especially in terms of products for the banking sector. The office is currently trying to come up with a product strategy for the adaptation side.

IFC are a part of the multi-donor trust fund - the Pilot Program for Climate Resilience (PPCR). The PPCR covers Bangladesh, Cambodia and Nepal in Asia and so does not share a fit with ACCCRN. Cambodia has just finished phase 1 of the programme but there is a need to look further at future strategy with the representative stating that they feel it should cover:

- New technology facilitation (e.g. hybrid seeds, different building design etc).
- Access to finance.
- Risk mitigation/transfer – how to build products to address this, e.g. micro-insurance.

IFC is keen to discuss the possibility of conducting pilot projects with ACCCRN in the areas of access to finance / risk mitigation in Thailand– they are quite flexible in terms of geographical location so could match ACCCRN cities as long as they can justify the location as one that can produce impact/with respect to affected groups.

They also have a water products strategy which has 3 pillars: irrigation; sanitation; and safe water.

## **Action Points:**

### **Overall:**

- Once the Intellectap study is finalised, identify areas of synergy in it with IFC and disseminate at central and national level IFC offices.

### **Indonesia:**

- Establish if ACCCRN is interested in collaborating with IFC Indoensia on their planned work on a green building code.

## **Kreditanstalt für Wiederaufbau.**

Kreditanstalt für Wiederaufbau (KfW) banking group is a German government-owned development bank, 80% of which is owned by the Federal Republic of Germany and the remaining 20% by the federal states. It offers support to encourage sustainable improvement in areas such as economic, social, and ecological living and business conditions. It also supports small and medium-sized enterprise, entrepreneurialship, environmental protection, housing, infrastructure, education finance, project and export finance, and development co-operation. In the year 2008 the total financing volume of KfW banking group amounted to 70.6 billion Euro (US\$88.3 billion).

Working on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) and other ministries such as the Federal Foreign Office, the Federal Ministry for the Environment, or the Federal Ministry of Economics and Technology, KfW Entwicklungsbank is in charge of financial co-operation with developing countries (whilst GTZ is responsible for technical co-operation). The funds are provided from the federal budget and are increasingly complemented by resources raised on the capital market. KfW Entwicklungsbank provides its partner banks with low-interest refinancing options as well as expert advice and support in the design and management of their lending programmes. The funding instruments that KfW Entwicklungsbank deploys are subject to continual revision and redevelopment, and are each tailored to the requirements of the partner country.

The relevant departments for KfW for ACCCRN are: the Department of Environment and Climate under Directorate 1, and the Department of South and Central Asia and the Department of East Asia and Pacific, both of which are under Directorate 3. The bank describes its tasks as being:

- To advise the German Government and their partners on development policy issues; above all, to support their country and priority area strategies.
- To participate in the selection, preparation and appraisal of programmes (the decision of whether to finance a programme lies with the Government).
- To assist partners with implementing and executing their projects and programmes.
- To assume joint responsibility for their development impact.
- To supervise the effective and efficient use of funds provided.

KfW detail their core competency areas as:

- Climate and environment protection.
- Financial sector development – particularly microfinance.
- Water.
- Scientific development research and development practice.

## **KfW's Climate Change Strategy:**

KfW Entwicklungsbank supports its partners in developing countries in improving efficiency in the areas of energy production, transmission and distribution as well as on the demand side. KfW Entwicklungsbank also promotes the use of renewable power sources and states that it is the largest financier of renewable energy projects in developing countries. KfW believe that given their size and dynamic growth, emerging countries have both great need and huge potential for environmental and climate protection measures, particularly in their large urban regions. KfW Entwicklungsbank therefore makes available its experience, its technical and



financial expertise and low-cost loans to address issues including improving industrial environmental protection, counteracting wasteful approaches to water and energy, promoting environmentally friendly urban development and also energy-efficient traffic and transport systems.

**Adaptation:** KfW Entwicklungsbank's key focus with regard to adaptation measures is on increasing the capacity of poor populations to resist and adapt. This, they state, can be done by introducing suitable technologies, improving framework conditions, creating social safety nets and supporting targeted measures in relation to water management, agriculture, disaster management and municipal infrastructure. They aim to design the financing packages so that analysis of the consequences of climate change is taken into account alongside investment solutions designed to combat these consequences. KfW state that the financing of adaptation measures should not be detached from development finance, and feel it is important to use proven structures and instruments rather than institute new ones.

KfW Entwicklungsbank, in co-operation with the BMZ, launched a special facility called Initiative for Climate and Environmental Protection (IKLU) in 2008. Through this facility, the bank finances investments that advance climate protection, especially in emerging countries. In 2008 low-interest loans amounting to 700 million Euro (US\$897 million) were committed under IKLU. Both low-interest loans (more than 300 million Euro/US\$384 in 2008) and grants (25 million Euro/US\$32 million in 2008) are made available for investment in climate protection.

### **KfW and ACCCRN Programme Countries.**

KfW has identified 15 countries considered as an 'anchor country'. Anchor countries are nations that assume a key regional and international role. Their economic importance is increasing, and as a result they have considerable influence on neighbouring states. Moreover, anchor countries are determined and able to play a role in international processes and to help shape global structural policies. They are important actors in the global protection of the climate and of natural resources and in sustainable, equitable and peaceful global development. The following ACCCRN countries are KfW anchor countries: India, Indonesia, and Thailand.

#### **India:**

Through the Indian Renewable Energy Development Agency, KfW Entwicklungsbank is financing sub-loans to promote the development of renewable energies. These activities include, for example, wind power plants, the construction of new hydropower plants and the modernisation of existing ones, combined heat and power, and biomass projects.

KfW Entwicklungsbank has also committed re-financing funds that will be delivered through an Indian bank specialising in small and medium sized enterprises (SME). The focus will be on investing in the SMEs' fixed assets, environmental protection and energy efficiency. KfW is strengthening the re-financing capacities of the Tamil Nadu Urban Development Fund (TNUDF) which makes funds available to municipalities, particularly for urgent environmental protection projects such as the construction of waste water systems, sewage treatment plants and landfills. A further 100 municipalities plan to use TNUDF funds to construct a waste water system by 2012. KfW is also lending to support the development of the Indian bond market. Here the aim is to mobilise more funds for municipal infrastructural needs, and provide small and medium sized municipalities with access to the bond market. This will enable several municipalities to jointly issue a bond, place it on the capital market and thus finance their investments.

**Indonesia:**

Indonesia is one of nine anchor countries with which Germany engages in development co-operation. Since 2007 the priority areas of development co-operation have been forest and climate protection, private sector promotion and the support of good governance, the latter also includes the fight against corruption.

The forest and climate protection programme is under the responsibility of the Indonesian Ministry of Forestry in co-operation with KfW Entwicklungsbank, GTZ and the German Development Service. The aim of the programme is to develop and test at various levels REDD demonstration measures that can be attached to the mechanisms still to be set up nationally and internationally. These REDD demonstration measures will be designed to demonstrate that local development, sustainable forest management, the preservation of biological diversity and climate protection can go hand in hand.

The modernisation of the transport and energy sectors is also planned to help protect the environment and the climate as is the promotion of renewable energies, in particular geothermal energy. There are also plans for a climate protection programme in urban areas, which will include the rehabilitation of landfills whose methane gas emissions and fire-related CO<sub>2</sub> emissions damage the climate (this is called 'Programme Emission Reduction in Cities - Solid Waste Management' and as at May 2010 this was at the feasibility stage). Plans are also in place for the promotion of investments into small and medium sized enterprises which will help protect the climate and the environment. A feasibility study is scheduled to start in mid-June 2010.

**Thailand:**

In e-mail correspondence in August 2010 the East Asia and Pacific Country Manager explained that in Thailand financial co-operation ended a long time ago, and that they no longer have projects there.

**Vietnam:**

Vietnam has become a major partner country of German Development Co-operation and today KfW is promoting health system development, environmental protection, economic reforms and sustainable economic development. A considerable volume of funding has also been committed to the transport sector. KfW is also a part of the 'Six Banks Initiative' mentioned under the ADB profile, which is working to improve donor co-ordination and harmonisation.

Financial co-operation for environmental protection and resource conservation is geared toward sustainable forest development. As well as afforestation, funding is also increasingly being provided for the management of small forest enterprises, resource conservation and climate-related forestry projects.

Through the new urban development programme for cities in the Northern provinces, Vietnamese cities are being supported to achieve environmentally friendly and socially sound management of their rapid growth. The programme will make available urgently needed funds for public transport, sanitation and solid waste management projects and for industrial wastewater treatment. To date, around 90 million Euro (US\$115 million) has been provided to six provincial cities for the construction of treatment plants, pumping stations, sewers and landfills. Further infrastructure is planned, particularly around treatment of sewage for which feasibility studies are being prepared. An appraisal is also on-going in Can Tho regarding the building of a central waste water programme including pre-treatment of waste water from industry. KfW are also interested in flood preparation/mangrove projects in Da Nang. The programme consists of not only the provision of start-up funding for the new infrastructure, but also aims to address its maintenance, fees and

administration. The role of GTZ, the German Development Service and Capacity Building International will be to support provincial cities in establishing appropriate institutions and to advise operators on how to manage infrastructure in the most efficient way.

### **Funding Streams.**

A conversation between the Rockefeller Foundation and the KfW urban section was held in June 2010, during which the possibility of the bank supporting ACCCRN initiatives was discussed. The bank tentatively proposed the possibility of developing a regional approach to the provision of financing (particularly for interventions with an infrastructure focus) as the funding of stand-alone projects is likely to be too small scale. Rockefeller provided a digest of the types of projects emerging and KfW agreed to discuss the idea further with the German government.

In terms of the possibility for grants or loans, KfW generally provide loans but can also provide grants if the project is related to natural resources/environment initiatives (e.g. afforestation):

- Vietnam – KfW could provide grants, loans and interest reduced loans.
- Indonesia – grants for mangrove projects may be possible (this needs to be confirmed) but otherwise the bank could provide interest reduced loans.
- India – the bank usually provide interest reduced loans (between 2-3%).

The greatest overlap between ACCCRN and KfW's programmes appears to be with Vietnam (and their urban programme) and India. They have a public-private partnership urban infrastructure project in India at the moment, and have 15 million Euro (US\$19 million) for urban environmental projects in India currently. During the conversation, KfW appeared particularly keen on Surat/low income housing and also sewerage and solid waste. The bank said that Indonesia is a little more problematic as the German government are keen that the focus there is only on mitigation. KfW have a lot of experience in micro-finance and so there may be a fit with projects around catastrophe bonds/insurance.

KfW's project cycle is as follows:

- The German Government formulates country strategies which usually consist of 3 focal areas in each partner country. KfW cannot finance anything outside the scope of these country strategies.
- With regards to project procurement, ideally a city approaches KfW with a project proposal. Often, KfW identifies projects during missions or will send out a fact finding mission to identify needs and develop new projects. More recently, CDIA will also approach them with project proposals.
- Once a project idea is formulated, a (pre-) feasibility study financed with grant funds is conducted. If the feasibility is confirmed, they propose the project to the German Government. At the same time, the city or partners in the country initiate their own internal approval procedures. If all sides agree, funds for the projects are pledged in bi-lateral government negotiations.
- After that, KfW appraises the project and sends an appraisal report to the German Government. If this is positive, they enter into loan negotiations. They have different grant and loan products depending on the financial strength of the country that they lend to. Then consulting services are procured and implementation begins.
- Some projects are jointly implemented with GTZ who take care of technical assistance at national and local levels. However, KfW also has grant funds available to train partners. A full project cycle usually takes 5 years.

**Action Points:**

- Follow-up with KfW headquarters regarding support to the ACCCRN programme and participation in the Bellagio donor meeting scheduled for November 2010. Depending on the outcome of this follow-up it may then be worthwhile meeting KfW representatives in Vietnam and India.

## **World Bank.**

The World Bank's (WB) mission is to 'fight poverty with passion and professionalism for lasting results' and to help people to help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors. The WB is made up of two development institutions owned by 187 member countries: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while the IDA focuses on the world's poorest countries.

The WB, together with its other supporting bodies such as the IFC, provides low-interest loans, interest-free credit, and grants to developing countries for a wide array of purposes that include investments in education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management.

### **The World Bank's Climate Change Strategy:**

The World Bank states that tackling the challenge of climate change must involve both mitigation and adaptation, all while maintaining a focus on its social dimensions. In 2007 the Bank Group embarked on a strategy to help address climate challenges and launched global consultations. The resulting strategic framework on development and climate change takes what is described as a demand-based approach to identifying and tapping new business opportunities for developing countries and helping them cope with new risks. The WB aims to support development successes while off-setting costs that stem from climate change through climate-dedicated finance. In developing countries, the Bank is working to:

- Support climate actions in country-led development processes.
- Mobilise additional concessional and innovative finance.
- Facilitate the development of market-based financing mechanisms.
- Leverage private sector resources.
- Support accelerated development and deployment of new technologies.
- Step up policy research, knowledge, and capacity building.

In terms of specific actions, the World Bank Group states that it is doing the following on key issues:

- IFC and all World Bank regions have developed climate change strategies or/and business plans.
- Climate change issues are being integrated into new sector strategies under preparation.
- Over 60% of all new Country Assistance or Country Partnership Strategies in fiscal year 2009 substantively addressed climate-related issues.
- A growing range of activities and instruments to support climate resilient development and adaptation have been developed. For example, a new screening tool that gives a simple way of assessing development projects for potential sensitivities to climate change.
- Continued growth in energy efficiency and renewable energy financing.
- Significant progress with new and innovative financing such as the Climate Investment Funds, the Forest Carbon Partnership Facility, climate risk management products, and 'Green Bonds'. They are also piloting innovative climate risk insurance.
- Rapid build-up in research and knowledge. For example, the 2010 World Development Report on Development and Climate Change was launched in September 2009.
- Low carbon country case studies designed to explore options for lower carbon development. These have been prepared for Mexico, are in final review stages for Brazil and India, and are underway for South Africa, Indonesia, and Poland.

**Adaptation:** The World Bank believes that adaptation is not a standalone issue, but needs to be integrated throughout national, sectoral, regional, and local planning processes, as well as at the project level. The World Bank Group uses numerous instruments - grants, concessional credits, various types of loans and guarantees, equity, and carbon finance to help developing countries finance adaptation to climate change. The Bank says that it is helping countries adapt in many ways, including:

- Improving weather data collection and forecasts (for farmers and insurers).
- Providing technical assistance, such as extension services on new crop varieties, and help for health systems addressing new diseases.
- Developing and sharing knowledge on options in land use, forestry, and agriculture.
- Assessing risk and vulnerability.
- Prioritising investment through better understanding of options and costs.
- Helping develop drought- and saline-resistant crops.

The World Bank Institute (WBI), which focuses on learning provision, state that their vision is to be a global connector of climate practitioners and networks and the international 'Go-To-Place' for learning and knowledge sharing about climate change. The WBI's Climate Change Practice includes a focus on four key areas:

- Cities and climate change.
- Innovation in carbon finance.
- Climate adaptation and water, agriculture, and natural resource management.
- Leadership and coalition building for climate change.

### **The World Bank and ACCRN Programme Countries.**

#### **East Asia:**

Urban resilience in East Asia is under the Bank's sustainable development network which comprises two units: 1) infrastructure, which has teams focusing on water, transport, adaptation etc within it, and 2) environment and social unit which includes agriculture, community-driven development and climate mitigation.

The Climate Resilience Primer was launched formally in 2009 as a tool for city governments in the East Asia Region to better understand how to plan for climate change impacts and impending natural disasters through sound urban planning to reduce vulnerabilities. Based on this they have started a technical assistance programme in Vietnam, Indonesia, China and The Philippines. City selection was based on factors such as capacities, size, risk, demand and the existence of on-going lending operations so programmes would not be in a vacuum.

The Bank is also beginning to produce a multi-hazard city risk index, which includes climate. It will focus on Bangkok Metro, Manila Metro and Ningbo in China. They will possibly test on a few more cities as well and would be open to including ACCRN cities. They are also producing a global urban flood management manual.

## India:

The WB's Country Strategy for India for 2009-2012 is aligned with the government's Eleventh Five Year Plan. It focuses on helping the country to fast-track the development of much-needed infrastructure, support the seven poorest states<sup>22</sup>, and respond to the financial crisis. The World Bank's support to India includes:

1. Achieving rapid and inclusive growth.
2. Improving infrastructure.
3. Ensuring development is sustainable.
4. Increasing the effectiveness of service delivery.

Regarding the environment, the WB says that following areas will require long-term vision and urgent action:

- Protecting India's fragile environment (air, water, forests and bio-diversity) in the face of the rising pressures created by economic success.
- Adapting to climate change and the growing scarcity of water.
- Coping with accelerating urbanisation through strengthened urban governance and environmental management.
- Improving energy efficiency and ensuring adequate energy supplies.

Based on projects currently in the pipeline, the Country Strategy anticipates that climate change and the environment would account for about 12% of its portfolio. The WB states that services could be provided to states and sectors where there are high poverty-environment impacts, a commitment to reform demonstrated by upfront or firm policy actions, and a commitment to strengthen and develop a monitoring and evaluation system for analysing outcomes. For adaptation, priority would be given to states or sectors based on degree of risk and a demonstrated commitment to address climate issues that is verified through an adaptation plan or a strategy under development. For mitigation of greenhouse gases, priority would be given to the implementation of the National Action Plan on Climate Change, and to support clean technology and energy efficiency measures identified in the Eleventh Plan or Integrated Energy Policy. The World Bank is in the process of articulating a vision for an environmentally sustainable future for India ('India 2030'), and this will incorporate, in particular, the water and clean energy sectors.

In the context of the principles outlined in the Jawaharlal Nehru National Urban Reform Mission (JNNURM), the WB could support urban programmes geared to strengthen:

- Institutional clarity - the clear definition and separation of urban policy-making, regulatory and service provision functions between and within tiers of government.
- Fiscal and financial viability - strengthened capacity of urban local bodies to both undertake investments and develop viable models for operations and maintenance.
- Enhanced voice - strengthened mechanisms for communities to influence the budgetary decisions of urban local governments to ensure both demand-side efficiency and broader public sector accountability.
- Services to the poor - reforms and investment that lead to systematic improvements in the access by poor households to services and assets.

Only on an exceptional basis could World Bank support include stand alone projects in individual cities to pilot slum improvement approaches, specific public private partnerships, or regulatory reforms.

---

<sup>22</sup> Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, and Uttar Pradesh.

**Indonesia:**

The country programme strategy (2009 - 2012) identifies five thematic areas that are expected to form the core of the WB's engagement: (i) Private Sector Development; (ii) Infrastructure; (iii) Community Development and Social Protection; (iv) Education; and (v) Environmental Sustainability and Disaster Mitigation.

The WB believes that the Indonesian government is in a unique position to become a model for developing countries in mitigating and adapting to climate change. The WB aims to help Indonesia fulfil this role by opening doors to new international investment instruments designed to help countries address climate change, such as the Adaptation Fund and global carbon markets. The WB will also support co-ordination and facilitate partnerships with the private sector and civil society for the implementation of the National Action Plan for Climate Change, as well as support the Government in developing a pilot framework and programme for REDD.

The World Bank says that it is helping the Indonesian government prioritise climate actions that yield the greatest development benefits. On the issue of adaptation, the World Bank is helping to map climate vulnerability and link the results to the country's broader disaster risk reduction agenda. On forestry and land use issues, the World Bank is currently helping to improve approaches to reduce emissions from peat lands, demonstrate and scale up ecological restoration for forest carbon storage, and mobilise grant support to help implement the Indonesian government's REDD initiatives. In the energy sector, the World Bank is expanding support to Indonesian government priorities by helping to develop geothermal energy resources through policy reforms and the removal of investment barriers, assess low carbon development options, and develop an investment plan to access up to US\$300 million in climate financing under the Clean Technology Fund.

In May 2010 the WB issued the programme document for a Climate Change Development Policy Loan (CCDPL). The first instalment is worth US\$200 million and it is anticipated that there will be a further three instalments to follow of the same amount (so a total of US\$800 million). The objective of the CCDPL is to support the Government's efforts to develop a lower carbon, more climate-resilient growth path. It will also help Indonesia to prepare for the post-2012 global climate change regime by establishing a favourable policy and institutional setting that is able to access global climate finance opportunities and carbon markets. The policy actions included in the CCDPL operation will also provide added incentives to improve governance, forest management, efficiency, competitiveness, and energy security, all of which provide direct economic development benefits to Indonesia.

The CCDPL will focus on three main thematic areas:

1. Climate change mitigation - key targets for reductions are (a) forest loss and peat land conversion and burning, and (b) the energy sector – in particular reducing the overuse of fossil fuels, developing renewable energy alternatives, and promoting energy efficiency.
2. Adaptation - the key priorities are in agriculture, water management, coastal and marine resource management, as well as disaster preparedness and resiliency.
3. institutional and cross-sectoral issues - these include better analysis, policy co-ordination, and the integration of climate change priorities into the national development planning and budgeting system.



This operation is planned to be consistent with and provide parallel financing for the Climate Change Policy Loan (CCPL) series, jointly financed by Japan and AFD.

**Vietnam:**

The WB does not currently have an explicit climate change adaptation portfolio in Vietnam, but they are increasingly interested in mainstreaming climate change adaptation into their other programmes, loans, and investments.

The World Bank started work following the Primer in Vietnam around same time as the Rockefeller Foundation. Their focal cities are Hanoi, Dong Hoi and Can Tho (where they used the same steering committee as ACCCRN) and they focus on increasing government capacity. They support the government to review their plans to ensure smarter decision making based on risk and to improve the life of their investments. Local resilience plans have been completed for all three cities. As a result they have produced a workbook on local resilience action planning in Vietnam to complement the Primer. They plan to broaden this for regional consumption.

During a meeting with the World Bank mission in May 2010, the WB Primer on climate change adaptation was discussed (this has also been discussed at central level in the United States). It was agreed that the WB and ACCCRN should remain in contact with the Primer team in Hanoi. The conversation also began to explore ways to develop opportunities to link the ACCCRN capacity building efforts taking place at the city level with the WB's planned investments and loans. The WB tentatively suggested that ACCCRN could present a way to build planning capacity at city level to promote climate change mainstreaming; capacity that they feel is currently missing. This is a conversation that needs further development. They are also keen to undertake urban work in a way that enhances resilience, in combination with capacity building.

The WB is undertaking urban upgrading activities in Can Tho, but many of these loans are well advanced (the programme ends in December 2014). Da Nang is likely to be the site of an Eco Cities project (FY 2013), which may open up opportunities to link with ACCCRN. In Quy Nhon the WB operates a coastal cities rehabilitation programme which focuses largely on sanitation. Although these programmes may be too advanced to offer specific entry points for ACCCRN, the WB in-country remain positive about attempting to find ways to have ACCCRN interventions build directly into WB investments. The WB also has a 'Medium Cities' programme in the pipeline which may offer an area of synergy.

**Thailand:**

Thailand's rapid growth has enabled it to graduate from a borrowing client to a partner that instead relies on the Bank for development expertise and assistance in prioritising strategies. The World Bank's lending commitment to Thailand has been reduced to around US\$84 million per annum (from around US\$300 million). Advice is provided by the World Bank on key development issues, including how to improve the quality of education and public health, as well as on marshalling public experience and expertise to achieve economic benefits. Regarding the environment, support is organised around three specific themes - air quality, water quality, and solid and hazardous waste.

## **Funding Streams:**

### **The Climate Investment Funds:**

The Climate Investment Funds (CIF), approved in July 2008, are a collaborative effort among the multi-lateral development banks (African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank Group) and member countries. They aim to bridge the financing and learning gaps for low-carbon and climate-resilient development between now and a post-2012 global climate change agreement. CIF are designed as an interim measure for the banks to demonstrate what can be achieved through scaled-up financing blended with development finance. A 'sunset clause' enables closure of the CIF once a new financial architecture has become effective under the UNFCCC regime. However, the COP could choose to extend the CIF's life-span - something that some large developed countries would certainly support<sup>23</sup>, although developing countries may be less enthusiastic about. Over US\$6.3 billion in donor pledges had been made by 13 countries as at March 2010.

The CIF comprise two distinct trust funds and provide a structure through which concessional financing may be made available for both low carbon growth and climate resilience activities. Each of the funds – the Clean Technology Fund (CTF) and Strategic Climate Fund (SCF) has a specific scope and objective, as well as its own governance structure. One of the unique elements of the CIF is that contributors can provide funding to the trust funds either in the form of grant or capital contributions, and additionally in the case of the CTF, concessional loan contributions. Both funds are able to provide concessional loans, grants and guarantees to recipients through one of six partner multilateral development banks (MDB). The MDBs are required to return reflows (principal repayment, interest, fees or any other reflow of funds) received from recipients to the trust funds. The funds are designed to complement existing bi-lateral and multi-lateral financial mechanisms and, as such, their operations are co-ordinated with the programmes of other financial institutions.

The World Bank serves the CIF in three capacities: (i) as a Trustee to administer the CTF and SCF Trust Funds, (ii) as one of six Implementing Agencies to implement programmes and projects financed by the CIF; and (iii) as the Administrative Unit to support the work of the CIF.

### ***The Clean Technology Fund:***

The CTF provides large-scale financial resources to invest in clean technology projects in developing countries. These projects contribute to the demonstration, deployment, and transfer of low-carbon technologies with a significant potential for long-term greenhouse gas emissions savings. The CTF seeks to fill a gap in the international architecture for development finance. That is, finance that is available at more concessional rates than standard terms used by the MDBs and at a scale necessary to help provide incentives to developing countries to integrate nationally appropriate mitigation actions into sustainable development plans and investment decisions. The Clean Technology Fund Trust Fund Committee has endorsed US\$4.35 billion in 13 country and regional investment plans, leveraging over US\$40 billion for renewable energy, energy efficiency and transportation.

The CTF promotes programmes in the following sectors:

---

<sup>23</sup> 'Where's the Money? The Status of Climate Finance Post-Copenhagen'. Schalatek, L. (Heinrich Böll Foundation North America), and Bird, N. and Brown, J. (Overseas Development Institute), 2010.

- Power sector: renewable energy and highly efficient technologies to reduce carbon intensity.
- Transport sector: efficiency and modal shifts.
- Energy efficiency sector: buildings, industry, and agriculture.

The CTF aims to finance transformational actions that:

- Provide positive incentives for the demonstration of low carbon development and mitigation of GHG emissions. This will be done through public and private sector investments.
- Scale-up development through funding low carbon programmes and projects that are embedded in national plans and strategies. In this way, the diffusion and transfer of clean technologies will be accelerated.
- Realise environmental and social co-benefits. This will illustrate the potential held by low-carbon technologies to contribute to the goals of sustainable development and the Millennium Development Goals (MDG).
- Promote international co-operation on climate change and support agreement on the future of the climate change regime.
- Utilise the skills and capabilities of the MDBs to raise and deliver new and additional resources. These will include official and concessional funding, at significant scale.
- Share experiences and lessons learned while responding to the challenges of climate change.

To be eligible for CTF funding a country must be Overseas Development Aid (ODA) eligible and have an active MDB country programme. When a country expresses interest in accessing CTF financing, the MDBs concerned will conduct a joint mission involving other relevant development partners. MDBs will engage with government officials, private industry and other stakeholders on how the fund may help finance scaled-up, low carbon activities in the given country. An investment plan will be designed under the leadership of the recipient country. Indonesia, Vietnam and Thailand all have endorsed Investment Plans.

### ***The Strategic Climate Fund***

The Strategic Climate Fund (SCF) serves as an overarching fund that provides financing to pilot innovative approaches or to scale-up transformational activities aimed at specific climate change challenges or sectoral responses. The SCF is made up of three targeted programmes each with dedicated funding to provide financing to pilot new approaches with the potential for scaling up: the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), and the Scaling Up Renewable Energy in Low Income Countries Program (SREP).

### **The Pilot Program for Climate Resilience.**

The PPCR was approved in November 2008 and was the first programme under the SCF to become operational. The PPCR aims to pilot and demonstrate practical ways to mainstream climate resilience into core development planning and budgeting, building on National Adaptation Programmes of Action (NAPA). It is strategically aligned with, and maintains strong links to, the Adaptation Fund established under the Kyoto Protocol. Work is underway to identify and start activities in nine countries under the PPCR: Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, and Zambia (i.e. no overlap with ACCCRN). Two regional pilot programmes are planned in the Caribbean Region and in the Pacific. As at March 2010, the total amount pledged by different countries was US\$945 million.

Under the PPCR two types of investments are supported:

- 1) Funding for technical assistance to enable developing countries to build upon existing national work to integrate climate resilience into national and sectoral development plans.
- 2) Funding public and private sector investments identified in national or sectoral development plans or strategies addressing climate resilience.

The pilot programmes implemented under the PPCR should be:

- country led;
- build on NAPAs and other relevant country studies and strategies;
- complement existing adaptation funding and be supportive of the emerging operations of the Adaptation Fund; and
- support actions that are both an outcome of a comprehensive planning process and consistent with the countries' development and poverty reduction goals.

Immediate outcomes of a PPCR programme should include:

- an increased capacity to integrate climate resilience into country development strategies;
- a more inclusive approach to climate resilient growth and development;
- an increased awareness of the potential impact of climate change;
- scaled-up investment for broader interventions and programming related to climate resilience; and
- improved coordination among stakeholders regarding country-specific climate resilient programmes.

#### **The Forest Investment Program (FIP).**

The FIP was approved in May 2009 and aims to support developing countries' efforts to reduce emissions from deforestation and forest degradation by providing scaled-up bridge financing for readiness reforms and public and private investments, identified through national REDD readiness or equivalent strategies. In March 2010, the FIP Sub-Committee approved the following countries to become pilots under the programme: Burkina Faso, Ghana, Indonesia, Laos, and Peru. The current level of pledged financing available for the FIP has increased to US\$558 million and so 6 more pilots are being considered.

The programme supports:

- Investments that build institutional capacity, forest governance and information;
- Investments in forest mitigation efforts, including forest ecosystem services; and
- Investments outside the forest sector necessary to reduce the pressure on forests such as alternative livelihood and poverty reduction opportunities.

FIP investments also mainstream climate resilience considerations and contribute to multiple co-benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, and poverty reduction through rural livelihoods enhancements.

#### **The Program for Scaling-Up Renewable Energy in Low Income Countries (SREP).**

The SREP was approved by the SCF Trust Fund Committee in May 2009 and seeks to demonstrate the economic, social and environmental viability of low carbon development pathways in the energy sector in low-income countries. The SREP stimulates economic growth through the scaled-up development of renewable energy solutions and aims to act as a catalyst for the transformation of the renewables market by obtaining government support for market creation, private sector implementation, and productive energy

use. The SREP promotes both public and private sector actions to remove barriers that might otherwise inhibit scaled-up private sector investments.

SREP is country-led and builds on national policies and the activities of other existing energy initiatives. It will operate in a small number of low-income countries to maximise its impact and demonstrative effect. As at June 2010 it had received its full commitment from countries for a total funding package of \$292 million and work is underway to begin operationalising the programme.

## Figure 2. Japan Social Development Fund

Outside of the CIF is the Japan Social Development Fund (JSDF) which was established by the Government of Japan and the World Bank in June 2000 as an untied mechanism for providing direct assistance to the poorest and most vulnerable groups in eligible member countries of the World Bank Group. As of June 2007, the Government of Japan had provided over US\$350 million to the JSDF and 250 grants, amounting to US\$275.7 million, had been approved.

<b>Programme Theme:</b>	<p>The main purpose of the JSDF is to finance activities which:</p> <ul style="list-style-type: none"> <li>• respond directly to the needs of the poorest and most vulnerable groups;</li> <li>• encourage the testing of innovative methods that are new or alternative approaches at project, country, or regional level, or that facilitate new partnerships or assist new target groups;</li> <li>• support initiatives that lead to developing sustainable outcomes through the adoption or scaling-up of the pilot project through Bank-financed operations, recipient government activities, or other activities; or</li> <li>• build ownership, capacity, empowerment and participation of local communities, non-governmental organisations (NGOs) and other civil society groups to facilitate their involvement in operations financed by the World Bank.</li> </ul>
<b>Programme Focus:</b>	<p>Two types of grants can be supported under the JSDF:</p> <ol style="list-style-type: none"> <li>1. Project Grants are for activities directly providing relief measures that address demand-driven poverty reduction needs and support innovative approaches particularly in the social sectors;</li> <li>2. Capacity Building Grants are for activities that strengthen service delivery at the grassroots level through learning by doing or expanding the capabilities or coverage of social fund type institutions. They can also support measures nurturing positive interactions among local government, communities, interest groups, and non-governmental organisations in ways geared to generate substantive incremental benefits.</li> </ol> <p>Both types of grants must complement an on-going or future World Bank financed lending operation – details of these can be found at the WB InfoShop or WB Monthly Operational Summary.</p>
<b>Priority Geographies:</b>	<p>Only low-income and lower middle-income countries (as defined in the most recent World Development Report) are eligible for both project and capacity-building grants – all ACCRN countries are eligible. Approximately 50% of total JSDF funds should go to eligible countries in East, South and Central Asia.</p> <p>While a seed fund request may be submitted for a group of countries or a regional study, a JSDF proposal will have to be submitted for each country.</p>
<b>Eligibility Criteria:</b>	<p>Proposals can be proposed by local governments, NGOs, or civil society groups, but must be prepared and submitted by a Bank staff member.</p>
<b>Application Guidelines:</b>	<p>A local government, NGO or a civil society group may collaborate with the World Bank task team currently managing an existing and related World Bank Group financed project in conceptualising and designing the proposed grant, using a Concept Note (CN) format. The CN should ideally be discussed with an appropriate Task Manager in the relevant World Bank office, but if this proves difficult, a CN can be sent directly to the JSDF Unit. The CN template is available on the JSDF website.</p>

	A Seed Fund has been established to finance grants of up to US\$50,000 for the costs of participatory preparation of the grant. The seed fund grant will finance consulting services, including those from community consultation experts, local consultation costs, and incremental Bank staff travel and subsistence.
<b>Funding Rounds:</b>	The next round of JSDF is expected to be announced some time in September/October 2010 when the FY11 Annual Policy Document has been agreed upon with the donor.  Invitations to submit JSDF grant proposals are usually issued three times a year.
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	The total allocation for FY10 is US\$100 million, including US\$20 million for the special Allocation for Africa. The balance of US\$80 million is tentatively US\$40 million for JSDF Regular Program grants and US\$40 million for the JSDF Emergency Window, but after the first round of proposals this balance may be adjusted in the light of demand.  The size of a JSDF grant can range from US\$200,000 to US\$2 million for the JSDF regular program. In very exceptional cases, grants may go up to US\$3 million. In these cases, prior clearance should be sought from the Trust Fund Operations Department. International market rates should be used to cost the activities.
<b>Key Exclusions:</b>	JSDF will not finance purchase of motor vehicles, land acquisition, academic research, government salaries, foreign training or study tours.  The JSDF will not finance activities which could be funded under Bank Group loans/credits or from other sources, such as research, desk audits, diagnostics, surveys, economic and sector work.
<b>Comments:</b>	In August 2010, the JSDF unit noted in an e-mail that the unit does not provide assistance to external parties with regard to identifying task team leaders, and that NGOs are advised to establish contacts in the World Bank Group's resident missions.
<b>Contact Details:</b>	Yolaine Joseph, Senior Operations Officer, Global Partnership and Trust Fund Operations <a href="mailto:yjoseph@worldbank.org">yjoseph@worldbank.org</a>
<b>Website:</b>	<a href="http://www.worldbank.org/jsdf">http://www.worldbank.org/jsdf</a>

### **Action Points:**

#### **India:**

- Meet with Urban Specialist who is a key WB personnel member with whom ACCCRN has not yet connected.

# Multi-lateral Donor Profiles

---

## **Adaptation Fund.**

The Adaptation Fund was established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC). It aims to finance adaptation projects and programmes in developing countries that are Parties to the Protocol. The Fund is financed with 2% of the Certified Emission Reductions (CER) issued for projects of the Clean Development Mechanism (CDM) and other sources of funding. The total amount of funds to be made available for eligible developing country Parties will depend on the market-based monetisation of CER which are the Adaptation Fund's main source of revenue. The total available resources are expected to be between US\$250-350 million by 2012. Funding from other sources such as donations may also supplement the proceeds of the monetisation of CER.

The Adaptation Fund comprises two committees: the Ethics and Finance Committee and the Project and Programme Review Committee, with the latter responsible for reviewing submitted proposals.

## **Accreditation:**

In addition to the two committees, in order to ensure that organisations receiving Adaptation Fund money meet the required fiduciary standards, the Board has established an Accreditation Panel. The Panel consists of three independent experts and two Board members<sup>24</sup>. Any organisation that wishes to implement Adaptation Fund projects must submit an application for accreditation providing documentation that it meets the fiduciary standards adopted by the Board.

## ***Focal Accreditation Areas:***

1. **Financial Integrity and Management** – includes accurately and regularly recording transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organisation; managing and disbursing funds efficiently and with safeguards to recipients on a timely basis; producing forward-looking financial plans and budgets; and having a legal status to contract with the Adaptation Fund and third parties.

2. **Institutional Capacity** – includes procurement procedures which provide for transparent practices, including competition; the capacity to undertake monitoring and evaluation; the ability to identify, develop and appraise project; and the competency to manage or oversee the execution of the project/programme including the ability to manage sub-recipients and to support project/programme delivery and implementation.

3. **Transparency and Self-investigative Powers** – the competence to deal with financial mismanagement and other forms of malpractice.

---

<sup>24</sup> In an e-mail from the Adaptation fund in July 2010, their representative stated that the Fund prefers not to publicise the names of its three experts. In terms of the Board members, one of them resigned after the last meeting and the Board is in the process of appointing his replacement. The other member is Mr. Jerzy Janota Bzowski from Poland, representing Eastern Europe.

### ***Eligible Entities:***

There are two types of entities that can become accredited:

1. **National Legal Entities** - The Adaptation Fund requires national legal entities be nominated by eligible country parties. Once an entity has been nominated, it must submit its application to the Adaptation Fund Secretariat to be accredited as a National Implementing Entity (NIE). As at May 2010 there was only 1 accredited NIE in Senegal.

2. **Multilateral Implementing Entities** - countries may also utilise Multilateral Implementing Entities (MIEs), which are multilateral institutions and development banks, to carry out projects. These organisations must however also go through the same accreditation process outlined below. There are currently (as at June 2010) six MIEs: the United Nations Development Programme, the Asian Development Bank, the International Fund for Agricultural Development, the United Nations Environment Programme, the United Nations World Food Programme, and the World Bank.

### ***Accreditation Process:***

**Step 1:** The potential Implementing Entity submits an accreditation application to the Adaptation Fund Board Secretariat. This must include

- a) A description of how the organisation meets the specific fiduciary standards, and
- b) Supporting documentation for how the organisation meets the criteria (e.g. audited financial reports, business plans/corporate budget).

**Step 2:** The Secretariat collates the documentation, reviews its completeness, and submits it to the Accreditation Panel for its review within 15 days.

**Step 3:** The Panel may request additional information or clarification from the organisation, including:

- a) The Panel may suggest to the Board that an on-site visit and/or observation of the organisation is required, or
- b) The Panel may suggest that technical support needs to be provided to an applicant to improve its capacities in order to attain accreditation.

**Step 4:** The Accreditation Panel makes a formal recommendation to the Adaptation Fund Board.

**Step 5:** The Adaptation Fund Board makes a final decision on whether or not to accredit the applicant.

### **Funding Streams.**

April 2010 saw Spain become the first country to make a significant contribution to the Adaptation Fund of 45 million Euro (US\$60 million). The Government of Germany announced at the Petersberg Climate Dialogue, which took place in May 2010, in Petersberg, Germany, that it will contribute 10 million Euro (US\$13 million) to the Adaptation Fund. Sweden recently announced a similar 10 million Euro donation and as at July 2010, other countries including France, Finland, Japan, Norway and Switzerland have also promised funding.

In June 2010 the Adaptation Fund endorsed the first four proposals of concrete adaptation projects. This means that they can now go ahead with the preparation of a fully-developed proposal for submission and approval in September 2010. The four proposals endorsed by the Board included one by Nicaragua (a plan



to improve watersheds to better deal with droughts and floods), Pakistan (to reduce risk and vulnerabilities from glacier lake outburst floods in the mountains), Senegal (efforts to adapt to climate change in coastal areas) and the Solomon Islands (to tackle sea level rise), with a total proposed value of US\$21.8 million. The Senegal proposal was submitted by Centre de Suivi Ecologique, an NIE, whilst the other three were submitted via the United Nations Development Programme acting as a Multilateral Implementing Entity.

It is not clear yet if the Adaptation Fund would be one of the channels envisaged for the provision of the short-term fast-start US\$30 billion financing over the next three years under the Copenhagen Accord.

**Figure 3. The Adaptation Fund.**

<p><b>Programme Theme:</b></p>	<p>To finance concrete adaptation projects and programmes.</p> <p>The definition of a concrete adaptation project is “a set of activities aimed at addressing the adverse impacts of and risks posed by climate change.”</p> <p>An adaptation programme is understood as “a process, a plan, or an approach for addressing climate change impacts that is broader than the scope of an individual project.”</p>
<p><b>Programme Focus:</b></p>	<p>Strategic priorities are:</p> <ul style="list-style-type: none"> <li>• As a means to ensure national ownership and coherence, projects and programmes funded under the Adaptation Fund should take into account relevant national strategies, such as national sustainable development strategies, poverty reduction strategies, national communications programmes, and national adaptation programs of action.</li> <li>• Parties are also asked to take into account political and scientific guidance, such as that agreed to previously by the Conference of the Parties, in reports from the Intergovernmental Panel on Climate Change, and in information generated under the Nairobi work programme on impacts, vulnerability, and adaptation to climate change.</li> <li>• To target adaptation measures to those people most in need, the Fund also requires that governments that submit proposals to the Fund give special attention to the particular needs of the most vulnerable communities.</li> </ul>
<p><b>Priority Geographies:</b></p>	<p>Developing countries that are Parties to the Kyoto Protocol and particularly vulnerable to the adverse effects of climate change, including low-lying and other small island countries, countries with low-lying coastal, arid and semi-arid areas or areas liable to floods, drought and desertification, and developing countries with fragile mountainous ecosystems.</p>
<p><b>Eligibility Criteria:</b></p>	<p>The Adaptation Fund Board has recently approved its Operational Policies and Guidelines which allow eligible Parties seeking financial resources from the Adaptation Fund to submit proposals <i>either</i> directly through their accredited National Implementing Entity (NIE) <i>or</i> by using the services of accredited Multilateral Implementing Entities (MIEs).</p> <p>All project proposals require the endorsement of the authority which has been designated by the relevant Government to make such endorsements.</p>
<p><b>Application Guidelines:</b></p>	<p>The application guidelines and formats are available on the website. These should be read in conjunction with the ‘Accessing Resources from the Adaptation Fund Handbook’ available through the ‘publications’ tab on the website.</p> <p>Decisions on the allocation of resources of the Fund shall take into account the following criteria:</p> <ul style="list-style-type: none"> <li>(a) Level of vulnerability;</li> <li>(b) Level of urgency and risks arising from delay;</li> </ul>

	<p>(c) Ensuring access to the fund in a balanced and equitable manner;</p> <p>(d) Lessons learned in project and programme design and implementation to be captured;</p> <p>(e) Securing regional co-benefits to the extent possible, where applicable;</p> <p>(f) Maximising multi-sectoral or cross-sectoral benefits;</p> <p>(g) Adaptive capacity to the adverse effects of climate change.</p>
<b>Funding Rounds:</b>	<p>Proposals can be submitted to the Board through the Secretariat three times per year or as may be decided at any time by the Board depending on the flow of requests and the available resources. The timetable for the submission and review of proposals will be synchronised with the meetings of the Board to the extent possible.</p> <p>There are two types of submission process:</p> <p><b>Single-step process:</b> This process may be used for small-size projects (up to US\$1 million) or regular projects (over US\$1 million) with proposals that are already fully-prepared. Submissions are made to the Secretariat 7 weeks before the Adaptation Fund’s Board meeting.</p> <p><b>Two-step process:</b> used for regular projects this comprises (i) project concept approval; and (ii) final project document approval. The rationale for choosing such a process is for a country to receive feedback or guidance from the Adaptation Fund Board upstream before a project has been fully prepared.</p> <p>There are no country level allocations, so funding is on a ‘first come first served basis’.</p>
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	<p>The total available resources are expected to be between US\$ 250 and 350 million by 2012.</p> <p>There is no minimum or maximum grant amount stated. Small projects are up to US\$1 million and regular projects above this. The average of proposals submitted (but not funded) to date is US\$7,287,000.</p> <p>Every project proposal submitted to the Board should state the management fee requested by the Implementing Entity, if any.</p>
<b>Key Exclusions:</b>	Not stated.
<b>Contact Details:</b>	<p>For the United Nations Development Programme (UNDP) as an accredited multilateral entity:  304 East 45th Street, FF-9th Floor  New York, NY 10017, USA  Tel: +421 259337422  Fax: +421 259337450  Website: <a href="http://www.undp.org">http://www.undp.org</a>  Contact Person: Ms. Keti Chachibaia  E-mail: <a href="mailto:keti.chachibaia@undp">keti.chachibaia@undp</a></p> <p>For the World Bank (International Bank for Reconstruction and Development) as an accredited multilateral entity:  1818 H Street, NW  Washington, DC, 20433, USA  Tel: +1 202-473-1000  Fax: +1 202-522-3258  Website: <a href="http://www.worldbank.org">http://www.worldbank.org</a>  Contact Person: Mr. Steve Gorman, Program Manager, ENVGCMP, Environment Department</p>

	<p>E-mail: <a href="mailto:sgorman@worldbank.org">sgorman@worldbank.org</a></p> <p>Direct proposal submissions should be made to the AFB Secretariat: The Adaptation Fund Board Secretariat 1818 H Street NW MSN G6-602 Washington, DC. 20433, U.S.A Fax: +1 (202) 522-3240/5 Email: <a href="mailto:secretariat@adaptation-fund.org">secretariat@adaptation-fund.org</a> Parties can also request further information by phone at: +1 202 473-6390.</p>
<b>Website:</b>	<a href="http://www.adaptation-fund.org/">http://www.adaptation-fund.org/</a>

## **Cities Development Initiative for Asia.**

The Cities Development Initiative for Asia (CDIA) is a regional partnership programme supported by the Asian Development Bank (ADB) and the governments of Germany, Sweden and Spain. It aims to assist local governments of medium-sized Asian cities to bridge the gap between their development plans and the implementation of their infrastructure investments. It was set up largely as a response to the so-called 'deal flow' problem of the ADB – where identifying and funding sound investment opportunities is more of a challenge than the availability of resources.

CDIA uses a demand-driven approach to support the identification and development of urban investment projects in the framework of existing city development plans and which emphasise one or more of the following impact areas:

1. Urban environmental improvement;
2. Urban poverty reduction;
3. Climate change mitigation or adaptation; or
4. Good urban governance

To facilitate these initiatives at city level, CDIA provides a range of international and domestic expertise to cities that can include support for the preparation of pre-feasibility studies for high priority infrastructure investment projects. Through regional collaboration at the policy and operational levels, CDIA is forming a growing international network of members with a shared interest in urban development. In addition to city governments and their national government counterpart agencies from across Asia, the CDIA network also includes international infrastructure advisors, financiers, suppliers and operators. CDIA believes that this means that city members therefore have a unique resource for choosing the most suitable development partners. Also, private-sector members such as banks, institutional investors, developers, suppliers and operators have access to a new range of projects, whilst funding partners have an opportunity to build synergies and share knowledge in areas of common concern.

CDIA's Core Management Team/ Secretariat is based in Manila and ACCCRN representatives have met with CDIA personnel there.

## **CDIA's Strategy.**

Core city-level CDIA activities comprise a range of measures to close the planning-infrastructure investment gap, typically including one or more of the following elements:

1. Advisory support to urban infrastructure investment programming and prioritisation.
2. Consultancy support for the preparation of pre-feasibility studies for high priority infrastructure investment projects.
3. Identification of potential private sector involvement in early stages of project definition and structuring projects for such involvement.
4. Local institutional capacity strengthening related to infrastructure investment planning and programming.
5. Advisory support to market local investment proposals to potential financiers.

At the Asia regional scale, CDIA interventions include support to knowledge management and dissemination of investment experience to improve environmental quality and reduce urban poverty. The organisation also supports improvement in inter-municipal co-operation for more efficient provision of urban services.

## CDIA and ACCCRN Programme Countries.

CDIA is active in all four ACCCRN countries. The CDIA have supported two ACCCRN cities to date, both in Vietnam. In Da Nang in 2009 they supported the preparation of a complete feasibility study in the urban transport sector, with particular reference to the introduction of a bus system - a project valued at US\$410,000. In Can Tho they supported the preparation of a feasibility study in the wastewater drainage and treatment sector, which addressed wastewater disposal in Tra Noc Industrial Zone in particular, at a cost of US\$200,000.

## Funding Streams.

**Figure 4. Cities Development Initiative for Asia.**

<p><b>Programme Theme:</b></p>	<p>The long term aim of the Cities Development Initiative for Asia (CDIA) is to contribute to the promotion of sustainable and equitable urban development, leading to improved environmental and living conditions for all in Asian cities.</p> <p>The strategic objective of CDIA is to bridge the gap between strategic city development planning on the one hand and urban policies, services and infrastructure project preparation on the other, by assisting city governments with pre-project preparation and capacity-building. In attempting to achieve this, the Initiative supports identification and pre-structuring of appropriate projects and building management capacity of medium-size cities. In these cities, CDIA supports the implementation of existing city development strategies or comprehensive development plans for socially, economically and environmentally equitable and sustainable infrastructure and urban services.</p>
<p><b>Programme Focus:</b></p>	<p>The operational objectives of CDIA are to improve urban infrastructure and services management through:</p> <p>a) providing technical assistance in project structuring to bring priority urban infrastructure project concepts to a pre-feasibility stage from where standard project feasibility studies acceptable to and, if required, funded by, development financing institutions can be applied; and</p> <p>b) strengthening of local institutional structures and arrangements for local policy frameworks on urban management and the development of urban infrastructure and services capital investment programmes and projects, including the upgrading of local governance systems and enhancement of the city revenue base to maximise funding options and capacity;</p> <p>At the city level, CDIA will give priority to the development of projects, which have synergistic, catalytic and/or additional impacts on the environment and/or the social circumstances of the citizens of the city. In assessing these elements, CDIA will also focus on the impact of the projects on the disadvantaged.</p>
<p><b>Priority Geographies:</b></p>	<p>ADB's Developing Member Countries in Asia.</p> <p>Priority will be given to cities in countries in which bilateral Program Review Committee (PRC) members' urban development support programmes are operational, and where substantive linkages can be made between CDIA support and other urban support activities by these Program Review Committee members.</p>
<p><b>Eligibility Criteria:</b></p>	<p>City eligibility for <b>pre-project preparation support</b>: The initiative will provide technical assistance, capacity building and network support to medium-size cities with focus on cities with population between 250,000 up to 5 million.</p> <p>City eligibility for <b>networking, knowledge sharing and strategic capacity building</b>: Cities not meeting the above eligibility and qualifying criteria for pre-project preparation support will be encouraged to seek CDIA support for networking, knowledge sharing and strategic capacity building for possible future pre-project preparation support. CDIA assistance for this may be provided to:</p> <ul style="list-style-type: none"> <li>• single local government administrations.</li> </ul>

	<ul style="list-style-type: none"> <li>• agglomerated local authority administrations for improved co-operation among adjacent jurisdictions.</li> </ul>
<b>Application Guidelines:</b>	<p>Local governments of eligible cities will develop their own request for CDIA support (which the CDIA Core Management Team (CMT) may facilitate) and must be committed to cost-sharing principles. To qualify for CDIA support, cities will be expected to submit an application indicating that they have:</p> <ul style="list-style-type: none"> <li>• prepared and adopted an urban development strategy and/or integrated urban development plan;</li> <li>• a demonstrable intent to address social and environmental issues in infrastructure provision;</li> <li>• demonstrated commitment of local government through pledging their own contributions (indicatively about 20 % of total CDIA support costs);</li> <li>• demonstrable in-principle central/state level support for the development of an urban infrastructure projects portfolio and its financing, and for the assistance application to the CDIA CMT/ Secretariat; and</li> <li>• endorsement for the request from the relevant national agency and one of the CDIA funding members.</li> </ul> <p>The request for pre-project preparation support may be dovetailed with a request for strategic capacity-building. This would involve addressing key capacity constraints (if any) that must be resolved as a pre-requisite for project preparation and implementation.</p> <p>Following approval of the support request, a technical assistance contract agreement will be entered into between the applicant and one or more funding partners of CDIA, specifying details of the assignment, sources of funds and consultant recruitment procedure.</p>
<b>Funding Rounds:</b>	<p>Only cities for which there is (in the view of the CMT) a strong likelihood that they can meet eligibility and qualifying criteria will be encouraged to apply. Local governments should in the first instance submit a letter requesting assistance. The application process has the following steps:</p> <ol style="list-style-type: none"> <li>1. Assessment of likelihood of meeting eligibility and qualifying criteria in initial discussion between local (and state/national) government staff and CDIA CMT. This discussion may be initiated by the local government or any other party associated with CDIA. Typically the CDIA CMT may mount a reconnaissance mission to the city concerned to assess likelihood of meeting the criteria;</li> <li>2. If this assessment is positive; preparation of formal support request by the local authority in the prescribed format and with support documentation demonstrating that qualifying criteria are met. The CDIA CMT assist in this as part of the reconnaissance mission or otherwise;</li> <li>3. Review of support request by CDIA CMT for approval by funding partner (and by CDIA PRC if needed). This review will generally be an in-house exercise (drawing on external reviewers as needed), but will have CMT solicited inputs from concerned operational staff in ADB, KfW and/or other potentially interested capital financing organizations; and</li> <li>4. Approval/rejection of support request by funding partner (and by CDIA PRC if needed) and its communication to applicant by CMT. Conditional approval pending clarifications/ submission of additional information may be possible, so that steps 3 and 4 may be repeated.</li> </ol> <p>For these activities at city level a judicious sequence of the following steps will be conducted, either by one of the CDIA implementing partners or by the CDIA core management team itself:</p> <ol style="list-style-type: none"> <li>1. establishment of initial contacts between CDIA and potentially benefiting city administrations,</li> <li>2. assessment of city-perceived problems and their direct and indirect contexts,</li> <li>3. definition of scope of possible CDIA support,</li> <li>4. submission of city application for CDIA support,</li> <li>5. review and approval of application and identification of support source,</li> <li>6. establishment of a project preparation Technical Assistance agreement between the applicant and the CDIA/funding partner,</li> <li>7. preparation of Terms of Reference for consultancy/advisory support services,</li> <li>8. procurement of consulting services,</li> </ol>

	<p>9. supervision of assigned consultants,</p> <p>10. dialogue with potential funding organizations for subsequent investment support,</p> <p>11. assessment of assignment outcomes.</p>
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	By the end of 2009, CDIA had approved direct consultancy support for 19 applications to a total amount of US\$7,000,000 in Technical Assistance. The estimated infrastructure investment value resulting from this CDIA support in these cities is US\$3.2 billion.
<b>Key Exclusions:</b>	Not stated.
<b>Comments:</b>	At a meeting with ADB/CDIA in Manila in May 2010, it was stated that they would welcome approaches from ACCCRN cities, especially in Da Nang and Semarang where potential cross over exists already. However, also reinforced idea that CDIA is demand driven – so all ACCCRN cities can apply to CDIA for funding.
<b>Contact Details:</b>	<p>Cities Development Initiative for Asia</p> <p>Suite 202-203 Hanston Building, Emerald Ave.</p> <p>Ortigas Centre, Pasig City, 1600 Metro Manila</p> <p>Philippines</p> <p>Phone +63-2-631-2342 –</p> <p>Fax + 63-2-631-6158</p> <p>Email: <a href="mailto:info@cdia.asia">info@cdia.asia</a></p>
<b>Website:</b>	<a href="http://cdia.asia/">http://cdia.asia/</a>

### **Action Points:**

#### **Overall:**

- Follow up on fit between CDIA and Da Nang and Semarang, and other ACCCRN cities as appropriate.
- Cristina Rumbaitis del Rio to share project pipeline and city resilience strategy with CDIA director as they become available.

## **European Commission.**

The European Commission (EC) is the European Union's (EU) executive body. It represents and upholds the interests of Europe as a whole and drafts proposals for new European laws. It manages the day-to-day business of implementing EU policies and spending EU funds.

### **The EC's Climate Change Strategy:**

The EC's Directorate-General for the Environment's 6<sup>th</sup> Environmental Action Programme (2002-2012) sets out the following four priority areas:

- Climate change.
- Nature and biodiversity.
- Environment and health.
- Natural resources and waste.

Regarding climate change, the EC notes that developing countries will require both financial and technological assistance. Financial support is to be based on low carbon development strategies produced by developing countries which should set out which measures a country can take without additional financial and technical assistance. Beyond such 'win-win' measures, the European Commission proposes that developed countries should contribute via the use of carbon crediting mechanisms and public funding. Public financial contributions should be comparable, and be based on emission levels and each country's economic capability.

Climate change is an integrated part of the EU's domestic and foreign policy agendas. There are several strategic objectives which the EC aims to achieve in co-operating with external partners on climate change:

- Building political will and trust – the EU states that it is convinced that the way to achieve the objective to limit climate change to 2°C is through a global agreement for the period post-2012 and that this agreement must be founded in the UNFCCC. In order to ensure that this process is inclusive, it is necessary to convince partners that climate change actions make economic and environmental sense and that climate action is entirely compatible with national policy objectives.
- Building capacity – this means, inter alia, ensuring that the most vulnerable countries are able to adapt to the inevitable impacts of climate change, and that the greatest emitters are in a practical, technical and administrative position to reduce their greenhouse gas emissions.
- Aid effectiveness and the Millennium Development Goals (MDG) – in the case of developing countries, the EU has signed up to the MDG and is committed to ensuring the effectiveness of its development aid spending. Since climate change impacts have the potential to undermine policies and projects aimed at poverty eradication and economic development, it therefore makes sense to ensure that donor and recipient implementation of aid and development policies consider climate change impacts at every stage. Furthermore, it is part of the EC's humanitarian role to ensure that it assists the most vulnerable, including when it comes to coping with the impacts of climate change.

The EC established a Global Climate Change Alliance (GCCA) in 2007 which targets least developed countries (LDC) and small island developing states, and has two main objectives:

1. Deepening the policy dialogue between the EU and developing countries on climate change, especially in the context of the international negotiations for a post-2012 climate regime, and
2. Stepping up support to target countries to implement priority adaptation and mitigation measures and to integrate climate change issues into their development strategies.



*Disaster preparedness:* The European Commission's Humanitarian Aid Department (ECHO) provides support to the victims of disasters beyond the EU's borders. In 1996 ECHO launched a specific programme, DIPECHO (Disaster Preparedness ECHO) dedicated to disaster preparedness which is the main component of ECHO's contribution to the global disaster risk reduction effort. The DIPECHO programme now covers seven disaster-prone regions including South Asia and South East Asia. In 2009, the budget for disaster preparedness was 33.3 million Euro (US\$43 million). The projects funded by the programme include simple and inexpensive preparatory measures, often implemented by the communities themselves. DIPECHO-projects will typically emphasise training, capacity-building, awareness-raising, establishment or improvement of local early-warning systems and contingency-planning.

### **The EC and ACCCRN Programme Countries.**

#### **India:**

The EC's overall objective is to support India's efforts towards sustainable growth and poverty eradication, and to build mutual understanding on global environmental issues including climate change. The environment is recognised as a strategic area for dialogue and co-operation within the EU-India Partnership, and the 2005 EU-India Joint Action Plan provides the basis for enhancing co-operation in this area. The EC is increasing co-operation with India in areas such as energy efficiency, renewable energy, technology transfer, and water management, chiefly through vehicles such as the EU-India Initiative on Clean Development and Climate Change. The Action Plan's climate change related objectives are:

- Mutual understanding on the issues and regulatory tools for climate change intensifies and deepens.
- Favourable change in the capacity of the government to deal with climate change, particularly with regard to international best practices.
- Input for policy framework enhancement delivered.

The delegation (in May 2010) explained that in India the EC is using energy as a driver for mitigation negotiations/activities whilst the UN talks about India's role are on-going. Whilst they have had some climate change related projects including a livelihoods/afforestation project in Haryana which had a focus on women's empowerment (now finished) and a water management project in Rajasthan which started around March 2010, they do not currently have any direct urban mitigation or adaptation projects. They are involved with 5-6 adaptation projects in rural areas and are engaged in policy support work on water/waste/chemicals/air pollution and green buildings – though little directed at city level.

The EC's focus is more on the mitigation side in India and they are planning to promote local strategies in cities for renewable energy/energy efficiency with the Ministry of Environment. The draft strategy is with Brussels and is likely to be confirmed around October/November 2010, with a launch in 2011. The initiative will be worth 9 million Euro (US\$ 11.6 million) over 4-5 years and will involve the selection of five pilot cities with whom to develop local strategies. The delegation is keen to establish a network that goes beyond the five cities so said that they could link in with ACCCRN cities and include adaptation that way. They will also seek to facilitate linkages with similar networks in Europe. The EC anticipate selecting cities from the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) list of 60, or possibly building on the Eco Cities project (8 cities) or Solar Cities initiative which supports with energy efficiency plan development. They want to work with cities who are committed and have some capacity, have the potential for replication, and are medium sized (between 1-5 million population), as well as different types of cities (e.g.

hills/coastal/industrial). They will be keen to support municipalities to access other sources of funding for this work in due course - from the Government of India or development banks.

#### **Indonesia:**

Since the signature of the EU-Indonesia Partnership and Co-operation Agreement in November 2009, development co-operation is part of a wider co-operation framework. Four priorities for closer co-operation have already been agreed: education; human rights/democracy; trade and investment; and the environment. However, the delegation explained in June 2010 that urban climate change resilience is not a specific priority of the EC's co-operation in Indonesia. Instead they will focus on areas such as fisheries and forestry.

#### **Thailand:**

The latest EU-Thailand co-operation strategy stresses two areas: co-operation facilities for technical assistance and higher education. The EC's in-country co-operation facility was established in recognition of Thailand's socio-economic development of late. It relates especially to economic development, such as reforms, trade and investment, customs, free trade agreement, and support for meeting mandatory and voluntary market requirements, which may affect bi-lateral trade relations.

The co-operation facility is in its 2<sup>nd</sup> phase now (a new facility is implemented every two years) and has two components:

1. Calls for proposals – these are demand driven according to defined objectives comprising four lots: 1) trade and investment (which has the biggest focus), 2) higher education and science and technology, 3) climate change and, 4) governance. There was a recent call for proposals worth 2.4 million Euro (US\$3.1 million) but this is now closed and they do not anticipate more calls due to limited funds and a pending shift of focus to trade.
2. Support to policy dialogue –which includes expert studies and study tours. Climate change is one field of interest here.

The delegation noted that since the EC had made the biggest pledge of fast-start finance for 2010-2012 following the Copenhagen Accord of 2 billion Euro (US\$2.58 billion) per annum, then they do expect more funding in due course. However, they also remarked that the EC is behind other donors in determining the details of the pledge. But given that the funds start in 2010 then there must be further clarity soon. They reported that despite these uncertainties they have started some activities already, including a scoping study regarding the monitoring, reporting, and verification of mitigation work.

#### **Vietnam:**

The EC's focus in Vietnam is on support to socio-economic development and health care. However, following a review in 2009 they state that a continued pro-poor focus, particularly considering the situation of ethnic minorities, as well as further attention to climate change will characterise the country strategy until 2013. The EC delegation in Hanoi explained that they have programmes related to forestry and to clean and more efficient production. Whilst the latter can be urban in focus, the projects will relate to mitigation and not adaptation.

## **Funding Streams:**

### **Regional Co-operation:**

Funding of about 102 million Euro (US\$131.6 million) has been allocated for the first four years of Asia's regional environmental strategy, which comprises two programmes: 'SWITCH Asia' which focuses on sustainable consumption and production, and 'Forest Law Enforcement, Governance and Trade Asia' (FLEGT) which promotes sustainable forest management.

### ***The SWITCH Asia programme:***

The SWITCH Asia programme supports a switch from unsustainable to sustainable patterns of production and consumption in order to decouple economic growth from environmental degradation. Through a combination of grant-funded projects and networking, the project aims to achieve:

- A higher use of environmentally friendly technologies and practices by business.
- A switch by consumers to less damaging behaviour and consumption patterns.
- Implementation and reinforcement of environmental and safety legal instruments.
- Development and application of effective economic instruments that enhance sustainable consumption and production.
- Better policy dialogue on sustainable consumption and production in Asia.
- Greater dialogue on Asian sustainable consumption and production priorities and needs at an international level.

A 3<sup>rd</sup> call for proposals is planned for launch by the Commission in Brussels in October-November 2010. More information on the specific requirements and eligibility criteria will be published on the website in July-August 2010. Applicants can be Chambers of Commerce, industrial and professional associations, regulatory bodies, research organisations, NGOs and development agencies. The programme particularly welcomes projects involving organisations in the least developed countries of Asia. The budget will be between 1.5 - 2 million Euro (US\$1.9 – 2.58 million), for 2-4 years duration, and they are aiming for more, smaller projects than under previous calls. The next call will not ask for sustainable production and consumption to be addressed distinctively as has been the case in the past. The hope is that the work will 'trickle down' to impact upon the adaptation side.

SWITCH Asia will also undertake a policy support component in Indonesia, Malaysia, Thailand and Philippines. They will launch a tender for TA services (except in the Philippines where they will work with government).

### ***Forest Law Enforcement, Governance and Trade Asia (FLEGT):***

FLEGT Asia aims at improving forest governance and thus at contributing to poverty reduction and sustainable natural resources management in Asia, through direct support to the implementation of the EU FLEGT Action Plan. The action plan was launched in 2003 in response to European consumer demand for legal timber products. To date they have developed voluntary programme agreements with Indonesia and Malaysia, and Vietnam are keen to join.

### **Thematic funding:**

In addition to providing regional and country-based approaches to development through geographic programmes, the European Commission operates programmes with a specific thematic focus. They are

implemented on the basis of thematic strategy papers and annual action programmes. The thematic programmes of potential relevance to ACCRN are the 'Environment and Sustainable Management of Natural Resources including Energy Programme' and the 'Non-state Actors and Local Authorities in Development Programme'.

***Environment and Sustainable Management of Natural Resources including Energy Programme.***

The thematic programme for Environment and Sustainable Management of Natural Resources including Energy helps developing countries and partner organisations to address environmental and natural resource management issues. Moreover, it helps them to meet their obligations under multilateral environmental agreements and to take international policy leadership in areas such as fighting climate change, tackling land degradation and desertification, biodiversity protection and proper management of chemicals and wastes.

The programme is based on the following priorities:

- Priority 1: assisting developing countries to make better progress on integrating environmental sustainability in decision making by means of support to civil society stakeholders.
- Priority 2: promoting the implementation of initiatives and commitments made at both European and international level.
- Priority 3: increasing the prominence of environmental issues in EU external policy.
- Priority 4: strengthening international governance on the environment and making EU actions a key part of the process.
- Priority 5: broadening the options as regards sustainable energy, in particular by developing a legislative and administrative framework which favours investments and businesses, and also by stimulating international cooperation.

In general, the following entities are eligible for funding: partner countries and regions, and their institutions, decentralised bodies in the partner countries (municipalities, provinces, departments and regions), joint bodies set up by the partner countries and regions with the Community, and international organisations.

***Non-State Actors and Local Authorities in Development Programme.***

The main objective of the programme is to provide capacity building to non-state actors and local authorities in order to facilitate their involvement in the policy-making process and to enhance their capacity to deliver basic services to the poorest in developing countries. For the period 2007-2010 the priorities are:

- Priority 1: supporting actions aimed at a democratic, cohesive and autonomous society in partner countries by enhancing the skills of non-state actors and local authorities, supporting populations with no access to resources or basic services and excluded from the political decision-making process, and favouring dialogue between state and non-state actors.
- Priority 2: financing awareness-raising and educational initiatives in the EU and acceding countries on the topic of development, by encouraging a better understanding of the issues at stakes and stronger involvement of all in the fight against poverty.
- Priority 3: facilitating co-ordination and communication between civil society and local authority networks, both involved in the European public debate on development.

The programme primarily targets interventions in the field, especially in developing countries and regions where geographical programmes do not provide for any financial support for non-state actors or local

authorities owing to weak political commitment, in sub-regions out of reach of the country programme or in situations of difficult partnerships, fragile States, post-conflict, political instability.

Calls for proposals (either local or global) are launched on the EC's website at the following address:

<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1278513838903&do=publi.welcome&userlanguage=en>

An 'advanced search' can be conducted by selecting the following:

- Type – choose 'Grants'.
- Status – choose 'Open'.
- Geographical Zone – choose 'Asia'.

Registration in the EC's 'Potential Applicant Data On-Line Registration' (PADOR) is required prior to submission of concept notes. PADOR is an on-line database in which organisations register themselves and update regularly their data through the Europeaid website.

### **Action Points:**

#### **Overall:**

- Organisations within ACCCRN who may wish to access EC funding should register themselves with PADOR at: [http://ec.europa.eu/europeaid/work/onlineservices/pador/index\\_en.htm](http://ec.europa.eu/europeaid/work/onlineservices/pador/index_en.htm)
- If any research proposals emerge in the ACCCRN pipeline, they may be appropriate for submission to the EC's research programme. Further information of the programme framework can be found at: [www.ec.europa.eu/research/fp7](http://www.ec.europa.eu/research/fp7) whilst details of calls for proposals can be found at: <http://cordis.europa.eu/fp7/dc/index.cfm?fuseaction=UserSite.FP7CallsPage&rs>

#### **India:**

- The EC delegation in India expressed an interest in both attending, but also playing a more active part in, the planned ACCCRN-DFID conference in Delhi in September.
- There may be some synergy between ACCCRN and the EC's plans to promote local strategies in cities for renewable energy/energy efficiency. Since the draft strategy is likely to be confirmed around October/November 2010, it may be worthwhile meeting with the delegation again then to discuss pilot city selection.

#### **Thailand:**

- The First Secretary in the Thai delegation, Mr Samuel Cantell, appreciated the networking aspect of ACCCRN and is keen to learn more about this and how the co-ordination with governments is done in other countries. It is suggested to invite him to any future ACCCRN-related events.

## **Global Environment Facility.**

The Global Environment Facility (GEF) unites 182 member governments - in partnership with international institutions, non-governmental organisations, and the private sector - to address global environmental issues. An independent financial organisation, the GEF provides grants to developing countries and countries with economies in transition for projects related to six critical focal areas:

- Climate Change.
- Conserving Biodiversity.
- International Waters.
- Land Degradation.
- Persistent organic pollutants.
- Ozone.

These projects seek to benefit the global environment, linking local, national and global environmental challenges and promoting sustainable livelihoods.

Established in 1991, the GEF states that it is today the largest funder of projects to improve the global environment. The GEF has allocated US\$8.8 billion, supplemented by more than US\$38.7 billion in co-financing, for more than 2,400 projects in over 165 developing countries and countries with economies in transition. Through its Small Grants Programme, the GEF has also made more than 10,000 small grants directly to non-governmental and community organisations.

The GEF partnership includes 10 agencies: the UN Development Programme (UNDP); the UN Environment Programme; the World Bank; the UN Food and Agriculture Organisation; the UN Industrial Development Organisation; the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the International Fund for Agricultural Development. The GEF believe that this arrangement allows them to stimulate constructive competition and select the best and most cost-effective initiatives from a larger pool. The Scientific and Technical Advisory Panel provides technical and scientific advice on the GEF's policies and projects.

The GEF also serves as financial mechanism for a number of international environmental conventions in order to avoid duplication, as follows:

- Convention on Biological Diversity.
- United Nations Framework Convention on Climate Change (UNFCCC).
- Stockholm Convention on Persistent Organic Pollutants.
- United Nations Convention to Combat Desertification.
- Montreal Protocol of the Vienna Convention on Ozone Layer Depleting Substances.

## **GEF's Climate Change Strategy:**

As the financial mechanism of the UNFCCC, the GEF allocates and disburses about US\$250 million per year in energy efficiency, renewable energy, sustainable urban transport and sustainable management of land use, land-use change, and forestry projects. The GEF also manages two separate adaptation-focused funds under the UNFCCC — the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), which have together mobilised more than US\$250 million dollars specifically earmarked for activities related to adaptation, and the latter also to technology transfer. In the climate change focal area, more than US\$2.7 billion has been allocated to support projects in developing countries and economies in transition. These

projects have in turn leveraged an additional US\$17.2 billion in co-financing. The GEF state that since resources are limited, GEF support in the climate change focal area is most effective when it is used to facilitate and complement other sources of financing.

The GEF's focus has continually shifted upstream since its launch away from individual investments towards the creation of a conducive policy environment and enabling regulatory frameworks and pioneering innovative financial instruments. GEF support is directed not at subsidising individual investments, but rather at creating the market environment in which the technologies and practices can diffuse into the target markets.

### ***Climate Change Mitigation.***

During the fourth phase of the GEF (2007-2010), its climate change strategy on mitigation focused primarily on six strategic programmes, to promote:

1. Energy efficiency in buildings and appliances: this programme looks at achieving increased market penetration of energy-efficient technologies, practices, products, and materials in the residential and commercial building markets.
2. Industrial energy efficiency: this programme works on increasing deployment of energy-efficient technologies and adoption of energy-saving practices in the industrial sector.
3. Market-based approaches for renewable energy: this programme concentrates on promoting growth in markets for renewable power in participating programme countries.
4. Sustainable energy production from biomass: this programme looks at adoption of modern and sustainable practices in biomass production, conversion, and use for modern energy.
5. Sustainable innovative systems for urban transport: under this programme, innovative sustainable transport systems are promoted, created, and adopted, making sure that populations in targeted urban areas make greater use of less GHG-intensive transport modes.
6. Management of land use, land-use change, and forestry, as a means to protect carbon stocks and reduce GHG emissions.

### ***Climate Change Adaptation.***

The GEF's support to adaptation was initially limited to financing vulnerability and adaptation assessments and capacity building. However, since 2001 the focus of GEF adaptation work has become to support the implementation of concrete adaptation projects on the ground. The aim is to increase the resilience of vulnerable countries, sectors, and communities to the adverse impacts of climate change, including variability. Under its strategic priority on adaptation, the GEF supported projects that can be integrated into national policies and sustainable development planning. However, for the GEF-5 between 2010 and 2014, all adaptation-related work will be financed through the LDCF and the SCCF.

### ***The GEF-NGO Network.***

The GEF-NGO Network was established in May 1995 following the GEF Council's decision to enhance relationships between the GEF and NGOs. The Network is made up of organisations whose work in environment and sustainable development is aligned with the GEF mandate. The role of the Network is seen as the embodiment of an active partnership for developing policy documents, disseminating information about the GEF mission, objectives and activities to, and receiving information about issues and concerns from, civil society organisations at the grassroots, regional, national and international levels. Those issues and concerns are then transmitted to the governing bodies of the GEF.

### **Funding Streams:**

Replenishment of the Trust Fund takes place every four years based on donor pledges that are funded over a four-year period. The funding is made available for activities within the GEF Focal Areas defined during the replenishment discussions. The GEF Trust fund has received a total of US\$10.885 billion during four replenishments. The following countries are those to which the GEF has provided the greatest funding<sup>25</sup>:

- |                                    |                              |
|------------------------------------|------------------------------|
| 1. China - US\$733.25              | 6. Philippines - US\$165.31  |
| 2. Brazil - US\$370.83             | 7. Indonesia - US\$130.16    |
| 3. India - US\$312.33              | 8. Egypt - US\$99.65         |
| 4. Mexico - US\$287.25             | 9. Vietnam - US\$90.87       |
| 5. Russian Federation - US\$234.69 | 10. South Africa - US\$87.70 |

May 2010 saw more than 30 donor countries pledge US\$4.25 billion as GEF replenishment which is widely seen as the first significant step towards the commitments in Copenhagen on climate change. This replenishment includes some the Fast-Start financing and approximately US\$1.35 billion will be programmed for the climate change focal area. These pledges for the next four years represent the largest ever increase in funding for the GEF.

In July 2010 the governing body of the GEF approved major reforms designed to give recipient countries greater ownership in funding choices and more control and access to funds. Among the reforms approved is direct access to GEF resources for recipient countries looking to meet various UN convention requirements. Also a more streamlined GEF project cycle and a move to a more refined and strategic programmatic investment approach. The Council also agreed to initiate a process to determine how best to integrate new agencies, including qualified national entities, into the GEF network.

### ***The Least Developed Countries Fund:***

This is a voluntary trust fund established in 2001 under the UNFCCC to address the special needs of the 48 Least Developed Countries (LDCs) that are especially vulnerable to the adverse impacts of climate change. This excludes all ACCCRN countries therefore. The LDCF supports projects addressing the urgent and immediate adaptation needs of the LDCs, focusing on reducing the vulnerability of those sectors and resources that are central to human and national development, such as water, agriculture and food security, health, disaster risk management and prevention, and infrastructure, as prioritised in their National Adaptation Programmes of Action (NAPA).

The GEF has, as of June 2010, mobilised voluntary contributions of US\$224 million for the LDCF, of which US\$169 million has been received; its target in the next four years is to reach US\$500 million. This is the amount estimated by the UNFCCC needed to finance NAPA implementation as well as to move toward a four-year replenishment process.

### ***The Special Climate Change Fund:***

The Special Climate Change Fund (SCCF) is a voluntary trust fund that was established under the UNFCCC in 2001 to finance activities, programmes, and measures relating to climate change that are complementary to those funded by the resources allocated to the Climate Change Focal Area of the GEF and by bilateral and multilateral funding. The GEF has, as of February 2010, mobilised voluntary contributions of US\$147 million

---

<sup>25</sup> Top 10 from 1991 to the end of 2008.



for the SCCF, of which US\$110 million has been received. The demand for this fund is US\$125 million per year and there is currently a waiting list of projects for this amount.

The SCCF has four different windows:

1. Adaptation – to support capacity building, including institutional capacity, to make project preparatory work, constituency building, and awareness raising more informed of the likely implications of and changes brought on by climate change. Activities will focus more on prevention than on reaction and where possible, activities that prevent additional impacts from climate change will be identified. This includes projects in agriculture and food security, water resources, infrastructure, coastal zone management, disaster preparedness, and health. Specifically on climate change related disasters, the Fund will support capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters, including contingency planning for droughts and floods in areas prone to extreme weather events. Regarding health, activities will be funded to improve the monitoring of diseases and vectors affected by climate change and related forecasting and early warning systems, and in this context to improve disease control and prevention.
2. Transfer of technologies. The Fund will support strengthening existing and, where needed, assist in establishing national and regional centres and information networks for rapid response to extreme weather events, utilising information technology as much as possible.
3. Energy, transport, industry, agriculture, forestry, and waste management.
4. Activities to assist developing countries whose economies are highly dependent on income generated from the production, processing, and export or on consumption of fossil fuels and associated energy-intensive products in diversifying their economies.

The overarching criteria for granting funds under the SCCF are the extent to which the proposed project responds to (a) the eligibility criteria as spelled out under the Programming Papers for the SCCF, and (b) the priorities in the NAPAs, the National Communications and other regional programmes, and national programmes, plans and other documentation that the non-Annex I countries are required to provide to the UN COP on a country’s vulnerability to climate change.

It is foreseen that through the SCCF the GEF will be called upon to fund a combination of full size and medium size projects and small community level projects. Financing for vulnerability and adaptation assessments as well as for technology needs assessments is already available to eligible Parties through the ‘GEF enabling activities for climate change’ financed through the GEF Trust Fund. Therefore, it is unlikely that the SCCF itself will fund such enabling activities<sup>26</sup> as well.

**Figure 5. The Global Environment Facility Trust Fund.**

*Note: the same application procedure applies for the SCCF, with additional reference to the priority areas listed above.*

<b>Programme Theme:</b>	These projects seek to benefit the global environment, linking local, national, and global environmental challenges and promoting sustainable livelihoods.
<b>Programme</b>	The GEF has six critical focal areas:

<sup>26</sup> The GEF finances ‘Enabling Activities’ related to the conventions on biodiversity, climate change, and persistent organic pollutants, to help countries prepare national inventories, strategies, action plans, and reports under these conventions.

<b>Focus:</b>	<ul style="list-style-type: none"> <li>• Climate change.</li> <li>• Conserving biodiversity.</li> <li>• International waters.</li> <li>• Land degradation.</li> <li>• Persistent organic pollutants.</li> <li>• Ozone.</li> </ul> <p>Please refer to the section entitled 'Special Climate Change Fund' (above) for details of the SCCF's focal areas.</p>
<b>Priority Geographies:</b>	<p>Countries are eligible for GEF funding in a focal area if:</p> <ul style="list-style-type: none"> <li>• They meet eligibility criteria established by the relevant COP of that convention.</li> <li>• They are members of the conventions and are countries eligible to borrow from the World Bank (IBRD and/or IDA).</li> <li>• They are eligible recipients of UNDP technical assistance through country programming.</li> </ul>
<b>Eligibility Criteria:</b>	<p>All non-Annex I Parties are deemed to be eligible developing country Parties.</p> <p><b>Full-Sized Projects (FSP) - Over US\$1 million</b> - Project concepts may be developed by governments, non-governmental organisations, communities, the private sector, or other civil society entities, and must respond to both national priorities and GEF focal area strategies and operational programmes, and must satisfy eligibility requirements under the Conventions. Project proponents work closely with national GEF Operational Focal Points (who formally endorse project concepts) and the GEF Agency, to develop concepts and move through the project cycle. FSPs are subject to project review criteria and are approved by the GEF Council.</p> <p><b>Medium-Sized Projects (MSP) - Up to US\$1 million</b> - MSPs offer opportunities for a broad range of programming that is typically smaller in scale than full-sized projects and follow expedited procedures for their approval. Funding such projects increases GEF flexibility in allocating its resources and encourages a wide range of stakeholders to propose and develop project concepts. MSPs are limited to a maximum of \$1 million in GEF funds. Their approval is delegated by the Council to the Chief Executive Officer<sup>27</sup> (CEO), and it is subject to project review criteria, similar to FSPs. Prior to the CEO approval, MSPs are circulated to Council for their information.</p>
<b>Application Guidelines:</b>	<p>In order to be considered, a project proposal has to fulfil the following criteria:</p> <ul style="list-style-type: none"> <li>• It is undertaken in an eligible country.</li> <li>• It is consistent with national priorities and programmes.</li> <li>• It addresses one or more of the GEF Focal Areas, improving the global environment or advances the prospect of reducing risks to it.</li> <li>• It is consistent with the GEF operational strategy.</li> <li>• It seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits<sup>28</sup>.</li> <li>• It involves the public in project design and implementation.</li> <li>• It is endorsed by the government(s) of the country/ies in which it will be implemented.</li> </ul>
<b>Funding Rounds:</b>	<p>Before drafting a project proposal, the applicant should contact the Country Operational Focal Point and verify that the proposal complies with the criteria mentioned above. If there are doubts about the eligibility of the project, it is advisable to have an informal consultation with the GEF Secretariat (Country Relation Officers in the External Affairs team).</p> <p>GEF Agencies assist eligible applicants in the development, implementation, and management of GEF projects. They are the channel between countries and the GEF for the project approval process and participate in GEF governance as well as in the development of GEF policies and programmes.</p>

<sup>27</sup> Ms Monique Barbut, a French national, has been the CEO and Chairperson of the GEF since August 2006

<sup>28</sup> Since the LDCF and SCCF are structured differently than the GEF Trust Fund and operate through the core sectors that link adaptation and development, instead of dealing with global environmental benefits and focal areas, the Results Based Management framework and thus the implementation strategy have been adjusted to reflect these differences: [http://thegef.org/gef/sites/thegef.org/files/documents/LDCF.SCCF\\_.6.4.Results\\_based\\_Management.pdf](http://thegef.org/gef/sites/thegef.org/files/documents/LDCF.SCCF_.6.4.Results_based_Management.pdf)

	<p>Once these preparatory steps are taken, the proponent should develop the Project Identification Form (PIF), in close co-ordination with the GEF Agency and following the internal project cycle procedures. Once the PIF is ready, the Agency will submit it to the GEF Secretariat for approval. GEF Agencies can submit PIFs to the GEF Secretariat on a rolling basis, endorsed by the country Operational Focal Point.</p> <p>FSPs have to be endorsed within 22 months from the date of Council approval of the work programme; MSPs have to receive the approval of the final project document within 12 months from the PIF approval.</p>
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	<p>GEF projects require co-financing. This financing could be sourced from Rockefeller grants, city-level contributions or other donor funding.</p> <p>The proportional scale is designed so that the GEF will fund a larger share of smaller projects with limited funding needs than it will for larger projects with more ambitious funding requirements.</p> <p>The following rules will be applied: (a) if a project requires less than US\$1 million of funding, SCCF financing will be available for up to 50% of the project financing; (b) for projects requiring between US\$1 and US\$5 million of funding, the SCCF will finance up to one third of the costs of the project. (c) for projects requesting more than US\$5 million, the SCCF will finance up to one quarter of the total project costs.</p>
<b>Key Exclusions:</b>	Not stated.
<b>Comments:</b>	<p>Each GEF country member has designated an officer responsible for GEF activities, known as GEF Operational Focal Point, who plays a key role in assuring that GEF projects are aligned to meet the needs and priorities of the respective country. A list of Focal Points can be found at: <a href="http://www.thegef.org/gef/focal_points_list">http://www.thegef.org/gef/focal_points_list</a></p>
<b>Contact Details:</b>	<p>1818 H Street, NW, MSN G6-602  Washington, DC 20433 USA  Tel: (202) 473-0508  Fax: (202) 522-3240/3245  Email: <a href="mailto:secretariat@thegef.org">secretariat@thegef.org</a></p>
<b>Website:</b>	<a href="http://www.thegef.org">http://www.thegef.org</a>

**Figure 6. The Global Environment Facility's Small Grants Program.**

<b>Programme Theme:</b>	<p>The Small Grants Programme (SGP) channels financial and technical support directly to NGOs and community-based organisations for activities that conserve and restore the environment while enhancing people's well-being and livelihoods.</p> <p>SGP is rooted in the belief that global environmental problems can best be addressed if local people are involved and there are direct community benefits and ownership. SGP is convinced that with small amounts of funding, members of local communities can undertake activities that will make a significant difference in their lives and environments, with global benefits, in contrast with top-down, expert-reliant development interventions.</p>
<b>Programme Focus:</b>	<p>SGP supports activities in support of the GEF priorities - biodiversity conservation, abatement of climate change, protection of international waters, prevention of land degradation, and elimination of persistent organic pollutants.</p> <p>Specifically regarding adaptation, the GEF SGP supports community-based adaptation interventions that increase resilience to the adverse impacts of climate change of vulnerable countries, sectors, and</p>

	<p>communities. These interventions can fall under the two special funds managed by GEF that are under the UNFCCC — the Least Developed Countries Fund and the Special Climate Change Fund — as well as the Adaptation Fund under the Kyoto Protocol.</p> <p>The principle objectives of the Small Grants Programme are to:</p> <ul style="list-style-type: none"> <li>• Develop community-level strategies and implement technologies that could reduce threats to the global environment if they are replicated over time.</li> <li>• Gather lessons from community-level experience and initiate the sharing of successful community-level strategies and innovations among CBOs and NGOs, host governments, development aid agencies, GEF and others working on a regional or global scale.</li> <li>• Build partnerships and networks of stakeholders to support and strengthen community, NGO and national capacities to address global environmental problems and promote sustainable development.</li> <li>• Ensure that conservation and sustainable development strategies and projects that protect the global environment are understood and practised by communities and other key stakeholders.</li> </ul>
<p><b>Priority Geographies:</b></p>	<p>All ACCCRN programme countries are eligible.</p>
<p><b>Eligibility Criteria:</b></p>	<p>Grants can be made directly to community-based organisations and non-governmental organisations.</p> <p>Several different kinds of activities are eligible for funding by SGP:</p> <p><b>Community-based assessment and planning (planning grants):</b> Small amounts of grant funds (typically no more than US\$2,000) are available to support pre-project participatory assessment and planning activities designed to strengthen community participation in project identification and development.</p> <p><b>Pilot demonstration activities:</b> Most funded projects are activities that test and demonstrate the viability of innovative community-level approaches to global environmental problems.</p> <p>Although most demonstration projects include capacity development components, grants may be awarded for targeted technical assistance and training activities which focus on developing CBO and NGO capacities in the GEF focal areas.</p> <p><b>Monitoring and analysis:</b> Grants funds may also be made available to intermediary NGOs and research centres (including universities) to support programme monitoring; to help identify, assess, and document best practices; and to prepare case studies of SGP-supported projects. The use of participatory methods in monitoring and analysis activities is encouraged.</p> <p><b>Dissemination, networking, and policy dialogue:</b> In order to leverage SGP project experience, grant funds are available to support dissemination of innovations and best practices, relevant networking activities, and policy dialogue efforts aimed at promoting a supportive policy environment for community-level action in the GEF focal areas.</p>
<p><b>Application Guidelines:</b></p>	<p>A locally recruited National Co-ordinator is appointed to carry out day-to-day management of the programme and serve as secretary to the national steering committee. An SGP office is established either in UNDP or in a host NGO. The National Co-ordinator, working with the national steering committee (NSC), reaches out to the NGO community and CBOs to inform them of availability of grants, and receives and screens proposals.</p> <p><b>Characteristics of SGP-supported Projects</b></p> <p>In addition to meeting the basic GEF criteria, priority is given to activities that:</p>

	<ul style="list-style-type: none"> <li>• Facilitate community participation in their design, implementation, and evaluation.</li> <li>• Improve household and community access to productive assets and income/employment opportunities.</li> <li>• Consider gender roles and relationships, with a focus on the needs of women.</li> <li>• Recognize the roles and importance of indigenous knowledge and resource management systems, and of local institutions and patterns of social organization.</li> <li>• Support approaches to technology adoption and diffusion that engage stakeholders directly and take into account their needs and priorities.</li> <li>• Expand community access to local sources of technical assistance and training.</li> <li>• Include local contributions and cost-sharing by stakeholders.</li> </ul> <p>The steps involved in applying for a SGP grant are:</p> <ol style="list-style-type: none"> <li>1. The project proponent contacts the SGP National Coordinator (in the local UNDP country office or in the host NGO) to receive project application guidelines and forms.</li> <li>2. With assistance from the National Co-ordinator and using the standard SGP format, the proponent prepares a brief project concept paper and submits this to the coordinator.</li> <li>3. The national coordinator reviews and pre-screens the concept paper according to GEF criteria and criteria adopted by the NSC for activities in that country.</li> <li>4. If the project is judged eligible, the project proponent prepares a project proposal; in some cases, this step may be supported by a planning grant.</li> <li>5. Completed project proposals are submitted by the National Co-ordinator or the NSC.</li> <li>6. The NSC reviews the proposal and either accepts it, rejects it, or returns it to the proposer with a request that further work be done on formulating and refining the project data.</li> <li>7. Approved proposals enter the national SGP work programme. SGP grants are usually paid in three instalments: an up-front payment to initiate the project; a mid-term payment upon receipt of a satisfactory progress report; and a final payment on receipt of a satisfactory project completion and final report.</li> </ol>
<b>Funding Rounds:</b>	<p>The steering committee develops a country programme strategy, considers whether proposals for grants are feasible and meet SGP criteria, and what kind of technical support is needed for implementation. The committee is responsible for final approval of grants, helps undertake site visits and review, advises on design of grant proposals, ensures monitoring and evaluation, and champions SGP in national fora.</p> <p>To be eligible for SGP support, a project proposed for funding must meet the country-specific eligibility criteria laid out in the relevant SGP Country Programme Strategy approved by the NSC.</p>
<b>Duration of Grant:</b>	<p>Not stated.</p>
<b>Grant Amount (US\$)</b>	<p>The maximum grant amount per project is US\$50,000, but averages around US\$20,000.</p>
<b>Key Exclusions:</b>	<p>None stated.</p>
<b>Comments:</b>	
<b>Contact Details:</b>	<p><b>India:</b>  Centre for Environment Education,  C-40, Ground Floor, South Extension - II,  New Delhi, 110049  Telephone: +91-11- 26262878  Fax: +91-11- 26262880  E-mail: prabhjot.sodhi@ceeindia.org, ceedelhi@ceeindia.org</p>

	<p>Website: <a href="http://www.sgpindia.org">http://www.sgpindia.org</a></p> <p><b>Indonesia:</b>  JL. Hang Lekir VIII No.1,  Kebayoran Baru,  Jakarta Selatan, 12120  Telephone: +62-21 720-6125  Fax: +62-21 722-0905  E-mail: <a href="mailto:dwihastarini@sgp-indonesia.org">dwihastarini@sgp-indonesia.org</a>  Website: <a href="http://www.sgp-indonesia.org">http://www.sgp-indonesia.org</a>, <a href="http://www.sgpindonesia.org">www.sgpindonesia.org</a></p> <p><b>Thailand:</b>  UNDP, G.P.O. Box 618, Bangkok, 10501  Telephone: +66-2 288-1820/288-2131  Fax: +66-2 280-0556/1414  E-mail: <a href="mailto:poonsin.sreesangkom@undp.org">poonsin.sreesangkom@undp.org</a></p> <p><b>Vietnam:</b>  UNDP Hanoi, 25-29 Phan Boi Chau Street, Hanoi  Telephone: +84-4 9421-495 ex 173  Fax: +84-4 822-4003  E-mail: <a href="mailto:nguyen.thi.kim.anh@undp.org">nguyen.thi.kim.anh@undp.org</a>  Website: <a href="http://www.undp.org.vn">http://www.undp.org.vn</a></p>
<b>Website:</b>	<a href="http://sgp.undp.org/index.cfm?module=ActiveWeb&amp;page=WebPage&amp;s=AboutSGP">http://sgp.undp.org/index.cfm?module=ActiveWeb&amp;page=WebPage&amp;s=AboutSGP</a>

### **Action Points:**

#### **Overall:**

- ACCCRN organisation may wish to consider joining the GEF-NGO Network. Further information regarding the Network can be found at: <http://www.gefnngo.org/index.cfm>
- Contact respective Operational Focal Points in each country to discuss the potential to access GEF SCCF funding.

## **Global Facility for Disaster Reduction and Recovery.**

Established in 2006, the Global Facility for Disaster Reduction and Recovery (GFDRR) is a partnership of 32 countries and 6 international organisations committed to helping developing countries reduce their vulnerability to natural hazards and adapt to climate change. The partnership's mission is to mainstream disaster risk reduction and climate change adaptation into country development strategies by supporting a country-led and managed implementation of the Hyogo Framework for Action. The Secretariat is housed at the World Bank headquarters in Washington DC in the US.

The GFDRR has four main business lines to achieve its development objectives at the global, regional and country levels:

- Track-I: Global and Regional Partnerships.
- Track-II: Mainstreaming Disaster Risk Reduction in Development.
- Track-III: Standby Recovery Financing Facility for Accelerated Disaster Recovery.
- Climate Change Adaptation.

Two initiatives that complement the three tracks and Climate Change Adaptation programmes are:

- South-South Co-operation Program for Disaster Risk Reduction.
- The Economics of Disaster Risk Reduction.

Since its inception in September 2006 through to June 2010, GFDRR has received a total of US\$240 million in pledges and contributions from its donors.

### **The GFDRR's Climate Change Strategy:**

*Track-I: Global and Regional Partnerships.*

With funding from the World Bank's Development Grant Facility (US\$5 million per year since FY07), the UN International Strategy for Disaster Reduction (ISDR) Secretariat manages the Track I work programme. The key objectives are:

1. To enhance global and regional advocacy, strategic partnerships, and knowledge management for mainstreaming disaster risk reduction
2. To promote the standardisation and harmonisation of hazard risk management tools, methodologies, and practices.

These activities leverage Track II country programmes for ex-ante investment in prevention, mitigation, and preparedness activities, particularly in high-risk, low- and middle-income countries.

*Track II: Mainstreaming Disaster Risk Reduction in Development.*

This programme provides ex-ante assistance to developing countries to mainstream and expand disaster risk reduction and climate change adaptation activities. Under this business line, GFDRR works closely with the World Bank regional teams, UN agencies, and client governments to integrate DRR in national poverty reduction strategies and country development agendas. Sub-business lines supporting ex-ante programmes include: Risk Assessment, Risk Reduction, Risk Financing, and Climate Change Adaptation. The programme includes 'core funds', 'non-core funds', and 'South-South Co-operation' grants:

- Core funds are provided through a multi-donor trust fund<sup>29</sup> for mainstreaming DRR in Country Strategies.
- Non-core funds for earmarked countries are provided via single donor trust funds<sup>30</sup>.
- The South-South Cooperation grants<sup>31</sup> aim to strengthen the leadership role of developing countries in finding effective and efficient risk reduction and climate change adaptation solutions (see below).

*Track III: Standby Recovery Financing Facility for Accelerated Disaster Recovery.*

GFDRR's support of sustainable recovery is aimed at early, post-disaster recovery in low-income countries through its Standby Recovery Financing Facility. Track III is less programmatic than Track I and Track II because it is deployed for post-disaster situations, but it does work to build national capacity and facilitate knowledge management with the long term in mind. Track III includes two financing windows:

- Window 1: The technical assistance fund<sup>32</sup>: To support damage, loss, and needs assessments, and develop national capacity for recovery planning and implementation;
- Window 2: The callable fund for accelerated recovery to provide speedy access to financial resources for disaster recovery and reconstruction<sup>33</sup>.

*Adaptation to Climate Change:*

Since its inception in 2006, about two-thirds of GFDRR's assistance has had a primary focus on climate change adaptation (more than US\$27 million). GFDRR support has leveraged an additional US\$17 million of co-financing from development partners and greater amounts from World Bank investments.

GFDRR state that it remains committed to supporting adaptation efforts, complementing other climate change adaptation initiatives led by the World Bank and partners. In particular they note that they need to build capacity for better risk management at all levels—engaging governments, civil society, the private sector, communities, and individuals.

Moving forward, the GFDRR has launched a new study on how to strengthen the links between DRR and climate change adaptation. The Facility also states that it will facilitate development of common approaches to disaster risk assessment, co-ordinated implementation of national disaster risk reduction and climate change adaptation programmes, and design of risk transfer mechanisms, including insurance schemes. It plans to further strengthen its own capacity to engage with climate change teams working on financing the climate change mitigation and adaptation agenda, both within the World Bank and in close partnership with other key players in the ISDR system.

*The South-South Co-operation Program.*

The South-South Co-operation Program is a special GFDRR initiative to promote institutional co-operation among low- and middle-income disaster-prone countries to mainstream disaster risk reduction and climate change adaptation in development planning. The programme which started in June 2008 is anchored by the belief that expanded partnerships among these countries are the key drivers of effective risk reduction. By

<sup>29</sup> Participating Donors: Australia, Brazil, Canada, Denmark, European Commission, France, Germany, Ireland, Italy, Japan, Luxembourg, Norway, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom and the United States.

<sup>30</sup> Participating Donors: Australia, Japan, and Spain.

<sup>31</sup> Participating Donors: Italy and Norway.

<sup>32</sup> Participating donors: Australia, European Commission, Norway, and Sweden.

<sup>33</sup> Participating donors: Denmark, European Commission, Italy, Luxembourg, Switzerland, and USAID's Office of U.S. Foreign Disaster Assistance.



systematically sharing experiences and lessons learned, disaster-prone countries facing similar challenges—and operating under comparable financial and political constraints—can arrive at better solutions to climate change and disaster-related problems.

The South–South Cooperation Program is expected to mobilise US\$100 million for South–South partnerships between 2008 and 2015; this includes the partners’ own commitments and contributions. In June 2009, GFDRR awarded the first South-South co-operation grant to create a partnership among three disaster prone cities (Makati in Philippines, Kathmandu in Nepal, and Quito in Ecuador) for the exchange of knowledge and good practices in risk-sensitive land-use planning and city emergency management systems. In early 2010, a second award was made to the Inter-Governmental Authority on Development to forge a partnership among the East African Countries to strengthen the countries’ institutional arrangements to improve disaster preparedness and climate monitoring and prediction.

### **The GFDRR and ACCCRN Programme Countries.**

GFDRR Priority Countries for 2009-2012 include the ACCCRN countries of Indonesia and Vietnam.

Plans for the GFDRR between 2009 and 2011 for South Asia included:

- Engagement with sub-regional inter-governmental organisations to strengthen the capacity of the South Asian Association for Regional Co-operation (SAARC) on disaster risk reduction issues in the region, support to develop the Disaster Management Centre, (which is the operational arm of SAARC for disaster risk reduction) as a centre of excellence with the aim of developing the confidence and strengthening SAARC to prioritise disaster risk reduction on its agenda.
- Support to the India Cyclone Mitigation Project, a flagship demonstration project on disaster risk reduction in the region, will continue in FY09-11.
- Develop application of the GFDRR-supported Climate Resilient Cities Primer for local authorities in a number of South Asian cities.
- The focus on developing a knowledge network between SAARC countries will continue and be up scaled.

Plans for the GFDRR between 2009 and 2011 for South East Asia included:

- Strengthening the Hyogo Framework implementation capacity of sub-regional inter-governmental organisations. This includes a continuation of the current engagement with ASEAN with the flexibility to transfer support to other regional organisation over the 5 five year period as required.
- Support to the two Regional Platforms on disaster risk reduction in Asia and the Pacific will be provided. The support will focus on capacity building for Hyogo Framework/ disaster risk reduction progress reporting; convening the Asian Ministerial Conferences on DRR; and on the ISDR Asia Partnership to further enhance co-ordination and coherence in disaster risk reduction at the regional level.
- Fostering the integration of climate change adaptation and disaster risk reduction. Track 1 will contribute to a 3- year programme initiated by the WB for the East Asia region with a focus on climate resilient cities. This is a follow-up initiative to the regional launch of the Primer on Climate Resilient Cities; some resources will also be invested into other strategic initiatives to strengthen institutional and programmatic approaches in this area.
- Continued efforts to raise awareness and provide evidence for the linkage between poverty and disasters to increase investments in disaster risk reduction.

## **Indonesia Climate Change Trust Fund.**

The Indonesia Climate Change Trust Fund (ICCTF) aims to contribute effectively and efficiently to the mainstreaming of climate change issues in government planning at national, provincial and local levels and to the implementation of climate change activities (both mitigation and adaptation) across Indonesia. It seeks to do this by attracting, managing and mobilising finances that support the government's efforts to reduce emissions, move towards a low-carbon economy and adapt to the impact of climate change. The Government of Indonesia has indicated an investment requirement in the order of 0.13% to 1% of Gross Domestic Product to address the climate-related challenges faced – most of which is for infrastructure development. This would amount to an annual investment ranging from US\$0.5 to 4.5 billion.

The ICCTF was established in response to the need for greater co-ordination and harmonisation of funds from both international donors and the private sector, to ensure alignment with national development plans. It was 'soft' launched in September 2009 and then officially launched in 2010 following the finalisation of the strategy in March 2010. The ICCTF is expected to be funding initiatives up to 2020.

## **The Indonesia Climate Change Trust Fund's Climate Change Strategy.**

There are three priority windows under the ICCTF:

1. Forestry and Peat land –this window seeks to address deforestation and forest degradation issues and advance sustainable management of peat lands and forest resources, since these contribute 65% of emissions nationally. This may include support for improvement of plantation management or to revise the spatial plans and licensing systems applied to peat lands. It will also support Indonesia's REDD+ strategy through policy improvement, raising community awareness and so on.
2. Energy – this contributes 30% of emissions nationally. Opportunities to reduce GHG emissions exist in area of energy supply (financing of low and zero carbon energy supply technologies) and in those sectors of the economy which contribute the most to energy demand.
3. Resilience – this allows the Government of Indonesia to channel funding into a broad spectrum of projects that will increase the nation's adaptive capacity in the agriculture, health, coastal zone management and water resources sectors. It will include improvement and refinement of vulnerability analysis, focusing on hot spots of expected negative impacts and development/implementation of adaptation strategies in selected sectors and regions. It will also support increasing adaptive capacity in response to existing/emergent risks of climate change by improving disaster management, spatial planning, data and information management, public awareness raising and capacity building.

The ICCTF comprises two funds:

**The Innovation Fund** receives grant funds for activities that provide indirect economic and social benefits and will not provide any direct financial return to the participants. Recipients will largely be government institutions, NGOs and civil society. The Innovation Fund should become operational in the 2<sup>nd</sup> half of 2010.

**The Transformation Fund** is yet to be fully established, but will access funding through private-public partnerships, loans and the world capital market. The objective is to mobilise and maximise investment in a low-carbon economic development path. It is anticipated that it will become active in 2012.

UNDP are managing the ICCTF's transitional period until September 2010 after which a national trustee will be appointed. The ICCTF's governance comprises a steering committee which will make the investment decisions, consisting of representatives from the National Development Planning Agency (Bappenas),

Ministry of Finance, National Council for Climate Change, as well as donor organisations. The steering committee is supported in the selection and evaluation of proposals by a Technical Committee. The secretariat manages the day to day operations and provides capacity building and technical assistance to line ministries and local governments implementing ICCTF financed initiatives - Bappenas have the lead role within the secretariat.

As at June 2010, the ICCTF was looking at the first set of proposals although no disbursements had been made. There were no specific adaptation proposals amongst these. Under the current funding round only sectoral ministries were eligible to submit proposals. The next round (it is hoped that this will be in 2011) should also include local governmental bodies. The Government of Indonesia is understood to be keen to include the private sector shortly, although donors are urging them to move cautiously in this regard. There are also concerns within the donor community that the number and quality of criteria against which to vet proposals are not adequate.

All contributions deposited in the single capital pool are to be managed under the Trust Fund structure by the appointed Trustee (who will most likely be independent of the government). In terms of contributions, the fund is not heavily capitalised yet, with some much bigger flows of funding currently not necessarily going through the ICCTF which risks marginalising it. GTZ estimated that the fund has US\$10 million in it (as at June 2010) and the following are contributions that are being discussed or have been confirmed:

- AusAID stated at a meeting in June 2010 that they had put AUS\$2 million (US\$1.77 million) into the Indonesia Climate Change Trust Fund which was garnered from underspends from other programmes in Indonesia.
- The British Government's Department for International Development (DFID) provided £5 million (US\$7.64 million) in March 2010.
- The Dutch delegation in Indonesia confirmed in June 2010 that they are not contributing to the ICCTF.
- The EC are expected to make a contribution in the future.
- Germany – despite Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) providing technical support to the ICCTF's strategy development - the German government has not as yet committed any funds to the pool.
- The Japanese International Cooperation Agency (JICA) is looking at providing technical support for the establishment of a framework for the Transformation Fund, at the request of the Indonesian government. For the time being, JICA are joining the Innovation Fund discussions as an observer.
- The Norwegian delegation in Indonesia said that they are not ruling out the idea that a portion of their US\$1 billion pledge for climate change could be in the form of a contribution to the trust fund. However this is an on-going discussion and they said that it is up to the Government of Indonesia to first clearly propose how they want to manage/implement the fund. It is thought that they want their funding to sit as close to the President as possible.
- The SIDA delegation said during a meeting in June 2010 that they have committed to contribute a very limited amount of around US\$150,000 to the fund.
- USAID confirmed in June 2010 that they will not be putting money into the ICCTF since they are not a direct funder of the Government of Indonesia but rather agree on programme areas and provide technical and complementary assistance.
- It is felt to be unlikely that the World Bank will make a contribution.

## **Nordic Development Fund.**

The objective of the Nordic Development Fund (NDF) is to facilitate climate change investments in low-income countries. NDF grants are made in co-operation with bilateral and multilateral development institutions. NDF's operations mirror the Nordic countries' priorities in the areas of climate change and poverty reduction. The operations are financed from the development co-operation budgets of five Nordic countries: Denmark, Finland, Iceland, Norway and Sweden.

## **The NDF's Climate Change Strategy:**

The NDF provides grant financing for interventions targeting adaptation to and mitigation of climate change in low-income developing countries.

Climate change adaptation measures include a wide range of efforts that enhance NDF partner countries' possibilities to respond to climate change related hazards such as sea level rise and extreme weather conditions, as well as impacts on health and food security. Adaptation measures include strengthening of traditional coping mechanisms and practices, research and planning as well as 'climate proofing' of sectors, geographic areas and projects. Climate change mitigation measures are targeted at reducing greenhouse gas emissions by improved energy efficiency, increased use of renewable energy sources, carbon sequestration, sustainable transport initiatives, enhanced waste management and sewage treatment.

In 2009 the NDF shifted its focus from soft loans for social and economic development to grants for climate change efforts. New financing is granted according to this new mandate. However, the NDF has a considerable credit portfolio with loans outstanding under the old mandate. The grant operations under the new mandate are mainly funded from repayments of existing credits.

## **The NDF and ACCCRN Programme Countries:**

The NDF provides grants by co-financing projects with its partners in countries which are eligible for support from the IDA and which have previously received NDF support. This means that of the ACCCRN countries, only Vietnam is eligible.

### **Vietnam:**

The NDF has provided 2.5 million Euro (US\$3.2 million) to work collaboratively with the ADB in HCMC, Da Nang, and Toan Hue. Please refer to the ADB profile for further details.

## **Funding Streams:**

The NDF will normally finance a component of a larger programme or project and the responsibility for procurement and contract negotiations rests with the national authorities. Projects have a national executing agency, and in relation to NDF, a lead agency. The lead agency can be the World Bank Group, Asian Development Bank, Inter-American Development Bank, African Development Bank or other donor agencies. The following three focus areas are relevant for NDF grants:

### 1. Infrastructure and energy:

- Energy - clean energy, energy efficiency, renewable energy, technology transfer and access to modern energy forms.
- Transport sector related mitigation and adaptation activities.
- Waste management, sewage treatment, water supply, flood protection and drainage management.

- Climate proofing of infrastructure, research and capacity building.

## 2. Natural resources:

- The protection and/or enhancement of natural GHG sinks and reservoirs.
- Integrated water resources management.
- Sustainable land use and forestry.
- Agriculture.

## 3. Climate change related capacity building:

- Education, training and public awareness related to climate change.
- Climate change related research and monitoring as well as impact and vulnerability assessments.
- Development and strengthening of the climate change knowledge base and tools development.
- Investments in research, early warning systems, preparedness plans and disaster preparedness.

The NDF grants are provided for technical assistance (i.e. consulting services) and for investments (i.e. goods, works, and for other applicable expenses in connection with technical assistance). NDF grants normally amount to between 500,000 – 4,000,000 Euro (US\$615,000-4,900,000).

The NDF also provides grant financing, totalling 3 million Euro (US\$3.9 million), to The Energy and Environment Partnership in the Mekong Region (Cambodia, Laos and Vietnam) which fosters enhanced use of renewable energy solutions and energy efficiency. The NDF finances the programme in co-operation with the Ministry for Foreign Affairs of Finland. The total programme financing, which also includes financing for projects in Thailand, amounts to 7.9 million Euro (US\$10.2). The Asian Institute of Technology, supported by an international technical assistance team, implements the programme.

### Figure 7. The Nordic Climate Facility.

The Nordic Climate Facility (NCF) is financed by the NDF and is implemented jointly with the Nordic Environment Finance Corporation.

<b>Programme Theme:</b>	The NCF facilitates the exchange of technology, know-how and innovative ideas between the Nordic countries and low-income countries in the sector of climate change. This will increase the abilities of low-income countries to mitigate and adapt to climate change and contribute to sustainable development and the reduction of poverty.
<b>Programme Focus:</b>	<p>The NCF intends to encourage innovation in climate change related and affected sectors and the focus of the calls will be on two major themes: adaptation to and mitigation of climate change.</p> <p>Adaptation projects may involve responses to such things as rising sea levels, threats to water resources, and health and agricultural productivity. Mitigation projects may consist of efforts to reduce the emission of greenhouse gases by energy efficiency, replacement of fossil fuels by use of renewable sources, and carbon sequestration.</p> <p>The climate change themes will vary each year. The themes for the first year were 1) water resources, and 2) energy efficiency. The planned themes for the next two years are 1) disaster management systems and 2) biomass energy for year two and 1) protecting infrastructure and 2) solar energy for year three.</p>
<b>Priority Geographies:</b>	The NDF provides grants by co-financing projects with its partners in countries which are eligible for support from IDA and which have previously received NDF support. Of ACCRN countries, this means

	that only Vietnam is eligible.
<b>Eligibility Criteria:</b>	The projects should be carried out by Nordic organisations, authorities, municipalities, companies, and institutes together with partners in eligible low-income countries.
<b>Application Guidelines:</b>	Applications are submitted electronically in two phases: an Idea Phase and a Design Phase. Based on the applications received under the Idea Phase, a few projects will be invited to present full-fledged applications. Forms will be available on NDF's homepage.
<b>Funding Rounds:</b>	Once a year, NCF will launch a call for proposals for innovative ideas within specific themes relating to climate change. The most recent call for Proposals was made in October 2009 with a deadline in January 2010.
<b>Duration of Grant:</b>	The projects should have an implementation period of less than 24 months.
<b>Grant Amount (US\$)</b>	<p>The total allocation for the first call for proposals was 4 million Euro (US\$5.2 million). The best proposals may receive grant financing amounting between 250,000 and 500,000 Euro (US\$307,000 and US\$615,000), or, in exceptional cases, amounting between 150,000 and 250,000 Euro (US\$184,000 and US\$307,000).</p> <p>NCF funding is intended as seed money for challenging and innovative climate change approaches in order to increase knowledge and know-how, identify and develop projects, test new technology and pilot projects, and scale up viable solutions.</p>
<b>Key Exclusions:</b>	Not stated.
<b>Comments:</b>	In e-mail correspondence (August 2010), the NDF confirmed that there is no specific allocation or programme for urban development projects. All project proposals, regardless of sector, are screened on the basis of their climate change merits after the general eligibility has been confirmed. The demand is very large and only a fraction of projects presented can be provided funding.
<b>Contact Details:</b>	<p>Nordic Development Fund  P.O. Box 185  FIN-00171 Helsinki, Finland  (Visiting address: Fabianinkatu 34)  Tel: +358 10 618 002  Fax: +358 9 622 1491  E-mail: <a href="mailto:info.ndf@ndf.fi">info.ndf@ndf.fi</a></p>
<b>Website:</b>	<a href="http://www.ndf.fi/home.shtml">http://www.ndf.fi/home.shtml</a>

## **United Nations Capital Development Fund.**

The United Nations Capital Development Fund (UNCDF) offers a combination of investment capital, capacity building and technical advisory services to promote microfinance and local development in the Least Developed Countries (LDC), as follows:

- UNCDF's microfinance programmes provide poor households and enterprises with enhanced access to a wide range of financial services by promoting inclusive financial sectors and providing investment capital for emerging microfinance institutions and other financial service providers in the LDCs.
- UNCDF's local development programmes support national decentralisation strategies in the LDCs and seek to improve social services, governance and pro-poor economic infrastructure at the local level by providing technical assistance and investment capital directly to local authorities

UNCDF describes its investment capital as flexible, high-risk and innovative. They are channelled primarily to poor rural areas in the LDCs where poverty reduction, capacity and governance challenges are typically the greatest. UNCDF currently invests in 40 LDCs.

### **UNCDF's Climate Change Strategy:**

UNCDF places emphasis on the role of local authorities in terms of their ability to respond to the natural disasters caused by the climate change and state that they are better placed to identify their causes than governments at the national level. They believe that local governments are key to making climate change adaptation more responsive and effective as they can act as the link between national targets and local level decision making and investments. Truly effective responses to climate change will require extensive use of local knowledge to tailor public investments in adaptation and mitigation, improve service delivery and help mobilise private capital, say UNCDF. The organisation held a high-level policy seminar in November 2009 to discuss development of sustainable mechanisms at the local level to address climate change adaptation for practitioners and policy makers in local governance and local development in the Asia Pacific region. Discussion that emerged during the meeting highlighted such constraints in response to the climate change as internal capacity and expertise within the local structures. Participants also addressed issues such as social accountability mechanisms, fiscal decentralisation and social protection.

The UNCDF fund, Local Climate Adaptive Living Facility, will provide funding for local governments, covering infrastructure, creation of an enabling regulatory environment, and information /communication / scenario based planning. Primarily it will seek to cover the costs of the additional investment needed to adapt to climate change. For example, how much larger a drainage system needs to be to cope with additional flooding. UNCDF's funding is to be targeted towards cities in 40 LDC's and would work through the established pipelines for local government funding that UNCDF has. They are set to begin implementing pilot programmes giving climate adaptation grants through local governments (as at June 2010) and are currently fine-tuning the model for such testing, building on their successful local development programmes which piloted capital grants in several LDCs. Both the Rockefeller Foundation and UNCDF are on similar time frames to explore options for setting up a fund, and have October/November 2010 as a target date for developing a 'mock up' of a fund structure.

### **UNCDF and ACCCRN Programme Countries.**

Whilst none of the ACCCRN programme countries can be categorised LDCs, there are nevertheless synergies between the work of the Rockefeller Foundation and UNCDF. Both are actively exploring opportunities to support local level urban climate change resilience investments, and trying to develop mechanisms through

which city level actors can access funds for resilience directly without having to depend on national allocations. Both organisations have been exploring options to set up a fund that might enable this.

Rockefeller Foundation and the UNCDF shared concept notes regarding their respective funds in June 2010 and agreed to continue discussions in July/August 2010 to look at potential areas of collaboration or knowledge sharing.

UNCDF are also looking at the potential for starting a fund with some pilot capital and in June 2010 they conducted a scoping mission to Bhutan that combined climate scientists and local government finance experts. They subsequently shared with Rockefeller Foundation in July 2010 a proposal regarding the facilitation of practical local adaptation in LDCs through existing platforms of local government finance and planning that they proposed could be piloted in Bhutan. They were keen to actively explore the option of jointly committing some seed capital to this initiative.



## **United Nations Development Programme.**

The United Nations Development Programme (UNDP) is the UN's global development network. It describes itself as an organisation 'advocating for change and connecting countries to knowledge, experience and resources to help people build a better life'. UNDP also helps developing countries attract and use aid effectively. They work on the ground in 166 countries, and their focus is helping countries build and share solutions to the challenges of:

- Democratic Governance.
- Poverty Reduction.
- Crisis Prevention and Recovery.
- Environment and Energy.
- HIV/AIDS.

## **The UNDP's Climate Change Strategy:**

UNDP says that it is responding on the front lines of climate change and focuses on three things:

1. They help developing countries to put in place what people need for a decent life so that they are able to withstand climate change. To cope with climate change, UNDP state that people need basic access to water, sanitation, food and energy, to institutions that work and a say in the decisions that affect their lives.
2. UNDP help countries to put adapting to climate change at the heart of all their efforts to tackle poverty, with proper attention paid to the needs of more vulnerable groups. This means ensuring that those efforts are flexible and resilient enough to navigate the challenges climate change may bring in the future. At the same time, UNDP strives to reduce people's exposure to climate-related disasters and, when they do hit, limit their impact on people's lives.
3. UNDP strengthen the capacity of developing countries to change their path towards a low-carbon future. That means ensuring they have better access to carbon finance to pay for low-carbon development and that they are skilled in putting that money to work where it is needed. They help ensure that countries can put policies into action that will lead them towards a green, sustainable future.

**Adaptation:** UNDP say that they promote pro-poor and pro-growth adaptation that encourages climate-resilient economic development and sustainable livelihoods in the face of climate change. That means supporting countries to integrate climate-related risks and opportunities into national planning and poverty reduction. With this aim, capacity development lies at the heart of UNDP's approach to climate change adaptation. UNDP supports the creation of robust and responsive state institutions, capable public and private sector management, and skilled human resources able to innovate, adapt and deliver to the changing conditions.

UNDP's adaptation programme currently supports more than 75 countries. UNDP provides support in three key areas: integrated policy and planning; formulating, financing and implementing climate-resilient projects; and knowledge management and methodology support. Together with partners, UNDP supports pilot adaptation measures in agriculture and food security, water resources and quality, coastal zone development, public health, natural resource management and climate-related disaster management.

UNDP is well placed to assist developing countries in leveraging financing and they work to develop, combine and sequence a range of institutional, regulatory and market-based instruments to promote direct

investments for strategic interventions in climate-resilient development, including the structuring of and access to additional sources of finance. Among its sources of funds, UNDP supports countries in mobilising financing through the Adaptation Fund as a Multilateral Implementing Agency, and through the Global Environmental Facility, in the Least Developed Country Fund and Special Climate Change Fund.

### **The UNDP and ACCCRN Programme Countries.**

#### **India:**

UNDP's focus in India is:

- Democratic governance.
- Poverty reduction.
- HIV/AIDS.
- Environment.
- Disaster Risk Management.

Under the theme of 'Environment' there are three categories of issues:

- Chemicals management.
- Natural resource management and biodiversity.
- Climate change mitigation – renewable energy and energy efficiency.

At a meeting in Delhi in May 2010, it was explained that the UNDP haven't done much regarding climate change adaptation in India to date, but have recently brought in an Environmental Specialist to address this in part. Since the specialist's arrival, the focus for adaptation work has been around the internal integration of adaptation into existing programmes. UNDP explained that whilst these programmes won't deal directly with climate change, they do offer good entry points – especially around disaster risk reduction and poverty reduction, and governance to some extent. This mainstreaming raises awareness amongst staff, aims to have adaptation activities included in the annual work programme, and ensures that adaptation is included in new projects.

With respect to creating concrete adaptation projects, UNDP-India say that they have not had much success yet due to lack of resources, since India is not considered a priority globally. Whilst the bulk of their funding for this area comes from the GEF (around 80%), they did mention that their proposal with the GEF's Special Climate Change Fund was recently rejected at the last stage after several years of submission negotiations.

The UNDP mission stated that the Government of India has asked UNDP, GTZ and DFID to support states to develop state-level climate change plans covering both adaptation and mitigation. They are still discussing this request in order to have a common approach amongst the donors. By the end of June 2010 this was to have been discussed with the government. They will most likely start with a few states and a focus on rural areas, but will work in conjunction with the disaster risk management plans that have to be developed for cities. They said that when there is a framework in place (July 2010) they will be looking for partners and collaboration.

UNDP explained that India has not identified/submitted their NIE as yet for the Adaptation Fund, but they felt that it may do so in June-July 2010 and it would most likely be the Ministry of Environment and Forests. UNDP is not ready to act as a MIE in India yet.

**Indonesia:**

The Indonesia UNDP Country Office's website states that it considers climate change a top priority issue and that it is engaging closely with the Government to pursue climate change adaptation and mitigation in the context of an environmentally sound and sustainable development framework. However, a representative stated in May 2010 that they did not yet have any activities regarding urban climate change resilience. Whilst they were very interested to work on the issue, a lack of donor interest meant that hadn't been able to move forward with it. However, they expect that some work may start later on this year (2010) under the disaster risk reduction programme that the UNDP has.

UNDP is assisting Indonesia in preparing for large scale reduction of GHG emissions through the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD). UN-REDD is a collaboration initiative between the Food and Agriculture Organisation, UNDP and United Nations Environment Programme (UNEP), funded chiefly by Norway, aiming to assist tropical forest countries in establishing a fair, equitable and transparent regime for reducing emissions from deforestation and forest degradation.

UNDP has a focus on the vulnerable Aceh province. UNDP will, in co-operation with the International Centre for Aceh and Indian Ocean Studies and supported by the Ford Foundation, train local researchers in Aceh to become experts on climate risk management, including adaptation and mitigation in relation to poverty. This training will enable the researchers to provide information and policy advice on climate change and poverty to the local government, as well as map the future challenges of Aceh in relation to these issues.

Indonesia is currently in the process of operationalising the Indonesia Climate Change Trust Fund (ICCTF), as discussed earlier, to which UNDP has been appointed as the transitional fund manager.

**Thailand:**

Under the UNDP's Thailand Country Programme (2007-2011), the environment programme has set targets for supporting national mechanisms in environmental policy and regulation, community management of natural resources, and developing knowledge management around environmental initiatives and policy advocacy. Specific projects include building national capacity to facilitate the implementation of obligations under international environmental conventions and supporting policies and dialogues on new climate change initiatives.

Under the Global Environment Facility's Resource Allocation Framework, US\$23.9 million has been committed to Thailand through 2010 for two focus areas: biodiversity and climate change. UNDP is working closely with Thai partners to develop projects in these two areas and projects currently supported by the GEF in Thailand include a project focusing on supporting renewable energy in Mae Hong Son province.

The environment programme also manages projects funded by the GEF's Small Grants Programme. The focus is on demonstration of community-based natural resources and environmental management, community networking and knowledge sharing. This programme, active in Thailand since 1994, has provided funds for hundreds of projects through a national steering committee comprising scientists, NGO representatives, technical experts, and government representatives, as well as a national co-ordinator from UNDP. In the recent past, projects have focused on reducing greenhouse gas emissions, reversing water degradation, rehabilitation of land and offering alternatives for persistent organic pollutants, and sustainable

use of biological diversity. Of the 270 projects undertaken in Thailand 24% have fallen under the climate change theme.

### **Vietnam**

UNDP Vietnam aims to act as a catalyst, organiser and provider of expertise as the Government seeks to develop its own capacity for environmental management, and to promote the concept among its people. UNDP works with national and local authorities to develop plans to fight pollution; it assists Vietnam in building a national park system and protecting biodiversity; it helps promote clean energy and supports the development of national frameworks for clean energy. UNDP also supports a range of projects aimed at meeting Vietnam's global commitments on climate change, biodiversity and organic pollutants.

UNDP has a climate change policy project with the Ministry of Natural Resources and Environment as well as the climate change office of the Ministry of Agriculture and Rural Development. Among other things, the project is supporting the work to apply the global emissions scenarios to the different regions in Vietnam ('downscaling of climate change scenarios'), providing support to the Standing Office of the National Target Programme (NTP) to Respond to Climate Change and implementing various parts of this NTP, especially capacity building, vulnerability and adaptation research, information management and awareness raising.

With support from the Global Environment Facility, community-based adaptation projects such as improving land management, using more drought resistant seed varieties and making changes to the cropping calendar to deal with desertification and drought have been implemented.

The UNDP delegation noted in June 2010 that regarding urban development and climate change they are doing some analytical work for now with consultants and UN Habitat, in order to prime some high level dialogues. Since this is work in progress it could not be shared yet.

### **Funding Streams:**

In addition to acting as a Multilateral Implementing Entity for the Adaptation Fund, UNDP also facilitate a global Public Private Partnerships for Local Service Delivery (PPP-SD) multi-partner facility. Previously known as Public Private Partnerships for the Urban Environment, the overall objective of the PPP-SD facility is to increase access for the poor to basic public services by ensuring that the potential of multi-stakeholder partnerships complement other traditional public service delivery models.

The PPP-SD facility directs its support to interventions which:

- Focus on small and medium size municipalities in urban, peri-urban and in rural areas.
- Focus on service provision with direct impacts on poverty reduction through job creation, revenue generation, skills development, improvement and extension of services to poor neighbourhoods.
- Focus on basic services with direct contributions to the Millennium Development Goals, e.g. water supply, sanitation, solid waste management, local energy services, social services and public infrastructure facilities.

The PPP-SD supports UNDP Country Offices and UN Country Teams with the following services:

- Promoting an enabling environment (policy, regulatory and institutional frameworks) conducive for local level PPP for service delivery benefiting the poor and contributing to meeting the MDGs.

- Developing capacities of partners, including local governments, local businesses and communities to effectively engage through PPP to improve service delivery to the poor.
- Implementation of “quick wins” - innovative and pro-poor local level partnerships that contribute to improve service delivery.
- Knowledge sharing through the Global Learning Network which fosters the identification and exchange of good experiences and lessons learned on local level pro-poor partnerships for service delivery, as well as the collaborative development of knowledge products and capacity development tools in support of pro-poor multi-stakeholders partnerships for local service delivery.

Parties interested in engaging with PPP-SD on local level projects are encouraged to contact them at [pppsd@undp.org](mailto:pppsd@undp.org) or to contact the local UNDP Country Office to discuss their programme.

### **Action Points:**

#### **Overall:**

- It has been recommended that ACCCRN should meet Angus Mckay who is UNDP adaptation focal point for Asia and Pacific based in Bangkok.
- Consider the synergy between ACCCRN and the Public Private Partnerships for Local Service Delivery multi-partner facility at national level in greater detail.

#### **India:**

- Follow up with the mission in August/September 2010 to learn more about the progress with the talks between UNDP, GTZ and DFID and the government regarding their support to states to develop state-level climate change plans covering both adaptation and mitigation.

#### **Indonesia:**

- Follow up with UNDP office around September/October 2010 to ascertain potential links between ACCCRN and the planned DRR work.

## **United Nations Environment Programme.**

The United Nations Environment Programme (UNEP) seeks to 'provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations'.

### **UNEP's Climate Change Strategy.**

UNEP provides environmental leadership on dealing with climate change to the rest of the UN system, international organisations, national governments, civil society and the private sector. It provides guidance and advice to governments on reducing greenhouse gas emissions and preparing for the consequences of a changed climate, and it has helped to develop international agreements on climate change. The climate change work of UNEP focuses on:

- Adaptation - UNEP has also been active in efforts to reduce the risks of, and improve society's resilience to, climate change, notably through its support to the development of National Adaptation Programmes of Action.
- Mitigation - UNEP's work on climate change concentrates on efforts to reduce emissions of greenhouse gases mainly by promoting renewable energy and improved energy efficiency and by spurring the development of a carbon market.
- Improving understanding of climate change science.
- Communicating and raising public awareness.
- Reducing emissions from deforestation and forest degradation (REDD).

**Adaptation:** UNEP builds and strengthens national institutional capacities for vulnerability assessment and adaptation planning, and supports national efforts to integrate climate change adaptation measures into development planning and eco-system management practices. The work is guided by and contributes to the Nairobi Work Programme on Impacts, Vulnerability and Adaptation (a programme developed by the UNFCCC to help countries understand climate change impacts and adapt to climate change). UNEP also promotes sustainable land-use management and reduced emissions from deforestation and degradation, bridging adaptation and mitigation.

During the period 2009–2011, UNEP's work on adaptation is primarily focused on Africa, Small Island Developing States and mega deltas, and within these areas, on ecosystems that are vulnerable to climate change, in particular low lying coasts and drylands. This will chiefly comprise the following types of actions:

- assessments of ecosystem vulnerabilities and adaptation services,
- adaptation measures to increase the resilience of key ecosystems,
- helping support and strengthen policies, knowledge and institutional capacity,
- development of national economic, legal, institutional and regulatory frameworks integrating climate,
- change adaptation into national development planning, and
- providing technical, analytical and policy support to major climate change financing mechanisms.

UNEP is facilitating an international process for the development of a Global Climate Change Adaptation Network to build the adaptive capacity of developing countries. The Network aims to provide coherence in mobilising the resources of relevant ground stations, regional centres and international technical institutions to enhance key scientific, technical and institutional adaptation capacity. Information and knowledge bases will be improved and made more accessible, and policy making, planning and adaptation practices will be strengthened.

The Asia-Pacific Adaptation Network was launched in 2009 and is based at the Asian Institute of Technology in Thailand. At a meeting with UNEP in June 2010, it was explained that the main activities of the network are to: 1) assess knowledge gaps and needs assessments, and 2) conduct training to build capacity on adaptation. The primary thematic focus is ecosystem based adaptation, but they are open to examining more broad adaptation issues – for example, they want to look at the link between ecosystem- and community-based adaptation. The inception phase is between 2010 and 2011 and the funding of the network comes from Ministry of Environment of Japan, ADB, the Swedish Environmental Secretariat for Asia (SENSA), and the Asia Pacific Network of Japan.

The network also has a knowledge platform which is working with 5 countries currently but will add a further 8. Whilst the platform and network are two separate entities (due to their different funding sources) they do work closely together. They are co-ordinating efforts between UNDP's adaptation learning mechanism (a web platform) and WeAdapt / Google (another web platform developed by the Stockholm Environment institute) to put together a single portal for Asia for both platforms. Discussions are on-going still but they have agreed to co-brand the adaptation knowledge management component.

The structure of the network is as follows: within each country there will be a centre of excellence - they are currently scoping organisations to fulfill this role, but it could include organisations such as TERI in India and the International Centre for Integrated Mountain Development based in Nepal. There will also be regional hub institutions that will co-ordinate visioning and national level activities, serve as a clearing house for information, conduct trainings/develop materials, facilitate inter regional co-ordination, and fundraise. The UNEP office in Bangkok is the secretariat along with Institute for Global Environmental Strategies in Japan, which will liaise with the UNEP global adaptation platform, led out of Nairobi.

During the Network's inception phase (2010-2011), the activities will focus on the most vulnerable ecosystems such as high mountains and glaciers, mega river basins, dry lands and low-lying coasts, including mega cities; and vulnerable sectors such as water and agriculture. Socio-economic aspects of climate change adaptation will also be addressed together with the environmental dimension.

UNEP expressed frustration at the meeting in June 2010 in Bangkok that Adaptation Fund funding is not trickling down to city level. They speculated as to whether their envisaged Centre(s) of Excellence could be act as a NIE for the Adaptation Fund.

### **Action Points:**

#### **Overall:**

- Given the focus is almost exclusively on ecosystem adaptation there may not be a need for ACCCRN to formally join the UNEP Network. However, ACCCRN can collaborate by sharing ACCCRN knowledge products/information periodically via their Asia Adaptation portal.

#### **Thailand:**

- The knowledge platform and network together with UNEP, UNDP and USAID are co hosting an Adaptation Forum in Bangkok on October 21-22, and they have invited ACCCRN to do a side event at that forum. The theme of the forum is mainstreaming adaptation into development planning. They are expecting 200-300 people at this meeting.

# Bi-lateral Donor Profiles.

---

## **Groupe Agence Française de Développement.**

The Groupe Agence Française de Développement (AFD) is a bi-lateral development finance institution that works on behalf of the French government to finance development according to France's overseas development assistance policies. In 2007, AFD committed over 3.5 billion Euro (US\$4.3 billion) to more than 60 developing countries. AFD's activities are aimed at reducing poverty and inequalities, promoting sustainable economic growth, and protecting 'global public goods' of benefit to all humanity. Protecting global public goods includes the fight against climate change and pandemics, the preservation of biodiversity, the promotion of social and environmental responsibility, as well as aid to countries weakened by war and natural disasters.

## **AFD's Climate Change Strategy:**

AFD states that it has undertaken commitments to combat climate change since 2004. AFD Group climate-related commitments have been rising steadily and in 2009 they committed 430 million Euro (US\$530 million), with 26 projects contributing to reduce the vulnerability of goods, persons, and / or ecosystems to climate risks. AFD is strengthening its co-operation with other bilateral donors prominent in the financing of global climate issues, particularly the Japanese International Co-operation Agency (JICA) and Germany's Kreditanstalt für Wiederaufbau (KfW).

AFD states that massive amounts of financing are needed to combat climate change which will require mobilising all public and private financial players, as well as an extensive range of both budgetary and market financial resources. AFD reports having integrated climate change into its strategy via financial investments which cover a wide range of sectors - renewable energy and energy efficiency, carbon sequestration, conservation of water resources, sustainable forest management and conservation, agriculture, urban development, transport, and adaptation. AFD believe it important to work with emerging countries in order to demonstrate through action that greenhouse gas reduction targets do not necessarily hamper their economic development. In the other geographical areas, particularly least developed countries, AFD has two objectives: to strengthen countries' resistance to climatic disruption which damages their economic resources, and to reduce the energy bill in order to give populations more widespread access to energy.

**Adaptation:** AFD seeks to integrate adaptation measures into its projects through four main sectors:

- Energy and infrastructure<sup>34</sup> – e.g. dams with flood protection systems, or early warning systems.
- Water and sanitation – e.g. drainage systems, or rehabilitation of distribution networks or rehabilitation of wastewater treatment plants with wastewater reclamation.
- Natural resources, particularly agriculture - e.g. agro-ecology, watershed management, or development of resistant crops.
- Financial initiatives – e.g. natural disaster insurance systems.

---

<sup>34</sup> This may present a potential connection to the early warning system for dam related floods in Surat, India, although AFD's focus in India is primarily on adaptation.



In terms of AFD's urban-focused work, projects are largely financed through subsidised loans in middle-income countries or grants to less developed countries. Their strategic pillars are:

- Alleviating poverty and helping vulnerable urban areas – AFD support activities including relieving isolation, bringing essential services, regularising land ownership, and promoting social development.
- Improving the economic environment and attractiveness of cities – AFD seek to improve comparative advantages of cities for operators and investors by supporting infrastructure development, public transport, and market equipment.
- Strengthening local authorities' independence and resources.
- Decentralised co-operation.
- Protecting the environment through drainage, sanitation, solid waste, and air pollution interventions.

### **AFD and ACCCRN Programme Countries:**

#### **India**

During President Sarkozy's state visit to India in January 2008, India and France signed an intergovernmental agreement on Indo-French co-operation. This agreement came into force through the subsequent signature of a Memorandum of Understanding between the AFD and the Government of India's Ministry of Finance in September 2008.

The MoU outlines the main areas and the framework of the AFD's intervention in India, in line with the priorities of the Indian Government as determined under Five Year Plans. It was agreed that AFD would finance projects contributing to the sustainable management of global public goods, in particular:

- (i) energy efficiency, renewable energy, urban public transport;
- (ii) the preservation of biodiversity; and
- (iii) the limitation of the spread of emerging and contagious diseases.

In March 2009, the AFD and the Ministry agreed on the possibility to extend AFD's interventions to water and sanitation projects provided that the latter generate significant energy savings.

During a telephone conversation with AFD Paris in June 2010, they said they do not have anything akin to ACCCRN in India and are not allowed by the French government to finance adaptation directly in Indonesia and India, only mitigation. They are however currently (as at June 2010) planning a study of the urban sector in India and have offered to share terms of reference with ACCCRN in due course for review and input.

#### **Indonesia**

In line with their management of 'global public goods' mandate in emerging countries, operations in Indonesia focus on three priorities:

- Climate change.
- Biodiversity.
- Emerging and transmissible diseases.

In June 2010, AFD signed an agreement for a US\$300 million loan with the Government of Indonesia to support the implementation of the 3-year 'Policy Matrix' of the Indonesian Climate Change Programme. During 2008 and 2009 AFD disbursed as budget support two loans of US\$200 and US\$300 million as the first and the second tranches of the Climate Change Program Loan (CCPL), in co-financing with JICA. The CCPL's purpose is to support policy reforms in favour of climate change mitigation and adaptation. Actions and

indicators, which are reviewed annually between the government (Bappenas and Ministry of Finance as well as line ministries) and the two donors, are aggregated into three blocks within the matrix: (i) reducing emissions of greenhouse gases (forestry, energy and industry), (ii) adaptation to climate change (water and agriculture) and (iii) cross-cutting activities (e.g. spatial planning or CDM). The World Bank is expected to join the CCPL from 2010 on, with an anticipated contribution of US\$200 million.

An urban study similar to that which is planned for India will likely take place in Indonesia next year.

#### **Thailand:**

Projects that contribute to a reduction in greenhouse gases are priorities for AFD in Thailand. Regardless of the chosen economic sector, they state that any project that leads to a major reduction in CO<sub>2</sub> emissions can be eligible for AFD financing. In line with the Thai government's pledge to rationalise and reduce its consumption of energy, AFD aims at promoting renewable energy production, energy efficiency and more broadly to reduce the emissions of greenhouse gases in the country including through interventions in the transport and waste management sectors. This goal will be achieved by working in partnership with the local financial institutions for the financing of the projects, with municipalities that will be in charge of the project management and with the Ministry of Energy, which defines the general priorities. The office also has regional overview.

#### **Vietnam**

Vietnam is a strategic partner for France and is one of the main recipients of AFD financing with some 900 million Euro (US\$1.1 billion) allocated since 1994. AFD are currently (as at June 2010) refocusing their strategy towards 'global public goods' because of Vietnam's middle-income status, and will therefore further develop their climate change and biodiversity related interventions.

AFD's climate change focus is currently chiefly on mitigation and the energy sector, due to financial constraints. The delegation explained that they are providing assistance to the Support Programme to Respond to Climate Change (SPRCC) which is a loan made in conjunction with JICA, although they do expect other donors to contribute in time. The loan is designed to support the NTP on climate change (both mitigation and adaptation). The loan adds additional funds for provinces to access to those available from the state, in order to be able develop pilot projects and studies.

Under the SPRCC, AFD will also provide support through technical assistance. They are currently at the very beginning of working on terms of reference for a study of medium sized cities to look at mainstreaming climate change (mitigation focus) into city socio-economic development plans. The selection of cities is still open, although they are unlikely to focus on Da Nang and Can Tho as the Government of Vietnam had suggested that those cities had 'sufficient' support already. They are most interested in Hai Phong but did say that they could look at Quy Nonh in order to complement ACCCRN. Their focus will be on devising a methodology for replication in other cities and the process will help to define climate change action plans as a part of the NTP and mainstream action plans into the strategy.

The delegation also provided details regarding Local Investment Funds which have been established recently - although not all provinces have created them. These funds have the scope to finance basic infrastructure, such as transport, water, and waste management. The most advanced fund (now being used as a replication model) is that in Ho Chi Minh City which is called 'Hifu' and has a value of around 30 million Euro (US\$37 million) in terms of a concessional 15-year line of credit. The focus of the lines of credit is education, waste

treatment and social housing, with a further line to be focused on water treatment, urban planning, adaptation and energy efficiency.

Of interest to ACCCRN are the city investment funds in Can Tho and Da Nang that AFD are designing. AFD are presently finalising the appraisal of projects and have agreed to share these with Rockefeller Foundation (as of June 2010). Finance will be provided through concessional loans although they may have a small amount of funding for grants – these would be grants for studies for the urban planning process, or capacity building around the management of the project. AFD would not be able to directly fund ACCCRN projects however, given their mitigation focus, AFD in Paris explained. The funds are usually made available over a 3 year period. The process is that the credit committee will meet by end of June 2010 to discuss and then the Board should agree before the end of the year. In early July 2010 AFD (Paris) confirmed that they had just received the final feasibility study from the consultant working upon the cities' Investment and Local Development Fund that details (i) a list of infrastructure investments eligible for AFD funding (equivalent to 10 million Euro/ US\$13 million per city) and (ii) a capacity building programme per Fund (0.5 million Euro/US\$645,000).

Other points of interest regarding AFD's work in Vietnam include:

- AFD are collaborating with ADB in Da Nang on climate-related work (please refer to the ADB profile for further details).
- AFD are currently finalising co-financing with ADB to support the drainage systems/waste management systems of 6 medium sized cities in 6 central provinces.
- They are also starting to work with Bank of Vietnam in area of devising legal framework for micro-credit activities.

### **Action Points – AFD:**

#### **India:**

- Hold an initial meeting with AFD India to share information about ACCCRN and to learn more about their work of relevance. In particular, the planned urban study and the potential synergy between AFD's focus on energy and infrastructure and potential connection to the early warning system for dam related floods in Surat. The contact person suggested by the EC delegation in Delhi is Natacha Monnet - who is not based at the Embassy - +9811667774 or [Natacha.MONNET@dgtresor.gouv.fr](mailto:Natacha.MONNET@dgtresor.gouv.fr)

#### **Vietnam:**

- Continue the co-ordination with AFD Paris regarding sharing of information about Investment Funds and ACCCRN.
- If ACCCRN is keen for Quy Nhon to be included in AFD's study of medium sized cities to look at mainstreaming climate change (mitigation focus) into city socio-economic development plans then a meeting should be held with the delegation (contact: Sophie Salomon, [salomons@afd.fr](mailto:salomons@afd.fr)).
- AFD Vietnam would be keen to see ACCCRN's Can Tho and Da Nang resilience plans, sector studies and vulnerability assessments, if appropriate.

#### **Thailand:**

- Follow up with Isabelle Vincent, AFD representative in Bangkok.

## **Australian Agency for International Development.**

The Australian Agency for International Development (AusAID) is the Australian Government agency responsible for managing Australia's overseas aid programme. Australia is looking to increase the overall percentage of gross national product spent on overseas development aid (ODA) from 0.3-0.4% to 0.5% in less than 5 years and so is scaling in up many areas. Since the current government came to power in 2007, the country has seen a more active engagement in climate change issues.

### **AusAID's Climate Change Strategy:**

AusAID state that addressing environmental and climate change challenges are central to the poverty reduction efforts of their development assistance programme. Australia aims to work closely with other donors (specifically the United Kingdom, Germany, Norway, and the Clinton Foundation), international organisations and developing countries to identify needs and effective responses in the areas of adaptation, technology co-operation and deforestation. Australia channels most of its funding in support of multilateral environment initiatives through the Global Environment Facility (GEF).

Australia is investing AUS\$150 million (US\$133 million) over three years from FY2008-09 to meet high priority climate adaptation needs in vulnerable countries via its International Climate Change Adaptation Initiative. The primary geographic focus of the programme is on Australia's neighbouring island countries, but targeted policy and technical assistance is also being made available for other countries in the Asia-Pacific region. The International Climate Change Adaptation Initiative works to enhance the level of understanding of climate change impacts, build capacity to effectively plan and implement adaptation strategies and to implement priority adaptation actions. The initiative builds on existing programmes in the Asia-Pacific including ongoing monitoring and adaptation activities in the Pacific and Mekong regions.

The Australian Government is also currently developing a Water, Sanitation and Hygiene Strategy. This strategy provides a policy framework for the government's Water and Sanitation Initiative, which aims to improve access by the poor to effective and sustainable water supply and sanitation services. The strategy is expected to be finalised in 2010. The urban water and sanitation component of the initiative will deliver efficient and sustainable water supply and sanitation infrastructure, especially for the poor in the rapidly growing urban and peri-urban areas of the Asia-Pacific region. It will also support policy reform, promote good practice water utility models, improve the capacity of the public and private sectors to plan and implement infrastructure, and promote improved hygiene.

### **AusAID and ACCCRN Programme Countries:**

#### **India:**

AusAID reduced its development support to India around 2005. This was in line with the direction of the new Bharatiya Janata Party government at the time who, to a large extent, rejected the need for foreign aid. However, whilst AusAID's chief focus remains South East Asia and the Pacific, they have decided that they cannot afford to 'ignore' India, in the words of the delegation. Therefore they are currently (as at May 2010) looking for new opportunities to scale up and are seeking good projects. The total estimated ODA for 2009-10 was AUS \$13.672 million (US\$11,757 million).

The AusAID website states that the Australian Government is committed to up-grading relations with India and it is expected that increased development assistance to India will strategically focus on water and

sanitation, energy security and climate change, and other sectors where Australia has relevant expertise such as agriculture/irrigation.

Currently AusAID's climate change initiatives in India focus chiefly on technical co-operation with key institutes such as The Energy Research Institute (TERI), in collaboration with Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO). TERI has been granted around AUS \$1 million (US\$889,000). AusAID-India will get a climate specialist (Russell Rollason) around December 2010, so the strategy will be reviewed then. There will be a modest budget in year 1 - FY2010-11 (FY runs from 1<sup>st</sup> July 2010), since it is anticipated that it will take 1 year for their climate work to get fully underway – although the delegation said that they can be doing (and thus funding) preparatory work in the meantime. AusAID (during a meeting in May 2010) expressed their interest in working with Rockefeller/ACCCRN - who they felt are 'ahead of the game'. There are water and sanitation funds available for this year – the delegation said (in August 2010) that their budget is around AUS \$5.5 million (US\$4.89 million).

### **Indonesia:**

The development assistance partnership with Indonesia is Australia's largest—at about AUS\$500 million (US\$430 million) per year. An 'Australia Indonesia Partnership' (AIP) has been established to reflect Australia's interest in Indonesia's stability and prosperity by helping Indonesia improve governance, reduce poverty and achieve sustainable development. There is a country strategy for 2008-2013 available which details their four focal pillars: sustainable growth and economic management; investing in people; democracy, justice and good governance; and safety and peace.

Climate change and the environment will receive an increased share of Australian financial, management and policy dialogue resources under the sustainable growth and economic management pillar. The AIP will work at national, provincial and district levels to strengthen Indonesia's environmental governance, national resource management and to help it respond to climate change. Australia's primary intervention will be to help Indonesia reduce greenhouse gas emissions from deforestation and support sustainable forest management through the forests and climate initiative. Australia will also focus on incorporating climate change principles across their programme.

The delegation stated (as at June 2010) that it is expected that AusAID will spend up to AUS\$70 million (US\$62 million) on this climate-related programme up to 2013, with the main focus on mitigation and support to the UN Reducing Emissions from Deforestation and Forest Degradation (REDD) in Developing Countries programme. At the end of the last FY (June 2009) there was a planning mission to look at climate change strategy but nothing significant materialised in the 2009-10 budget, other than 'spillover' funds (i.e. underspends) from the Pacific region who had been allocated AUS\$150 million (US\$133 million) in total over 3-4 years for adaptation (Indonesia got AUS\$1.5 million/US\$1.3 million of this). Similarly, the delegation said that the budget announced in May 2010 saw no additional funds for climate change in FY10-11 other than mitigation/forest carbon initiatives – that is, they won't have any more money for adaptation for the next year.

The Australians have put AUS\$2 million (US\$1.75 million) into the Indonesia Climate Change Trust Fund which was garnered from underspends from other programmes in Indonesia.

Other current activities of interest for/relevance to ACCCRN include:

- AusAID recently finalised a deal with GTZ regarding climate vulnerability assessments for Tarakan Island in East Kalimantan and a province-wide vulnerability assessment in South Sumatra. This will cost around AUS\$250,000 (US\$221,000) and will last until February 2012. The South Sumatra work with GTZ may have some relevance for ACCCRN/Bandar Lampung.
- The agency will also spend a further AUS\$250,000 (US\$221,000) on climate field schools, designed to teach farmers how to adapt to climate variations. They plan to target Nusa Tenggara Timur and Nusa Tenggara Barat and have now finalised the agreement on this with the Indonesian Meteorological Institute, Badan Meteorologi Klimatologi dan Geofisika (BKMKG). This is their first time to put funds directly into the Indonesian government.
- They are also channelling funds through the Policy Advice for Environment and Climate Change Programme<sup>35</sup> (PAKLIM) for the national cities association APEKSI and GTZ. The PAKLIM programme seeks to develop capacities within the national government, in Indonesian cities and industrial enterprises to plan and implement new climate strategies and instruments through an improvement of the policy frameworks and demonstration projects.
- AusAID are co-funding the Clinton Foundation work on solid waste management in cities (using global funds).
- Other funds available are linked with disaster risk reduction (DRR) although the delegation stated that they have some project money coming for the new FY which could be used for urban areas but probably will primarily be used for rural interventions.

AusAID Indonesia also has an alliance with CSIRO, who will conduct 2 research programmes:

1. Downscaling of the climate model looking at Lombok Island, and also how to plan adaptation responses over the next few decades with a focus on livelihoods.
2. Secondly they will work on water resource management research in Makassar city (which the delegation said was similar to the exercise with Can Tho in Vietnam). There is a budget of AUS\$4-5 million (US\$3.5-4.5 million) and the work will start in July/August over a 2 year period.

The local governments' organisation ICLEI have also been in discussion with AusAID on behalf of a consortium comprising ICLEI, GTZ, the Ministry of Environment and APEKSI for funding a roll out of a climate planning programme to all cities in Indonesia. If successful in obtaining funding it was envisaged that a scan of available methodologies would be conducted, including ICLEI's own and the one coming out of ACCCRN, to offer cities a 'menu' of possible approaches. This may provide an opportunity for ACCCRN, but more around replication than funding for specific projects, although it now seems unlikely that funding will be forthcoming (following the meeting in June 2010 with AusAID and an ICLEI representative).

#### **Thailand:**

Australia's development co-operation with Thailand has been reducing significantly since 2004-05 as Thailand graduates from being an ODA recipient. The AusAID website states that Australia and Thailand are currently exploring options for assisting Thailand to participate as an aid donor in the region.

#### **Vietnam:**

A total ODA of AUS\$105.9 million (US\$91million) was estimated to have been provided for Vietnam by AusAID in 2009-10. The delegation described their work (in June 2010) as taking place in the areas of: rural development, infrastructure (bridges and roads with ADB), disaster risk reduction, water and sanitation

---

<sup>35</sup> <http://paklim.or.id/en/>

(which is outside of DRR for now) and provision of scholarships (to address the human resources gap in Vietnam).

AusAID’s strategy notes that according to the Inter-Government Panel for Climate Change, Vietnam will be one of the countries most affected by climate change. AusAID supported Vietnam in the formulation of its first National Target Programme (NTP) to Respond to Climate Change. The AusAID delegation are currently finalising their country strategy for 2011-15 and it is expected that climate change will have a bigger focus than it does presently. However, as at June 2010, they were still looking at the options (one of which may be to mainstream climate change across their programmes). The Canberra office will produce a climate profile of the country in the first instance.

Current activities of relevance to ACCCRN include:

- AusAID are co-financing with ADB research into the impact of climate change on the Mekong area’s resources. This will start in September 2010 over an 18-month period. It will focus on 2 provinces on 3 key areas: agriculture, infrastructure and energy. The outcome will provide guidance for AusAID to design future interventions.
- They have also been working with GTZ in the Mekong area over the past 2 years on preservation of forests/mangroves – a sustainable livelihoods programme - which they may scale up.
- The delegation is currently providing technical assistance to the World Bank’s disaster risk management projects in 17 provinces of central and Mekong areas. An anticipated second phase will include more provinces.
- AusAID have been working with the Government of Vietnam on DRR for over 10 years. They are a founding member of the disaster management and mitigation partnership and strongly influenced the National Strategy for Disaster Mitigation and Management up to 2020. Their focus is on community-based DRR activities and improvements to infrastructure and water and sanitation, and they often support NGOs such as Oxfam, CARE and World Vision in this sector.

### **Funding Streams.**

AusAID NGO funding is largely channelled to accredited Australian NGOs, who can channel funds to local partners. Otherwise, there is the Direct Aid Program (DAP), which is a small grants programme funded by the Australian Government through AusAID. It is overseen by the Ambassador or High Commissioner in-country and it supports projects in line with the delegation’s strategic plan. In 2009-10 the total DAP budget was AUS \$7.5 million (US\$6.4 million).

**Figure 8. Direct Aid Program - India.**

<b>Programme Theme:</b>	All projects must have a developmental outcome and be implemented within a relatively short period of time. The focus is on activities that have a direct, practical, immediate impact.
<b>Programme Focus:</b>	Funds can be used for: <ul style="list-style-type: none"> <li>- community health (for example the purchase of equipment)</li> <li>- education programmes (for example the purchase of books or school equipment, including braille machines)</li> <li>- small-scale infrastructure (such as building wells or irrigation facilities)</li> <li>- environmental programmes with a development aim (for example solar lighting, water harvesting)</li> <li>- preservation of culture with a developmental link (i.e. preservation of documents, artefacts, historical sites)</li> <li>- sporting programmes with a developmental link</li> </ul>

	- in exceptional circumstances, skills transfer through conferences or training workshops  The DAP has a particular focus on the needs of women, children and other disadvantaged groups.
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	Open to individuals, International NGOs, community groups, academic institutions, research bodies and libraries, museums or other organisations engaged in development activities on a not-for-profit basis.  Applicants must have Foreign Contribution Regulation Act (FCRA).
<b>Application Guidelines:</b>	The application guidelines and format are available on the website for guidance (see link below). Hard copy submission only.
<b>Funding Rounds:</b>	Applications are being accepted until 31 <sup>st</sup> August 2010. The AusAID delegation said that there are usually 2 funding windows per annum.  Decision time on submission is between 10 – 12 weeks.
<b>Duration of Grant:</b>	Usually 1 year or less. Organisations can apply for funding again in subsequent years.
<b>Grant Amount (US\$)</b>	The 2009-10 total budget for India and Bhutan was AUS\$250,000 (US\$215,000).  For organisations working with us for the first time we provide grants of up to 4,50,000 rupees (US\$9,648). Organisations which have previously received DAP funding may request up to 10,00,000 rupees (US\$2,144).  Cost sharing is encouraged.
<b>Key Exclusions:</b>	As a general rule, the following activities and inputs are not funded: <ul style="list-style-type: none"> <li>• General organisation administration costs or items of a routine or recurrent nature, such as staff salaries, office rental and utility costs, spare parts, supplies, routine maintenance and repairs;</li> <li>• Payment of salaries or fees for consultants and advisors, where they constitute a major cost component;</li> <li>• Generic conferences, training, cultural and sporting activities that cannot demonstrate a developmental outcome; and</li> <li>• Micro-finance projects or micro-credit schemes that involve a return of money.</li> </ul>
<b>Comments:</b>	There is preference for capital goods rather than awareness raising or training programmes.
<b>Contact Details:</b>	DAP Co-ordinator, Australian High Commission, 1/50G Shantipath, Chanakyapuri, New Delhi, 110 021, India.
<b>Website:</b>	<a href="http://www.india.embassy.gov.au/ndli/DAP.html">http://www.india.embassy.gov.au/ndli/DAP.html</a>

**Figure 9. Direct Aid Program – Thailand.**

<b>Programme Theme:</b>	All projects must have a developmental outcome and be implemented within a relatively short period of time. The focus is on activities that have a direct, practical, immediate impact.
<b>Programme Focus:</b>	The emphasis of the programme is on alleviating basic humanitarian hardship. It is primarily aimed at supporting small-scale sustainable development projects that involve successful applicants in the design and management of approved projects. Projects should have a high developmental impact, be oriented towards self-help and be sustainable.  In 2010, priority will be given to projects that focus on the following sectors: <ul style="list-style-type: none"> <li>• Education, with a particular focus on rural and remote areas (including the South).</li> <li>• Sustainable development projects with a community focus in rural areas (e.g. water).</li> <li>• Sanitation, environment, agriculture).</li> <li>• Projects that address poverty or other social inequalities, particularly those directed at the elderly, women, children, disabled persons or persons with HIV/AIDS.</li> </ul> Applications will still be accepted from projects that focus on other sectors, but will be given



	a lower priority when they are being assessed.
<b>Priority Geographies:</b>	Not stated.
<b>Eligibility Criteria:</b>	DAP is available to organisations, community groups and individuals engaged in development activities in Thailand on a not-for-profit basis.  Applications cannot be accepted from commercial operations.
<b>Application Guidelines:</b>	The Guidelines and application form are available from the Australian Embassy website (see link below).  Types of eligible activities include: <ul style="list-style-type: none"> <li>• Construction projects (including small scale infrastructure, such as wells).</li> <li>• Purchase of equipment (e.g. school furniture, sewing machines, computers).</li> <li>• Conferences and training activities, and cultural and sporting activities (provided that there is a clear link to a development outcome – for example, skills acquisition or employment creation).</li> </ul> Applicants are required to provide at least two written references, and referees may be contacted to discuss the applications.
<b>Funding Rounds:</b>	The most current deadline is 27 <sup>th</sup> August 2010.
<b>Duration of Grant:</b>	Usually 1 year or less.
<b>Grant Amount (US\$)</b>	There is no minimum or maximum amount that a single DAP project can receive, although funding for most projects will fall between 100,000 - 800,000 Baht (US\$3,150 – 21,216).
<b>Key Exclusions:</b>	As a general rule, the following activities and inputs are not funded: <ul style="list-style-type: none"> <li>• Items of a routine or recurrent nature, such as staff salaries, office rental and utility costs, spare parts, supplies, routine maintenance and repairs;</li> <li>• Payment of salaries or fees for consultants and advisors, where they constitute a major cost component;</li> <li>• Generic conferences, training, cultural and sporting activities that cannot demonstrate a developmental outcome; and</li> <li>• Micro-finance projects or micro-credit schemes that involve a return of money.</li> </ul>
<b>Comments:</b>	Successful applicants will be asked to sign an undertaking to use their best endeavours to ensure that the funding provided does not end up, directly or indirectly, in the hands of terrorist groups.
<b>Contact Details:</b>	Queries: Tel: (02) 344 6555 (English) or (02) 344-6362 (Thai) Fax: (02) 344-6315 Email: <a href="mailto:dap.bangkok@dfat.gov.au">dap.bangkok@dfat.gov.au</a>  Proposals can be submitted by email (preferred) or by post to: Email: <a href="mailto:dap.bangkok@dfat.gov.au">dap.bangkok@dfat.gov.au</a> Post: Direct Aid Program Committee DFAT Australian Embassy 37 South Sathorn Road Bangkok 10120
<b>Website:</b>	<a href="http://www.austembassy.or.th/bkok/Development_cooperat.html">http://www.austembassy.or.th/bkok/Development_cooperat.html</a>

**Figure 10. Direct Aid Program - Vietnam.**

<b>Programme Theme:</b>	All projects must have a developmental outcome and be implemented within a relatively short period of time. The focus is on activities that have a direct, practical, immediate impact.
<b>Programme Focus:</b>	Eligible activities include: community health; education; small scale infrastructure; sanitation; rural development; environmental development; gender equality; conferences and training activities; and

	<p>cultural and sporting activities. In certain cases, consideration may be given to disaster relief operations.</p> <p>The DAP has a particular focus on the needs of women, children and other disadvantaged groups.</p>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	Open to individuals, community groups, international or Vietnamese NGOs, academic institutions, research bodies, libraries, museums, or other organisations engaged in development activities in Vietnam on a not-for-profit basis.
<b>Application Guidelines:</b>	The application guidelines and format from the previous round are available on the website for guidance (see link below).
<b>Funding Rounds:</b>	In e-mail correspondence in August 2010 the delegation stated that following the recent elections in Australia they are awaiting instructions from Canberra regarding future DAP funding and that information regarding calls will be published on their website (see link below).
<b>Duration of Grant:</b>	Usually 1 year or less.
<b>Grant Amount (US\$)</b>	<p>There is no minimum or maximum amount that a single DAP project can receive, although funding for most projects will fall between AUS\$5,000 (US\$4,230) and AUS\$30,000 (US\$26,000).</p> <p>Typically, grants of up to VND210,000,000 (US\$11,000) are available for applicants north of, and including, Thua Thien Hue Province. Under special circumstances, grants of up to VND350,000,000 (US\$18,500) may be available for more complex projects of high merit. The Australian Consulate General in Ho Chi Minh City manages a DAP scheme for projects south of, and including, Da Nang City.</p>
<b>Key Exclusions:</b>	<p>As a general rule, the following activities and inputs are not funded:</p> <ul style="list-style-type: none"> <li>• Items of a routine or recurrent nature, such as staff salaries, office rental and utility costs, spare parts, supplies, routine maintenance and repairs;</li> <li>• Payment of salaries or fees for consultants and advisors, where they constitute a major cost component;</li> <li>• Generic conferences, training, cultural and sporting activities that cannot demonstrate a developmental outcome; and</li> <li>• Micro-finance projects or micro-credit schemes that involve a return of money.</li> </ul>
<b>Comments:</b>	
<b>Contact Details:</b>	<p>The Chair, Direct Aid Program          Australian Embassy          8 Dao Tan Street, Ba Dinh District          HANOI VIETNAM          +84-4 3774 0100  <a href="mailto:dap.hanoi@dfat.gov.au">dap.hanoi@dfat.gov.au</a></p> <p>Direct Aid Program          The Australian Consulate General          5th Floor, The Landmark Building          5B Ton Duc Thang,          District 1          Ho Chi Minh City          +84-8 3521 8100</p>
<b>Website:</b>	<a href="http://www.vietnam.embassy.gov.au/hnoi/cooperation.html">http://www.vietnam.embassy.gov.au/hnoi/cooperation.html</a>

### **Action Points:**

#### **India:**

- Invite AusAID India Country Manager to attend national workshop in September.
- Follow up in December 2010 regarding the planned arrival of a Climate Specialist.

- If there are water and sanitation proposals for India it is worth sharing these with AusAID.

**Indonesia:**

- If there are DRR proposals for Indonesia it is worth sharing these with AusAID Indonesia.
- Check in with AusAID Vietnam towards end of 2010 to find out more about 2011-2015 strategy.

**Thailand:**

- Meet with AusAID Thailand (since information on website is out of date) to understand more about their work and ascertain whether they hold a regional remit.

**Vietnam:**

- Monitor AusAID/Direct Aid Program website for any call for proposals for Vietnam in 2010.

## **Canadian International Development Agency.**

The Canadian International Development Agency (CIDA) is Canada's lead agency for development assistance. CIDA's mandate is to manage Canada's support and resources effectively and accountably to achieve meaningful, sustainable results and engage in policy development in Canada and internationally, enabling Canada's effort to realise its development objectives.

### **CIDA's Climate Change Strategy:**

Canada has identified advancing environmental sustainability as one of CIDA's five programme priorities. Reducing the impact of climate change to protect livelihoods and reduce vulnerability is an area of focus within this priority. CIDA supports the efforts of its partners to address climate change and to meet their commitments under international agreements primarily through the CAD\$100 million (US\$95 million) Canada Climate Change Development Fund (CCCCDF). Under this, CIDA supports its partner countries' efforts to meet their commitments under the UNFCCC by:

- Reducing their greenhouse gas emissions;
- Protecting and enhancing vegetation that absorbs carbon dioxide;
- Adapting to climate change with appropriate technology; and
- Raising awareness and developing national capacity to address climate change.

The CCCDF has supported 46 initiatives to date, including provision of CAD\$10 million (US\$9.5 million) to the GEF's Least Developed Countries Fund. Some projects supported by the Fund include:

- Clean energy: two solar energy demonstration sites in Western China are providing clean energy alternatives for rural electrification.
- Carbon sinks: peat lands in Indonesia are being restored through a low-technology approach and local communities are replanting these effective carbon sinks.
- Reduced vulnerability: in the Caribbean, use of weather modelling and hazard risk assessment techniques are helping countries adapt to rising sea levels and rising temperatures.
- National capacity: in Nigeria, a climate change policy framework is now in place, mitigation analysis studies are under way, and awareness among the public and decision makers has helped make the issue a priority for the country.

### **CIDA and ACCCRN Programme Countries.**

As part of its Aid Effectiveness Agenda, the Government of Canada announced in 2009 that it will be focusing 80% of its bilateral resources on 20 focal countries. These include the ACCCRN countries of Indonesia and Vietnam. However CIDA's focus in Vietnam is increasing agricultural productivity and economic growth. In Indonesia programming will be concentrated on economic growth in Sulawesi, Indonesia's third most populous island in the country's poorest region of Eastern Indonesia. Development priorities include: strengthening the government's ability to provide services, improving the quality of human resources, enhancing the capacity of science and technology development, strengthening economic competitiveness, and improving management of natural resources.

CIDA does not maintain a bilateral programme in India and similarly Thailand no longer receives direct bilateral or partnership assistance from CIDA.

CIDA's South East Asia Regional Programme addresses development challenges of regional interest and common commitments that cannot be met effectively through bilateral programming alone. It focuses on issues that transgress national borders or that may be too sensitive to approach on a bilateral level, such as emerging infectious diseases and the human rights of migrant populations. It is a small, focused programme of approximately CAD\$12 million (US\$11.4 million) a year. Programmes must involve a minimum of three countries within the region as active participants. The programme has also supported regional efforts in South-South co-operation among governments at the official level, civil society partners and networks, and other non-governmental institutions. It is open to new, innovative approaches to partnerships and programming in support of the Association of Southeast Asian Nations (ASEAN) goal to narrow the development gap within the region. Its priorities are:

- Economic integration.
- Governance, security and the rule of law.
- The environment.

### **Funding Streams.**

In addition to the two country-specific initiatives detailed below, CIDA also offers a 'Bilateral Responsive Mechanism' for unsolicited proposals. Unsolicited proposals can be submitted to geographic branch country and regional programme units by either the Canadian for-profit (private) sector, the Canadian not-for-profit sector or by a consortium involving both.

**Figure 11. Canada Fund for Local Initiatives Program - India.**

<b>Programme Theme:</b>	To enhance the economic, cultural and social life of the people of India, and to promote and strengthen good governance, democratic development and respect for human rights
<b>Programme Focus:</b>	<p>Projects are aimed at economic, cultural, and social development and at promoting and strengthening good governance, democratic development and respect for human rights. Project activities could:</p> <ul style="list-style-type: none"> <li>• Promote community participation in local governance and the promotion of human rights through education/training, NGO networking, resource development, and action/applied research.</li> <li>• Encourage the role of women in development and promote gender equality.</li> <li>• Protect children's rights through promotion of basic education by innovative approaches.</li> <li>• Improve the quality of life through promotion of community based water and sanitation approaches for meeting basic human needs.</li> <li>• Contribute to the development of low-income, underprivileged groups by: creating jobs; skills training for employment or self-employment; and promote micro-enterprises.</li> <li>• Improve the environment through natural resources management leading to improvement in livelihood and food security.</li> <li>• Contribute to preventive (rather than curative) health care programmes, especially in rural and urban resettlement areas.</li> </ul>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	The fund will support projects implemented by domestic civil society organisations (e.g. NGOs, academic institutions).
<b>Application Guidelines:</b>	<p>Application form available on website (see link below).</p> <p>The approval process takes about four months.</p>
<b>Funding Rounds:</b>	Proposals for financial assistance (2010-11) under the Canada Fund for Local Initiatives were accepted for consideration until April 30, 2010. For the next announcement for the FY 2011/12, please refer to the website during the first calendar quarter of 2011.

	Usually, the High Commission receives a large number of proposals for a limited amount of annual budget. Therefore, proposals are carefully assessed in order to select 10 - 12 high quality proposals for funding.
<b>Duration of Grant:</b>	Usually 1 year, although 2 years is possible (this will be assessed on a case by case basis).
<b>Grant Amount (US\$)</b>	Up to CAD\$50,000 (US\$47,600), but projects are usually in the range of CAD\$25,000 (US\$23,800) to CAD\$35,000 (US\$33,400).
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• Cash payments for direct budgetary support to an organisation.</li> <li>• Payment for ongoing projects and for expenses of a recurring nature.</li> <li>• Annual administrative support to an organisation.</li> <li>• Projects that involve large scale construction costs and vehicles.</li> <li>• Projects that are purely relief or welfare-oriented.</li> </ul>
<b>Comments:</b>	
<b>Contact Details:</b>	Development Co-operation Section 7/8 Shantipath, Chanakyapuri New Delhi 110 021 Tel: 91 11 4178 2000 Fax: 91 11 4178 2045 Email: <a href="mailto:delhi-da@international.gc.ca">delhi-da@international.gc.ca</a>
<b>Website:</b>	<a href="http://www.canadainternational.gc.ca/india-inde/development-developpement/canada_fund-fonds_canadiens.aspx?lang=eng">http://www.canadainternational.gc.ca/india-inde/development-developpement/canada_fund-fonds_canadiens.aspx?lang=eng</a>

**Figure 12. Canada Fund for Local Initiatives Program - Indonesia.**

<b>Programme Theme:</b>	The goal of the Canada Fund for Local Initiatives (CFLI) Program is to enhance the economic, cultural and social life of the people of developing countries. Funding is used to carry out small community development projects providing technical, economic, educational, cultural and/or social development assistance to the local populations in Indonesia.
<b>Programme Focus:</b>	<p>The CFLI-Indonesia will focus on the following programming priorities during 2007-2009* (<i>bullet points are a non-exhaustive list of example areas</i>):</p> <p>I. Democratic Governance:</p> <ul style="list-style-type: none"> <li>• Promoting effective participation of local government institutions and local community groups in the democratic process.</li> <li>• Promoting political participation, especially by women.</li> <li>• Strengthening Civil Society Organisations as advocates for good governance, human rights and improved public services.</li> <li>• <b>Disaster Risk Reduction.</b></li> <li>• Security sector reform.</li> </ul> <p>II. Human Rights.</p> <p>III. Rule of Law/Access to Justice.</p> <p><i>*These priorities were checked with the delegation in July 2010 who confirmed that they are still valid.</i></p>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	The fund provides financial assistance mainly to NGOs, institutions, community/ religious groups and occasionally recognised international institutions.
<b>Application Guidelines:</b>	Application form available on website (see link below).
<b>Funding Rounds:</b>	The delegation advised (in July 2010) that if ACCCRN has an interesting idea, which is in line with the Canada Fund focus, that this should be submitted before the end of this fiscal 2010/2011 or early next fiscal year 2011/2012. Their FY runs April – March.
<b>Duration of</b>	Not stated.

<b>Grant:</b>	
<b>Grant Amount (US\$)</b>	CIDA policy limits the total contribution for a project to a maximum of CAD\$50,000 (US\$48,000). In general, the average cost per project is about CAD\$30,000 (US\$29,000), particularly with new non-governmental organisations.
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>Projects whose main purpose is to finance the core operations or recurrent costs of a group or organisation.</li> </ul>
<b>Comments:</b>	
<b>Contact Details:</b>	From August 2010, the Canada Fund administrative operation will be directly managed by CIDA (Development Section) at the Canadian Embassy in Jakarta. Contact details: Mr. Hari M. Basuki ( <a href="mailto:hari.basuki@international.gc.ca">hari.basuki@international.gc.ca</a> ) and Mr. Zulyan Hendra ( <a href="mailto:zulyan.hendra@international.gc.ca">zulyan.hendra@international.gc.ca</a> )
<b>Website:</b>	<a href="http://www.canadainternational.gc.ca/indonesia-indonesie/development-developpement/cfil-fcil.aspx?lang=eng">http://www.canadainternational.gc.ca/indonesia-indonesie/development-developpement/cfil-fcil.aspx?lang=eng</a>

**Action Points:**

**Indonesia:**

- Consider submitting any DRR-related proposals to the Canada Fund for Local Initiatives Program.

## **Danish International Development Assistance.**

Denmark will focus their development assistance, through the Danish International Development Assistance (DANIDA) agency on the following five areas:

- Social and economic development.
- Human rights, democratisation and good governance.
- Stability, security and the fight against terrorism.
- Refugees, humanitarian assistance and regions of origin.
- Environment.

## **DANIDA's Climate Change Strategy.**

For the period 2010-2014, the Danish government envisages the provision of enhanced assistance to fight climate change. The budgetary allocation for climate change initiatives will be increased by DKK100 million (US\$16.8 million) in 2010 to a total of DKK300 million (US\$50.4 million). The climate initiatives will help the poorest countries in the fight to limit and adapt to man-made climate change. In addition, efforts will continue to climate-proof development assistance and implement larger programmes with a focus on climate and the management of natural resources. Furthermore, the government has allocated DKK400 million (US\$67.2 million) in 2010 for the replenishment of the GEF. The exact Danish contribution will depend on the outcome of the negotiations concerning the replenishment of GEF and the negotiations relating to a new climate convention at COP15.

## **DANIDA and ACCCRN Programme Countries.**

Denmark's development assistance is focused on a selected number of developing countries to support their long-term national strategies for poverty reduction. Additionally, the assistance is focused on a selected number of multilateral organisations. Africa - south of the Sahara - remains the main recipient of Danish aid. Vietnam is the only ACCCRN country which overlaps with DANIDA's core focus, although there is an environmental management programme in Indonesia, as detailed below.

### **Indonesia:**

The co-operation in Indonesia is concentrated on three main areas: reconstruction of Aceh, the environment, and good governance, including human rights, democratisation, and prevention of conflicts and terrorism. The overall objective of the environment intervention is sustainable environmental management in support of livelihoods. This objective is based on Government of Indonesia's policy to approach environmental management as an important element of securing sustainable economic development and poverty alleviation. There are three main components in the Environmental Sector Programme Support:

#### **1. Support to Public Sector Institutions.**

This component is supported with DKK40 million (US\$6.7 million), and will contribute to improved institutional capacity at the national level to support cross-sectoral and decentralised development planning and environmental management.

#### **2. Energy Efficiency in Construction and Use of Large Buildings.**

With a total budget of DKK57 million (US\$9.6 million), this component will address the efficiency of the final use of energy, thereby reducing the burden on the state budget, stimulating economic growth and reducing the energy sector's impact on the environment.



### **3. Support to Decentralised Natural Resources Management and Renewable Energy.**

DKK90 million (US\$15.1 million) will be allocated to the Indonesian National Program for Community Empowerment (PNPM) to support sustainable, community driven development, and to contribute to reduced poverty and improved local governance in rural communities in Indonesia. The PNPM is an Indonesian initiative administered by the World Bank.

#### **Vietnam:**

Denmark was the first donor to support the Vietnamese National Target Programme (NTP) to Respond to Climate Change with DKK200 million (USD 40 million) from 2009 to 2013. The programme seeks to contribute to Vietnam's sustainability in economic and social development and poverty alleviation by strengthening the country's capacity to adapt to climate change while improving its mitigation efforts. The grant will be provided as sector budget support and will be implemented and managed by Vietnamese government agencies. It has two key components:

1. The climate change adaptation component will support the implementation of the NTP under the Ministry of Natural Resources and Environment at the national level and specifically in the two climate vulnerable provinces of Ben Tre and Quang Nam (around two-thirds of the funds will be directed to these provinces). The Danes believe that more support on guidelines for NTP implementation at provincial level is required. They encourage provincial governments to look for replicability and impact on vulnerable populations when they are making their selection of projects. The Ministry of Natural Resources and Environment are currently (as at May 2010) trying to speed up the process of development and implementation of provincial plans so this may be a good time for ACCCRN to feed into this process.
2. The climate change mitigation component will support climate change mitigation through the Vietnam Energy Efficiency Programme under the Ministry of Industry and Trade. This will benefit from the remaining one-third of funds. The objective is to assist the improvement of energy efficiency in Vietnamese enterprises and contribute to sustainable development, climate change scenario planning, and early warning system development.

Danish development assistance also supports five minor climate change initiatives focusing on:

- Sea level rise scenario development (on-going project).
- The impacts of climate change on water resources and suggested mitigation measures (on-going project).
- Capacity building for the national climate change focal point (on-going project).
- Benefits of small and medium hydropower schemes on climate change mitigation (completed project).
- Mangroves management information system (completed project).

The Danish Embassy also contributes to improving capacity and raising awareness in Vietnam, and bringing together commercial partners from Vietnam and Denmark with the purpose of developing CDM projects in Vietnam. Given that the Danish funding in Vietnam has already been allocated, opportunities for co-financing appear limited.

## **British Government's Department for International Development.**

The Department for International Development (DFID) is the part of the UK government that manages Britain's aid to poor countries and works to get rid of extreme poverty. In 2008/09 they provided £5.5 billion (US\$8.3 billion) of aid to poorer countries.

### **DFID's Climate Change Strategy:**

The White Paper, 'Building Our Common Future', launched in July 2009, sets out many of DFID's commitments in the area of climate change. As well as their hope that an ambitious agreement would be achieved at Copenhagen, these include:

- **Additional climate financing** - the UK has pledged to provide new public finance over and above existing aid commitments. It also recognises that some development assistance meets both poverty reduction and climate change objectives, and so limits this to 10% of aid spend, and will work towards this limit being agreed internationally.
- **Helping the most vulnerable developing countries to prepare and adapt** - for example, by better managing water supply and storage, ensuring homes are more flood resistant or by using new crops that are more drought resistant. The UK will help to do this through the multi-donor trust fund Pilot Program for Climate Resilience (PPCR).
- **Managing shared water resources** - The UK is providing new money for water resources management, helping countries find new ways of co-operating over shared trans-boundary water resources and improving their storage.
- **Investment in low carbon development** - Over the next three years, the UK will invest in the Clean Technology Fund to support 15-20 countries with rapidly rising emissions to transform their use of renewable energy, and make their transport and energy use more efficient.
- **New climate knowledge network** - The UK is establishing a new 'Climate and Development Knowledge Network' to improve developing countries' access to world-class expertise, helping them build climate-resilient economies and societies. It will support their policy-making and practice on adaptation and low carbon development, and help build their own research capacity.
- **Low carbon innovation centres** - The UK will work with (at least three) developing countries to pilot low carbon innovation centres to develop and spread new and existing low carbon and climate resilient technologies.

The DFID Policy division is divided up around 5 areas, one of which is climate change adaptation. However, there is not a very strong urban focus throughout the organisation explained a DFID member of the Global Outreach Research Team, in July 2010. Nevertheless, the research team has identified urban adaptation as an area to focus upon more in the future (in collaboration with the International Development and Research Centre). There are a number of climate change champions within the organisation (e.g. Michael Anderson formerly the India delegation head and now Director of Policy and Research).

#### Key Current Expenditure Commitments:

- £800 million (US\$1.2 billion) through the Environmental Transformation Fund - a joint DFID and Department of Energy and Climate Change fund - announced in the 2007 budget, to tackle poverty through environmental protection, and to help developing countries respond to climate change. This has been invested in the Climate Investment Funds.
- £100 million (US\$153 million) to research the impacts of climate change in Africa, Asia and Latin America, and help countries prepare for these impacts (through the 'Knowledge Network').
- Up to 10% of DFID humanitarian aid on reducing the impacts of disasters.
- £59 million (US\$81 million) to tackle climate change and speed up investment in cleaner energy.

Given that the general election in May 2010 brought in a new coalition government with a mandate to carry out sizeable austerity cuts it is yet to be determined to what extent the DFID budget will be affected. The International Development Secretary announced a 'Multilateral Aid Review' in June 2010 in a drive to direct money at only the most effective organisations and those with greatest relevance to the UK's objectives on poverty reduction. In July 2010, details regarding the climate change component of DFID's Structural Reform Plan were provided, as follows:

#### **Actions:**

##### **Establish Advocacy Fund to help the very poorest developing countries take part in international climate change negotiations.**

Develop and launch Advocacy Fund.

##### **Support developing countries' climate adaptation and low carbon growth, including by making DFID programmes more climate-smart.**

Develop and launch new Environmental Screening Note to ensure environment issues fully addressed in DFID projects.

Develop new programme to improve forest management and tackle illegal logging in order to reduce deforestation.

Launch pilot advance market commitment for renewable energy in at least one developing country.

Develop methodologies and indicators to track impact and value for money, on adaptation, low carbon development and protecting forests.

Pilot Strategic Climate Programme Reviews in 6 countries to ensure climate issues are addressed in DFID country business plans.

#### **Milestones:**

New Environmental Screening Note launched – December 2010.

Programme to improve forest management and tackle illegal logging developed – March 2011.

Strategic Climate Programme Reviews piloted in 6 countries – May 2011.

Advocacy Fund established – September 2011.

Greater clarity regarding the budget is expected by September/October 2010. However, the new Government has confirmed that it will contribute the promised £1.5 billion (US\$2.3 billion) 'Fast Start' finance over three years (2010-2012), of which £300 million (US\$451 million) is dedicated to helping rainforest nations safeguard their forests. The new government has also pledged a contribution of £210 million (US\$316 million) to a total target of \$4.3 billion for the fifth replenishment of the Global Environment

Facility's resources. Fifteen million pounds of the UK contribution is conditional on implementation of the key reforms agreed with the GEF members.

### **DFID and ACCRN Programme Countries.**

During a conversation with DFID in July 2010 it was explained that resources are delivered by the country programmes so it is important to liaise with them, as well as the Head Office in London.

#### **India:**

DFID's Country Plan for the period 2008-2015 describes 'three faces of India':

1. **Poorest India:** focus is on those 456 million people living below the international poverty line who can't access basic services or feed their children adequately. DFID has five 'focus states': Andhra Pradesh, Madhya Pradesh, Orissa, West Bengal and Bihar (ACCCRN has a presence in Madhya Pradesh - Indore).
2. **Developing India:** the 400 million people living just above that level, not rich by any standard and vulnerable to any crisis. The same five focus states apply.

The Urban Services for the Poor programmes run in West Bengal, Madhya Pradesh and Andhra Pradesh, which seek to help the poor have better access to basic services. More than 10 million slum dwellers have benefited through improved municipal government and services, with a major focus on extending clean water and sanitation.

3. **Global India:** covers supra-national issues (e.g. adaptation to climate change), areas where India can contribute to poverty reduction elsewhere (e.g. the production of generic drugs) and reform of the international development system.

At the 2008 UK-India Summit, the then UK Prime Minister Gordon Brown and India's Prime Minister Manmohan Singh signed up to a partnership to fight poverty globally. The partnership is to demonstrate a commitment to work together on international policy areas that affect the poor, with co-operation on climate change forming a major plank of this agenda. DFID's efforts will focus particularly on adaptation to climate change, partly by piloting new approaches such as drought-resistant crops. Objectives detailed in the Country Plan state that:

- By 2011 DFID adaptation pilots are scaled up, emissions rise more slowly than growth, and India supports a fair post-Kyoto agreement.
- By 2015 institutions are set up to manage climate risks to poor, emissions continue to rise more slowly than growth, and India benefits from post-Kyoto financing.

The Foreign and Commonwealth Office (FCO)-DFID joint climate change and energy unit is based at the DFID office in New Delhi. The team focuses on promoting low carbon technology and supporting international negotiations on a post-2012 framework on climate change.

#### **Indonesia:**

The Country Plan for Indonesia states that from 2009 to 2011 there will be three main objectives for the DFID country programme (£75 million/US\$113 million for 2008-2011):

1. The development of stronger and more accountable institutions.
2. The delivery of poverty reduction programmes, focussing on achievement of 'off-track' MDGs.
3. Enabling Indonesia to deliver a range of 'global public goods', particularly relating to climate change and work to address some of the grievances which can encourage extremism. Regarding climate change,

DFID details that this will mean that Indonesia treats its forests and peat lands sustainably, reducing emissions of greenhouse gases and supporting local people's livelihoods. National plans and budgets will integrate outcomes and activities on climate change to create low carbon and equitable growth, building employment and reducing emissions. Households and communities, particularly the poorest and most vulnerable, will be better able to cope with the impacts of climate change.

In December 2008, the Indonesian government, represented by Bappenas (Ministry of Planning), and DFID, signed a Letter of Arrangement entitled 'Development co-operation to support poverty reduction through national response to climate change'. DFID plans to provide grant financing of up to £10 million (US\$15 million) between December 2008 and March 2011. It will focus support in four areas:

- To help develop the Indonesian Climate Change Trust Fund launched in September 2009.
- To support the mainstreaming of climate change into Indonesia's next five year development plan.
- To develop a fiscal and financial framework for climate change.
- To define an approach and programme for addressing vulnerability to climate change.

In January 2010 DFID announced that it will provide £50 million (US\$75 million) towards a partnership to tackle deforestation and climate change over 2010-2015. The new funding will form part of the UK's £1.5 billion (US\$2.3 billion) contribution to the international 'Fast Start' package announced at December's Copenhagen conference. The DFID delegation commented in May 2010 that whilst the amount of funding is relatively small it will enable them to get the necessary traction to discuss medium-long term plans. However, they also remarked that whilst the £1.5 billion Fast-Start funding is confirmed under the new government, the £50 million is yet to be confirmed.

According to the DFID website, the partnership will focus on:

- Providing areas such as Papua and Kalimantan (formerly Borneo) with land use planning and economic advice so that their forests and peat lands can be managed sustainably.
- Providing longer-term access to credit to help businesses offset the additional costs of choosing degraded land, not forests or peat lands, for palm oil production.
- Providing analysis and information on the ways forests and peat lands are used to the Indonesian public, helping them to hold their government to account.
- Helping Indonesians to adapt to the inevitable impacts of climate change by improving their understanding of the specific impacts in Indonesia and researching how best to protect the Indonesian people, their property and the infrastructure they depend on.

The delegation explained in May 2010 that the planning for the £50 million partnership is nevertheless on-going with an aim to submit in October 2010 to the Indonesian government for approval of three-quarters of the total amount. They said that the chief focus will be on land use and forestry and the economics of this, joint with the FCO. A design team will come in – probably between September and November – which will include someone to look at adaptation. They are unsure how much of the £50 million will go to resilience but do know that the majority will be for mitigation. However they made it clear that DFID feel comfortable with resilience since it is easier to see the impact on poverty than say carbon capture and storage. They were clear that this fund represents everything that DFID will do in Indonesia in the area of climate change (i.e. there will be no further work on DRR in a standalone capacity).

**Thailand:**

DFID's Public Services Agreement<sup>36</sup> does not focus on Thailand.

**Vietnam:**

DFID sees the main challenges in Vietnam as: HIV/AIDS, sanitation, and governance and corruption. Their current Country Assistance Plan (2007 -2011) and outlines a development relationship that will shift away from the provision of money and advice to a broader development partnership based on trade, knowledge and issues of global importance such as regional stability and climate change. However, it is anticipated that Vietnam will see severe cuts to its future budget under the new UK government's spending review.

**Funding Streams.****A. Centrally Managed.****Figure 13. Conflict, Humanitarian and Security Fund Arrangement (CHSFA)\*.**

<b>Programme Theme:</b>	DFID's Conflict, Humanitarian and Security Department works to tackle humanitarian, conflict, security and justice issues that underpin poverty in some of the most vulnerable communities around the world.
<b>Programme Focus:</b>	<ul style="list-style-type: none"> <li>• Theme A: Emergency Response Grant.</li> <li>• Theme B: Strengthening the evidence base for humanitarian decision making, financing, and reporting.</li> <li>• Theme C: Building the evidence base and strengthening policy making for Disaster Risk Reduction.</li> <li>• Theme D: Strengthening the effectiveness of the multilateral institutions, particularly the UN system, to resolve conflict, secure peace, and support recovery.</li> <li>• Theme E: Innovative approaches to supporting locally-led peace-building.</li> <li>• Theme F: Building Security and Justice for the poor by supporting southern civil society advocacy and promoting effective transitional justice.</li> </ul>
<b>Priority Geographies:</b>	Vulnerable developing countries.
<b>Eligibility Criteria:</b>	Any not-for-profit organisation or network whose work meets the priorities outlined and that has a strong track record of working in the field of conflict prevention, humanitarian assistance and/or access to justice
<b>Application Guidelines:</b>	A Statement of Intent and supporting documentation are submitted initially to assess organisational eligibility and the proposal fit with objectives. Request for further information may then be made.
<b>Funding Rounds:</b>	The next call to funding will be in 2011, with details provided nearer the time. Thereafter calls will be made every three year.  Decision making is usually achieved within 6 weeks.
<b>Duration of Grant:</b>	2 years.
<b>Grant Amount (US\$)</b>	For funding for humanitarian response capacity (Theme A), DFID will consider providing annual grants of from approximately £1,000,000 (US\$1.52 million) to single organisations up to approximately £5,000,000 (US\$7.64 million) to a consortium. For all other arrangements, they favour proposals whose strategic outcomes justify annual funding of up to £500,000 (US\$764,000).
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• The CHSF will only consider proposals from organisations operating in three or more countries.</li> </ul>
<b>Comments:</b>	Theme C is the most suitable for ACCCRN's work since the 2009 call was seeking to establish a partnership with an organisation, or preferably a consortium of organisations, to: <ul style="list-style-type: none"> <li>• develop evidence of climate and disaster resilience at national and regional level in developing countries, including the contribution of community based organisations;</li> </ul>

<sup>36</sup> Public Service Agreement no. 29 aims to 'reduce poverty in poorer countries through quicker progress towards the Millennium Development Goals'.

	<ul style="list-style-type: none"> <li>analyse and communicate policy implications for developing countries, based on this evidence;</li> <li>act as a catalyst for country level dialogue and advocacy around gaps in national and local systems that can protect and build resilience to disaster and climate risks;</li> <li>Identify opportunities for learning and communication across different communities of practice</li> </ul>
<b>Contact Details:</b>	The Statement of Intent must be sent by e-mail to CHSF@dfid.gov.uk. Supporting documents may be sent as pdf or scanned documents. If this is not feasible, they may be sent by post to the CHSF Team, Room 4E3, 1 Palace Street, London SW1E 5HE.
<b>Website:</b>	<a href="http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Conflict-and-humanitarian/CHSF/">http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Conflict-and-humanitarian/CHSF/</a>

*\*Details provided are based on the 2009 call for proposals and therefore should be considered as a guide only until the 2011 guidelines are published.*

#### Figure 14. Civil Society Challenge Fund (CSCF).

The Civil Society Challenge Fund (CSCF) is one of DFID's main central funds for civil society. It has an annual budget of £14 million (US\$21 million) and currently supports around 130 projects with over 80 different UK-based Civil Society Organisations.

<b>Programme Theme:</b>	The CSCF supports activities that improve the capacity of Southern civil society to engage in decision-making processes. The Fund will also consider service delivery projects that are either innovative or in difficult environments.
<b>Programme Focus:</b>	<p>The CSCF supports activities that:</p> <ul style="list-style-type: none"> <li>Improve the capacity of Southern civil society to engage in the local decision-making processes.</li> <li>Improve the capacity of Southern civil society to engage in national decision making processes.</li> <li>Improve national linkages through global advocacy.</li> <li>Provide innovative service delivery.</li> <li>Provide service delivery in difficult environments.</li> </ul>
<b>Priority Geographies:</b>	<p>Any developing country in Africa and South Asia and in a number of countries in the rest of Asia and the Pacific, Latin America, Caribbean, the former Soviet Union and South-Eastern Europe. All ACCCRN countries are eligible.</p> <p>CSCF will also consider proposals for work across groups of countries, whether cross-regional or transcontinental work. However, the reasons behind linking countries/regions should be clearly stated.</p>
<b>Eligibility Criteria:</b>	UK-based, non-profit organisations. This includes non-governmental organisations, academic institutions (including think-tanks), faith-based organisations, disabled persons organisations, trade unions, Diaspora groups and ethnic minority organisations.
<b>Application Guidelines:</b>	<p>There is a two-stage application process – if the concept note is approved, the applicant is invited to submit a full proposal. An organisation may submit up to 2 concept notes. Full proposals are reviewed by the local DFID delegation also.</p> <p>Application form and guidelines are available on the website (see link below).</p>
<b>Funding Rounds:</b>	<p>The deadline for receipt of Concept Notes is 31 May and the deadline for full proposals is 31 July. An outcome will be provided by February. Funding for successful projects will be from the following April.</p> <p>In the 2010 funding round, the CSCF received 409 Concept Notes from 253 different organisations. This led to the submission of 142 proposals. Only 32 of these were funded (just under 8% of the original applications).</p>
<b>Duration of Grant:</b>	A maximum of 5 years.
<b>Grant Amount (US\$)</b>	<p>Up to £500,000 (US\$767,000).</p> <p>Projects where the UK organisation has secured a degree of funding from other sources or is making a contribution of its own are welcomed. Up to 100% will be considered where no other funding is</p>

	available.  DFID will provide up to 8% of the total annual DFID overseas budget for annual expenditure related to the UK partner (whether incurred in the UK or in the implementing country).
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• Initiatives which consist primarily of welfare activities are not eligible.</li> <li>• Major capital expenditure cannot be supported (e.g. construction of buildings, purchase of land).</li> <li>• Any other aspect of capital expenditure needs to be fully justified as contributing to the sustainable outcome of the project (e.g. project related equipment and vehicles).</li> <li>• Project partners must comprise mainly of civil society organisations or networks located where the project is to be implemented. They will not consider proposals where the main partner is: Government, a 'for profit' organisation, or a member of the same family or network as the UK applicant which is not autonomous.</li> </ul>
<b>Comments:</b>	It may be possible for Mercy Corps (Scotland) and Challenge to Change to access CSCF funding.
<b>Contact Details:</b>	Triple Line Consulting Limited is contracted to assess CSCF proposals and performance on behalf of the Civil Society Department. Any questions about the CSCF should be addressed to Triple Line at: Triple Line Consulting Limited 3 Princeton Court, 55 Felsham Road Putney, London SW15 1AZ Tel: 00 44 208 788 4672 Email: <a href="mailto:cscf@tripleline.com">cscf@tripleline.com</a>
<b>Website:</b>	<a href="http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Not-for-profit-organisations/CSCF/">http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Not-for-profit-organisations/CSCF/</a>

**Figure 15. Development Innovation Fund.**

<b>Programme Theme:</b>	The DFID White Paper states that over the next few years DFID will increase its work with organisations in the UK and overseas who play an important role in development. This will include groups with who do not currently benefit from DFID support.
<b>Programme Focus:</b>	The Development Innovation Fund (DIF) is a newly established funding stream aimed at community based organisations involved in providing specific small scale, one-off support that directly targets poverty in the developing world and includes a significant development awareness component in the UK.
<b>Priority Geographies:</b>	DIF will consider proposals from any developing country in the world
<b>Eligibility Criteria:</b>	Not for profit groups with an average annual income over the past 3 years of less than £500,000 (US\$766,000).
<b>Application Guidelines:</b>	The DIF will consider up to 3 proposals per organisation at any one time.  Application guidelines and format are available on the website (see link below). Applications must be submitted electronically.
<b>Funding Rounds:</b>	It is possible to apply for support at any time. The Fund Manager provides notification of which of the 3 annual funding rounds the application will fall into.  Please note: the Fund will be operational for an initial 16 months from 2010.
<b>Duration of Grant:</b>	1 year maximum.
<b>Grant Amount (US\$)</b>	Up to £60,000 (US\$92,000).  Willing to provide up to 100% of the cost of the project.
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• Public awareness work in the UK will be a very important part of the criteria for assessing DIF applications. Applications must be very clear about what will be done to raise public awareness in the UK about international development. For non-UK applicants, an established link with organisations who do public awareness work in the UK is essential. Activities in the UK could include appropriate articles in the local media talks or presentations to recognised clubs, local library, faith groups, community or other public groups.</li> </ul>



	<ul style="list-style-type: none"> <li>DIF will not consider any proposal which is simply about the purchase of large or sought after capital items.</li> </ul>
<b>Comments:</b>	It may be possible for Mercy Corps (Scotland) and Challenge to Change to access DIF funding. However, this fund may be targeted for cuts under the new government.
<b>Contact Details:</b>	DFID has contracted a fund manager to manage the DIF: The Fund Manager, Development Innovation Fund c/o LTS International, Pentlands Science Park Bush Loan, Penicuik Nr Edinburgh, EH26 0PL United Kingdom. E-mail: <a href="mailto:dif-applications@ltsi.co.uk">dif-applications@ltsi.co.uk</a>
<b>Website:</b>	<a href="http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Not-for-profit-organisations/Development-Innovation-Fund-DIF/">http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Not-for-profit-organisations/Development-Innovation-Fund-DIF/</a>

## B. Country Specific (FCO-DFID managed funding streams):

**Figure 16. Strategic Programme Fund - Low Carbon High Growth Programme - India.**

<b>Programme Theme:</b>	<p>The purpose of Strategic Programme Fund (SPF) is to promote action on global issues in areas of strategic importance to the UK. The SPF Low Carbon, High Growth (LCHG) programme is a programme of climate security, energy security and economic reform projects through supporting delivery of the following outcomes:</p> <ol style="list-style-type: none"> <li>1. A visible and accelerated shift in investment initiated in the major economies towards low carbon.</li> <li>2. Political conditions created for an equitable post-2012 agreement at the UNFCCC COP in Copenhagen in December 2009 of sufficient ambition to avoid dangerous climate change.</li> <li>3. Risks to UK and EU energy security managed through more diverse and reliable external sources of supply and more efficient global consumption.</li> <li>4. Increased international commitment to an open, stable and equitable low carbon global economy delivering higher standards of living.</li> </ol>
<b>Programme Focus:</b>	<p>The objectives for India are:</p> <ul style="list-style-type: none"> <li>• A visible and accelerated shift in perceptions, policies and practice in India to facilitate low carbon investment.</li> <li>• India plays a constructive role in negotiations on and implementation of an ambitious and equitable post-2012 agreement to avoid dangerous climate change.</li> <li>• India accelerates domestic economic reforms.</li> <li>• Strengthened Indian international commitment in support of an open, stable, global economy.</li> </ul>
<b>Priority Geographies:</b>	<p>24 priority countries (ACCCRN countries are India and Indonesia).</p> <p>Within India the programmes are thematic and they have not focused funding on particular Indian states.</p>
<b>Eligibility Criteria:</b>	<p>Indian-based civil society organisations, international NGOs, private limited companies, independent consultants, research organisations, think-tanks and universities (FCRA is required for Indian based civil society organisations).</p> <p>The SPF will also consider regional projects restricted to the South Asian Association for Regional Co-operation region.</p>
<b>Application Guidelines:</b>	<p>The application process is over two stages - a concept round and full bids. Full bids are accepted only for the proposals recommended in the concept round. Organisations looking to submit are strongly encouraged to talk to relevant LCHG Programme Managers in the British High Commission at an early stage to discuss whether the proposal is strategically aligned to the programme objectives.</p> <p>The application guidelines for the now-closed 2010-11 funding round are available for guidance on</p>

	the website.
<b>Funding Rounds:</b>	In advance of each new Financial Year they may call for bids for projects focusing on specific key themes. The call for the 2010-2011 round was issued in late November 2009 with the deadline for concept note submission of mid-January 2010. Full bids were recommended for funding by mid-March.
<b>Duration of Grant:</b>	The maximum duration of the project should not exceed 36 months including 3 months for post-project evaluation.
<b>Grant Amount (US\$)</b>	None advised.  Project administrative costs should be less than 10% of the overall budget.
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• Projects on public awareness or field-level implementation are excluded from the LCHG programme strategy.</li> <li>• Proposals focusing on stand-alone seminars and workshops or research only will not be considered unless they lead to specific and measurable action.</li> </ul>
<b>Comments:</b>	ICLEI are currently implementing partners.
<b>Contact Details:</b>	Anurag Mishra, Sr. Programme Manager, LCHG Programme Climate Change and Energy Unit British High Commission Phone: +91-11-42793460, Fax: +91-11-26529296 E-mail: A-Mishra@dfid.gov.uk
<b>Website:</b>	<a href="http://ukinindia.fco.gov.uk/en/about-us/working-with-india/programme-funding/6301925/">http://ukinindia.fco.gov.uk/en/about-us/working-with-india/programme-funding/6301925/</a>

**Figure 17. Strategic Programme Fund - Low Carbon High Growth Programme - Indonesia.**

<b>Programme Theme:</b>	The purpose of the Strategic Programme Fund (SPF) is to promote action on global issues in areas of strategic importance to the UK. The SPF Low Carbon, High Growth (LCHG) programme is a programme of climate security, energy security and economic reform projects through supporting delivery of the following outcomes: <ol style="list-style-type: none"> <li>1. A visible and accelerated shift in investment initiated in the major economies towards low carbon.</li> <li>2. Political conditions created for an equitable post-2012 agreement at the UNFCCC COP in Copenhagen in December 2009 of sufficient ambition to avoid dangerous climate change.</li> <li>3. Risks to UK and EU energy security managed through more diverse and reliable external sources of supply and more efficient global consumption.</li> <li>4. Increased international commitment to an open, stable and equitable low carbon global economy delivering higher standards of living.</li> </ol>
<b>Programme Focus:</b>	In 2009/2010, Indonesia was a priority country for: <ul style="list-style-type: none"> <li>• Low Carbon High Growth Programme.</li> <li>• Counter Terrorism and Radicalisation Programme.</li> <li>• Human Rights and Democracy Programme.</li> </ul>
<b>Priority Geographies:</b>	It is possible to have projects implemented in and covering multiple countries.
<b>Eligibility Criteria:</b>	NGOs (UK, local, global), multilateral organisations, commercial companies, foreign governments or academic/research institutions.
<b>Application Guidelines:</b>	The application process is over two stages - a concept round and full bids. Full bids are accepted only for the proposals recommended in the concept bid round.  The application guidelines for the now-closed 2010-11 funding round are available for guidance on the website.
<b>Funding Rounds:</b>	The first bidding round for projects starting in April 2011 will open in September 2010.
<b>Duration of Grant:</b>	Maximum of 3 years.
<b>Grant Amount</b>	There are no minimum or maximum funding levels, but they are most likely to consider bids within

<b>(US\$)</b>	the £5,000 - £200,000 (US\$7,600 - \$304,000) range per Financial Year (1 April to 31 March).
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	
<b>Contact Details:</b>	<a href="mailto:spfchg.jakarta@fco.gov.uk">spfchg.jakarta@fco.gov.uk</a>
<b>Website:</b>	<a href="http://ukinindonesia.fco.gov.uk/en/about-us/working-with-indonesia/cc-new/cc-funding-opportunity">http://ukinindonesia.fco.gov.uk/en/about-us/working-with-indonesia/cc-new/cc-funding-opportunity</a>

### **Action Points:**

#### **Overall:**

- Follow up with DFID Head Office in September/October 2010 in order to secure update regarding the impact of the multilateral review on their climate change budget.
- Follow up on Conflict, Humanitarian and Security Fund Arrangement funding opportunity in 2011 if any DRR proposals emerge from ACCCRN pipeline.
- Explore possibility of Mercy Corps Scotland and / or Challenge to Change submitting proposal(s) to Civil Society Challenge Fund.

#### **Indonesia:**

- Follow up on the SPF Low Carbon High Growth fund in September 2010 to see whether the call for proposal's objectives fit with ACCCRN initiatives.

## **Ministry of Foreign Affairs of Finland – Development Co-operation.**

According to the Finnish Minister for Foreign Trade and Development in March 2010, development co-operation funds will increase by 92 million Euro (US\$114 million) next year, and the share of the gross national income allocated for development co-operation will be 0.58%. The Government is also committed to reaching development co-operation's share of 0.7% of the gross national income by the year 2015.

### **FINNIDA's Climate Change Strategy:**

Both Finland's Government Programme and the Development Policy Programme of 2007 emphasised that the Government will increase its efforts to mitigate climate change through development co-operation. Finland stated that it seeks to support the poorest and most vulnerable countries' adaptation to climate change and is also committed to supporting the operationalisation of the Adaptation Fund.

The Finnish Environment Policy sets out the following regarding climate change:

- Climate change is taken into consideration in all development work ('climate proofing'). The long-term goal is climate friendly, carbon neutral development co-operation.
- Finland actively supports the negotiation processes on climate change mitigation and adaptation and the conclusion and implementation of a new global agreement on climate change within the framework of the UN.
- Finland is committed to ensure that the funding through the new agreement on climate change supports developing countries' own development plans and complies with the principles adopted under the Paris Declaration on Aid Effectiveness (2005).
- Finland supports the adaptation of the poorest and most vulnerable countries to the adverse consequences of climate change as well as the participation of developing countries in the climate change negotiation processes.
- Finland will strengthen support measures for climate change mitigation and adaptation, including the Clean Development Mechanism (CDM) of the Kyoto Protocol. Finland actively advances the implementation of CDM projects as far as possible in all the least developed countries.
- In addition, Finland is looking into the opportunities to develop innovative sources of financing for climate change mitigation and adaptation.
- Finland assists its partner countries in creating and implementing climate change adaptation strategies and low-carbon development plans.

### **FINNIDA and ACCCRN Programme Countries:**

Finland's has eight long-term focal partner countries, of which there is overlap with one of the ACCCRN countries: Vietnam. In these long-term partner countries, Finland states that it is committed to far-reaching, result-oriented co-operation based on the countries' own needs, on their national leadership and on their development plans, complementing support from other donors according to its own priorities.

#### **Vietnam:**

Finland's co-operation seeks to complement Vietnam's current Socio Economic Development Plan, which is built on the three pillars of sustainable development: economic, social and environment and natural resources, as well as on the cross cutting theme of governance. Currently Vietnam is in the process of preparing its next Socio Economic Development Strategy 2011–2020, and subsequently the next five year plan. Finland's ODA disbursements in 2008 to Vietnam were around 15.6 million Euro (US\$19 million) and current areas of focus include: water, forestry, concessional credits, and environment including climate

change. The Finns are also supporting climate change activities through the Vietnamese Trust Funds for Forests – an indicative figure for this support is 4 million Euro (US\$5 million).

At a meeting with the Finnish delegation in June 2010, it was explained that after the 2010 summer break they will be working on a new 3-year strategy (their current strategy covers 2009-2011). Their Programme Co-ordinator stated that the environment was likely to remain a key focus area, but that they wanted to do an assessment of existing project results first. They have been involved in climate change interventions for over 2 years and currently have around 650,000 Euro (US\$800,000) committed to small projects in this area.

The delegation is currently funding 4 projects under the Fund for Local Cooperation (see below for application details) funding mechanism in relation to climate change:

1. Community-based climate change mitigation activities – the project provides training to local people regarding mudslide prevention and so on, in Ha Nam province. It also works with provincial committees on flood system controls so that they can be included in provincial action plans.

2. A project to promote the capacity of NGO networks for partners (international NGOs and local NGOs) who work on climate change. It supports the Hanoi-based Climate Change Working Group and the Vietnam Civil Society and Climate Change Network, through workshops and events with government agencies and other stakeholders.

3. Training for communities in Quang Ngai on community-based disaster reduction and climate adaptation. This initiative also includes action-based research regarding drought related crops and community resilience through livelihoods improvements.

4. Research pieces – the first is to support provincial level implementation of the National Target Programme, specifically looking at climate change and agriculture in Quang Ngai province. The results from the Centre for Rural Development in Central Vietnam are expected soon. A second piece of research is being funded in Hue, which has a focus on adaptive agricultural models for flooded areas and is being undertaken by the Institute of Resources, Environment and Biotechnology, which is under Hue University.

### **Funding Streams.**

NGO funding is channelled chiefly through Finnish NGOs.

**Figure 18. Fund for Local Co-operation - Vietnam.**

<b>Programme Theme:</b>	The Fund for Local Co-operation (FLC) complements other development co-operation efforts of the Finnish government and is available in most Finnish Embassies in developing countries.
<b>Programme Focus:</b>	The main objectives of the FLC in Vietnam are to promote: (1) human rights and good governance through administrative reform, anti-corruption practices, enhancing people's participation, democratic exercises, and social equality; (2) environmental sustainability by raising awareness on environmental threats, promoting public behavioural changes for green practices, and advocating for policy changes for mitigation and adaptation to environmental pressure; (3) Develop and mobilise Vietnamese civil society organisations through approaches that foster public participation in decision-making and development process; (4) Develop partnerships between civil society organisations and government across the spectrum of the FLC's objectives.
<b>Priority</b>	No priority geographies. There is no strategy regarding urban/rural focus although the delegation

<b>Geographies:</b>	stated in June 2010 that apart from research work and 'Live Long' (a youth information dissemination project) project, the focus has been rural.
<b>Eligibility Criteria:</b>	The fund supports projects of local Non-Governmental Organisations, Community-based Organisations and other organisations and institutions in Vietnam.  Organisations are encouraged to apply for funding in the field where they have appropriate experience. Previous records and demonstrated implementation capacity of the organisations to work in a specific sector is taken into account in the financing decision.
<b>Application Guidelines:</b>	Application guidelines and formats are available on the website (see link below). Applications should be no longer than 8 pages.
<b>Funding Rounds:</b>	Project proposals can be submitted any time during the year and they will be reviewed on quarterly basis.  It is recommended that interested organisations discuss concept papers first with the Embassy before formulating detailed proposals.
<b>Duration of Grant:</b>	Between 12 and 18 months.
<b>Grant Amount (US\$)</b>	Annual funding of the FLC is 500,000 Euro (US\$610,000). Project size will be ideally from 40,000 Euro (US\$49,000) to 120,000 Euro (US\$146,000). The funding could be higher in special cases where the applicant genuinely demonstrates the adequacy of the project costs and activities.  Proposals that include financial contributions from the implementer are favoured.
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>International non-governmental organisations (INGOs) and governmental administrative units are not eligible for the FLC scheme.</li> </ul>
<b>Comments:</b>	At a meeting with delegation in June 2010 it was explained that if concept notes are selected then the Embassy will work with partners to develop project documents/proposals.
<b>Contact Details:</b>	Tran Thi Lan Huong, Programme Coordinator. Embassy of Finland 6th Floor, Central Building 31 Hai Ba Trung street, Hanoi Tel. 04. 826 6788 E-mail: <a href="mailto:huong.tranthilan@formin.fi">huong.tranthilan@formin.fi</a>
<b>Website:</b>	<a href="http://www.finland.org.vn">www.finland.org.vn</a>

## **Action Points:**

### **Vietnam:**

- Follow up with Finnish delegation in Vietnam to learn more regarding their new strategy around September/October 2010.
- Consider discussing a concept note with Finnish delegation in Vietnam for submission to the Local Fund, depending on the fit.

## **German Federal Government's International Climate Initiative.**

In December 2007 the German cabinet adopted the Integrated Energy and Climate Programme of the Federal Government. Within the context of this programme, the revenue from auctioning tradable emission certificates is incorporated into the budget of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), from where it is disbursed to finance climate protection measures. This scheme generated 400 million Euro (US\$493 million) for the Climate Initiative in 2008, and as much as 460 million Euro (US\$567 million) in 2009. The Climate Initiative has both a national and international component.

### **The International Climate Initiative's Climate Change Strategy:**

Since 2008, an annual volume of 120 million Euro (US\$148 million) has been available for the international component of the Initiative – the International Climate Initiative (ICI). The Federal Ministry uses these resources to promote climate protection projects in developing countries, emerging economies and countries in the process of transition to a market economy, thereby complementing existing international, multilateral and bilateral co-operation activities.

Most of the ICI's projects are carried out by Germany's two major implementing organisations, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and KfW Entwicklungsbank. However, around a third are performed by non-governmental organisations, universities and research institutions, and the private sector. BMU also commissions multilateral organisations, such as UNEP or multilateral development banks such as the European Bank for Reconstruction and Development. Projects co-ordinate closely with the specific national strategies, can be geographic or thematic in focus, and have a duration of up to five years.

*Geographic Focus:* The ICI concentrates regionally on major emerging economies. These countries have great abatement potential in view of their significant and sharply rising greenhouse gas emissions, and they act as a model for their respective region. Particularly innovative projects are also supported in other countries and regions. Adaptation projects are funded primarily in regions which are particularly vulnerable to climate change and projects concerned with carbon sinks in high biodiversity regions also receive support.

The 181 International Climate Initiative projects launched to date are located in partner countries across Asia, Central and South-Eastern Europe, the Newly Independent States, Central Asia, Central and South America, the Middle East and Africa. However, around a third of the projects are focused on Brazil, South Africa, India, China and Russia (with a thematic focus on creating a climate-friendly economy). In addition to bilateral and supra-regional projects, the ICI also supports projects with a global focus with 17% of all the ICI's funds being spent in this way.

*Thematic Focus:* The International Climate Initiative supports projects in the following thematic areas:

**Emissions reduction / climate-friendly economy** (60% of current projects fall under this theme) - measures that facilitate access to technologies and know-how, improve policy settings in partner countries, and implement renewable energy and energy efficiency activities on the ground:

- Promotion of energy efficiency and renewable energies.
- Substitution of refrigerants that also contribute to global warming.
- Reduction of emissions in the transport sector.

- Formulation and implementation of national and local emissions reduction strategies.
- Testing innovative project-based mechanisms, local carbon markets and emissions trading systems.

**Adaptation to climate change** (10% of current projects fall under this theme – with adaptation projects being described as ‘under-represented’):

- Developing institutional capacity as well as implementing sub-components of suitable national and regional adaptation programmes.
- Developing and testing climate insurance instruments.
- Ensuring the conservation, restoration and sustainable use of habitats of particular importance to adaptation (e.g. mangroves).
- Implementing integrated project approaches, including water resources management, optimised land use and sustainable biomass production, and preventive healthcare.

**Conservation of climate-relevant biodiversity / REDD** (30% of current projects fall under this theme):

- Sustainable use, conservation and restoration of globally significant carbon sinks, habitats and climate-relevant biodiversity
- Fostering synergies between climate protection and biodiversity conservation.
- Helping developing countries to build capacity and develop methodologies in the field of REDD.

**Funding Streams:**

Projects receiving funding from the International Climate Initiative are integrated within the climate strategy of the respective partner country.

**Figure 19. The International Climate Initiative.**

<b>Programme Theme:</b>	Support can be granted for both investment projects and activities in the fields of technology transfer, policy advice, research co-operation, capacity development and training, and elaboration of studies and strategies.
<b>Programme Focus:</b>	Support for partner countries under the International Climate Initiative in 2010 and 2011 focuses on: <ul style="list-style-type: none"> <li>• Climate protection, especially reducing GHGs - In the field of a climate-friendly economy, the goal is to support partner countries in establishing a climate-friendly economic structure that prevents climate-damaging GHG where possible. This covers areas such as increasing energy efficiency, expanding renewable energies, investment-related measures, know-how transfer and policy advice.</li> <li>• <b>Improving adaptability to the consequences of climate change - parts of appropriate national programmes for adaptation are being implemented in selected partner countries that are especially vulnerable to climate change on the basis of national or regional strategies, NAPAs etc. Through an integrated approach several aspects of adaptation can be incorporated, e.g. water resource management, optimal land use/sustainable biomass production, preventive health care, disaster prevention and migration management.</b></li> <li>• Conserving and sustainably using climate-relevant areas which merit protection – finances natural carbon sinks/ REDD projects for conserving carbon sinks, especially forests and other ecosystems such as wetlands. Activities in this field aim to improve synergies between climate protection and biodiversity conservation.</li> </ul>
<b>Priority Geographies:</b>	The ICI supports climate protection projects in developing, newly industrialising and transition countries.
<b>Eligibility Criteria:</b>	The ICI is open to a variety of actors in Germany and abroad. It supports projects carried out in partner countries by federal implementing agencies, government organisations, NGOs, private enterprises, universities and research institutes, and by international and multilateral organisations.



	<p>Projects can also be implemented jointly by several organisations/institutes. In the case of joint projects, co-operation must be regulated in a co-operation agreement with all implementing actors, and a project leader should be appointed. The co-operation agreement must be submitted in the second stage of the application procedure and contain the legally binding signatures of all implementing actors.</p> <p>The grant recipient must demonstrate relevant expertise and, as a rule, prove that for at least three years the recipient has continuously implemented international co-operation projects jointly with partners in the region, or that the recipient has been successfully involved in project-related activities for at least three years.</p>
<b>Application Guidelines:</b>	In the first stage, sound project outlines in German or English must be prepared based on the sample application and submitted to the Programme Office electronically. The outlines must not exceed six pages.
<b>Funding Rounds:</b>	<p>Outlines for projects beginning in 2011 (planned project start from mid 2011) may be submitted to the Programme Office up until 31 December 2010. These project outlines will be assessed as a single batch in 2011.</p> <p>The selection of projects for the International Climate Initiative will follow a two-stage approval procedure whereby those submitting promising outlines will be requested to submit a formal application for support. The template for the formal application will be made available once the first stage of the application process is complete.</p> <p>The funding decision is taken on the basis of the final assessment of that application by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.</p>
<b>Duration of Grant:</b>	The project duration should not be more than five years.
<b>Grant Amount (US\$)</b>	<p>Grant amount not stated.</p> <p>As a rule, an appropriate participation in the costs by the applicant and the mobilisation of additional funding are a condition for approval of a grant.</p>
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	The grant recipients must undertake to cancel any emissions allowances (CDM, voluntary carbon market) generated by their projects throughout the project duration in order to ensure the additionality of greenhouse gas reductions under the International Climate Initiative.
<b>Contact Details:</b>	<p>Programmbüro Internationale Klimaschutzinitiative  Potsdamer Platz 10  D-10785 Berlin  Email: <a href="mailto:programmbuero@programmbuero-klima.de">programmbuero@programmbuero-klima.de</a>  Phone: +49 (0)30 408 190 - 218  Fax: +49 (0)30 408 190 - 303</p>
<b>Website:</b>	<a href="http://www.bmu-klimaschutzinitiative.de/en/home_i">http://www.bmu-klimaschutzinitiative.de/en/home_i</a>

## **Deutsche Gesellschaft für Technische Zusammenarbeit.**

The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) is a federally owned organisation. Its mandate is to support the German Government in the field of international co-operation for sustainable development, through its core competency of capacity development. Commonly KfW provide the financial co-operation and GTZ deliver the projects on the ground.

### **GTZ's Climate Change Strategy:**

GTZ provides expertise across many development co-operation sectors on climate-related matters, including the energy sector, agriculture, the water sector and industrial and urban development. The German federal government supports the climate protection efforts of developing countries by making contributions to the Global Environment Facility and by conducting bilateral projects. In addition GTZ advises and supports the German Federal Ministry for Economic Co-operation and Development as well as other German ministries in international climate negotiations.

GTZ's Climate Protection Programme aims to mainstream climate protection activities. This includes measures to reduce and prevent GHG emissions, and measures to foster adaptation to climate change. Activities focus on building and expanding institutional and human resource capacities and on carrying out individual projects to serve as models in the field of climate protection. The Climate Protection Programme provides ongoing support to a range of individual projects through:

- National and regional climate studies,
- Training measures and workshops,
- Conceptual and methodological studies on fundamental issues of climate protection in developing countries,
- Policy studies on long-term climate protection.

GTZ state that they work with public authorities and other partners to provide support to local communities to enable them to adapt and deal with new scenarios. This support may include forecasts of coming periods of drought, risk assessment and the implementation of early warning systems, help for affected communities to prevent and prepare for disasters, and to mitigate their susceptibility to climate change impacts.

In addition to the Climate Protection Programme, GTZ provides support to sectors of relevance to ACCCRN including water, disaster risk reduction and urban development. In the water sector they may provide advice on water sector reform, legislation and planning; promote sustainable water and sanitation services where there is water scarcity and in slums; support the improvement of hydrological and climate data as a basis of adaptation strategies; and integrate climate change into water resources management. Regarding DRR, their work covers analysis of the links between climate change, increased disaster risks, and the ensuing potential for conflict and security risks; support for national adaptation strategies in the health sector; advice on climate change adapted disaster prevention and preparedness measures; and support for spatial and land-use planning with a focus on climate change-induced natural disasters.

GTZ is working with municipal authorities, public service providers and the private sector, as well as with the Asian Development Bank via the Cities Development Initiative for Asia, in order to reduce urban emissions and boost cities' capacities to adapt to the impacts of climate change.

## **GTZ and ACCCRN Programme Countries.**

### **India:**

GTZ have an implementation agreement for technical co-operation with the Government of India, with their funding largely going towards training and capacity building. Germany has agreed that their development co-operation will concentrate on the following priority areas in India:

- Sustainable economic development,
- Energy,
- Environment – including policy, conservation and sustainable use of natural resources, improvement of urban habitats and industrial development.

Under the Environment theme, the urban sustainable habitat area looks at environmental issues at city level where GTZ state that the lack of adequate environmental infrastructure and the deteriorating quality of environments in the large urban centres is creating vulnerability. Their current programme was preceded by the Eco Cities initiative. The current phase started in May 2008 and will go until May 2011 (although the GTZ office in Delhi said – as at May 2010 – that it was likely to be extended until May 2012). The programme will focus on cities chosen for their diversity in terms of location, population size, nature (e.g. industrial or heritage), which are: Cochin, Tirupatti, Varanassi, Raipur, Nashik, and Shimla, with Nanital just coming on board.

GTZ aims to have 4-5 interventions in each city in sectors such as solid waste management, water, sanitation, and e-governance. Capacity building is also high on their agenda as is the establishment of both vertical and horizontal information platforms. GTZ believe that capacity in the environmental and urban planning spheres is very limited at city-level. They have developed strong ministerial level relationships to ensure replication, but have also set up a steering group which touches all three levels - ministry, state and city /urban local body level. GTZ did mention that they themselves are not really discussing climate change by name as part of this initiative and said that cities do not 'demand' adaptation. They saw the challenge as being the fact that cities are already dealing with *immediate* infrastructural issues.

GTZ is also supporting city sanitation plans exemplars which in due course the government wants to implement firstly in 100, and then 300 more cities, with funding from the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). They are also currently discussing a slum improvement programme of in-situ upgrading with the Rockefeller Foundation's urban initiative team.

Whilst GTZ do accept concept notes and make calls for proposals occasionally, they noted that they have limited funds and so focus primarily on providing technical assistance.

### **Indonesia:**

The co-operative landscape with Indonesia has been changing since 2007 with support to the health sector phasing out and the building up of climate change initiatives in particular. GTZ is currently concentrating on the following three priority areas in Indonesia:

- Climate change and sustainable development.
- Private sector development.
- Good governance/decentralisation.

With respect to climate change the chief focus is upon mitigation through support to Indonesia's national climate action plan. This includes assistance to help achieve the government's long term strategy of carbon-reduced development in the areas of traffic emission reduction in medium sized cities and forest management projects. Here GTZ supports the implementation of forest management reforms, the preparation of a future Post-Kyoto Protocol, and the establishment of new concepts for nature conservation, through incentive systems for emission reduction, particularly the core REDD programme.

GTZ is also helping Indonesian cities to plan and implement strategies for effective climate change mitigation and – to a limited extent - adaptation. The programme is working to integrate city climate change action plans, with interventions around energy efficiency, industry, lighting, and solid waste management. GTZ is also providing training in adaptation measures for government staff from vulnerable regions, which will enable them to develop appropriate disaster response. **In addition, they are supporting cities to tap into national funding for adaptation.**

GTZ helped develop the strategy for the Indonesia Climate Change Trust Fund (ICCTF) although the German government has not yet put any money into the fund (as at May 2010). On behalf of the Asian Development Bank, GTZ is now helping to launch CDM in Indonesia in terms of advising the Indonesian Government on CDM application, the necessary institutional preconditions and in the development of CDM projects.

GTZ conducted a pilot project in Lombok which developed tools for capacity development around vulnerability assessments. AusAID is now financing this further in cities: Tarakan (East Kalimantan), South Sumatra region, and perhaps Central/East Java. GTZ mentioned that Semarang may offer a possibility for alignment but that they had been undecided as to whether to focus there as they knew that ACCCRN was there and they were also waiting for the election to take place. KfW will be making their first proposals on solid waste management in early August so that could be an entry point to bring teams in Semarang together.

The GTZ representative in Jakarta expressed an interest in collaborating with ACCCRN through the placement of their Centre for International Migration and Development (CIM) experts at city level. These are long-term integrated experts who, in response to requests, are placed in organisations or cities for between 3-6 years to provide expertise – for example, in hydrology or urban planning. The organisations in which they are placed provide a local salary (or Rockefeller could provide this and office costs) and this is then 'topped up' by German government. They have 4 positions for this year but no placements, and follow up can be made with their advisory service in Jakarta.

#### **Thailand:**

The office in Thailand does co-ordinate actions for the region as do their offices in Manila and Jakarta. They are leading (from Bangkok) the 'Clean Air for Smaller Cities' initiative in the ASEAN region, which takes place in seven countries, with which there is overlap with ACCCRN in Vietnam, Indonesia and Thailand. Their focus is on road maps for clean air action plans in smaller cities (between 150,000 – 2 million population) and the programme is 1.5 years into its 4 year duration. The programme has now determined focal cities and started activities in some of these. Ten cities have been confirmed in Thailand and although there is no overlap with ACCCRN cities, there is an overlap in Vietnam with Can Tho. Activities usually involve inventories of emissions, refinement of air quality monitoring data and help to develop intermediate transport vision strategy. The initiative will not finance interventions resulting from the action plans themselves but rather

will act as a broker for financing. In June 2010 they reported that the French are potentially interested in funding some of the emerging initiatives.

In addition, they have projects in the areas of energy efficiency and climate mitigation for land transportation sector. GTZ are also trying to systematically develop training materials because they feel that too much training is instructor dependent. They are therefore working in collaboration with Asian Institute of Technology and aim to develop an international team of trainers, ideally practitioners. They are open to any topic for this initiative as their role will be to provide the hub and materials but not necessarily the content. Their key focus is on systematisation with a product on show around September/October 2010. This may present a possible point of intersection for GTZ and ACCCRN.

Co-operation between Thailand and the German Ministry of Economic Co-operation and Development comes to an end in 2011. However, the German Ministry of Environment is implementing six 3-year climate change related projects for Thailand – largely around policy advice. It is unclear whether these will be extended. GTZ is planning to establish an NGO foundation so they can stay there in the long run and be able to take on commissions.

**Vietnam:**

The priority areas for GTZ in Vietnam are

- Environmental policy and the protection and sustainable use of natural resources.
- Sustainable economic development.
- Health.

GTZ has recently undertaken an intensive climate proofing exercise of their intervention portfolio in Vietnam and has subsequently built in factors that mainstream climate change. However, the GTZ delegation stated in June 2010 that they are unlikely to do anything else in the climate change sphere other than their projects in the field of sustainable forest management, biodiversity preservation and integrated coastal zone management/mangrove protection in rural areas.

GTZ's urban development programme includes a project to advise Vietnam's Ministry of Construction and local policymakers on sewage and waste disposal. The project has been rolled out initially in six provincial capitals, with further towns and cities to be added in the course of 2010, running to 2011. They are also looking at the challenging process of composting solid waste at landfills to collect methane gas.

August 2010 will see the launch of a new 3-year programme in Da Nang which will incorporate:

- Environmental urban planning and management with a focus on procedures of intra-local government co-ordination and enhanced participation of the private sector and civil society.
- Urban public transport – to set-up an efficient city system.

GTZ also have a renewable energy project which is funded by the Federal Ministry of Environment (most interventions are funded by Ministry of Economic Co-operation and Development). The delegation stated that a key issue that is absent from the agenda in Vietnam is energy efficiency in building construction/insulation.

Whilst they have nothing planned for Quy Nonh they felt that there could be a possibility of combining concerns in Da Nang. GTZ stated that they are always open to applications from cities for CIM individual experts or those from the German Development Services (volunteers).

### **Action Points:**

#### **Indonesia:**

- Liaise with GTZ/KfW regarding the solid waste management proposals in August/September 2010 as a possible entry point to bring together teams in Semarang. Hilman Hertz implementing AusAid work for GTZ and Heiner von Lucke is supervising policy issues.

#### **Thailand:**

- Contacts in GTZ Thailand for climate change are: Mr Franz Ellermann and Daniel May who manage 4 of the 6 climate change projects there. Whilst the chief focus is mitigation it may be worth setting up a meeting to learn more about their work and plans.

#### **Vietnam:**

- Continue to co-ordinate regarding GTZ's planned work in Da Nang and ACCCRN initiatives there (Contact is Gottfried Roelcke, Chief Technical Advisor, Wastewater and Solid Waste Management Programme – [gottfried.roelcke@gtz.de](mailto:gottfried.roelcke@gtz.de) – until December 2010 when he will leave GTZ. His replacement is not known yet).

## **Japanese International Co-operation Agency.**

The Japanese International Co-operation Agency (JICA) is Japan's key development agency and the world's largest bilateral development aid agency, with a budget of approximately US\$10 billion per annum. In 2008 JICA underwent a sweeping reorganisation, merging with one arm of the Japan Bank for International Co-operation. The 'new' JICA is thus able to offer three major components of development assistance across 155 countries:

- Technical co-operation via Japanese experts and volunteers, and training.
- ODA loans – concessionary long-term, low-interest funds provided for socio-economic infrastructure.
- Grant aid – which requires no repayments.

## **JICA's Climate Change Strategy:**

Japan hosted the 1997 Kyoto Protocol talks, a legally binding initiative committing signatories to tackle climate change and global warming and recent Japanese prime ministers have each unveiled specific related initiatives. The increased synergy, and financial and technical muscle provided by the merger has significantly increased JICA's ability to participate more fully and effectively in the climate change arena, the organisation believes. JICA's approaches climate change funding at:

- Policy level - policy matrix based lending (for example, in Indonesia and Vietnam).
- Institutional level – through support for micro-CDM, CDM for poverty reduction, and mitigation actions.
- Project level - through support to both mitigation and adaptation measures.

## **JICA and ACCCRN Programme Countries.**

### **India:**

India is the largest recipient country of Japan's ODA, at around US\$10,280 million in FY2008. Since FY 2007 the following three areas reflect JICA's medium-term policy objectives in India:

1. Promotion of economic growth together with strengthening bilateral economic interactions.
2. Poverty reduction and social sector development.
3. Co-operation in the field of environment, climate change and energy.

ODA loans are either provided through the Government of India or Public Sector Undertakings. Appraisals are conducted twice a year to consider and approve new projects for loan assistance. Recently urban development (including transport such as metro construction and water supply and sewerage in major cities including Bangalore, Agra, Varanasi, and Delhi), energy, and forestry have been the major sectors of focus. Grant aid meanwhile is mainly used for upgrading public infrastructure and social development. They have little interaction with NGOs outside of the 'soft' components of loans (e.g. conducting awareness raising) and they do not hold calls for proposals.

Regarding climate change, their chief focus is upon mitigation. New energy initiatives in 2010 include low carbon technology transfer research with TERI and the Institute of Global Environmental Strategies, as well as a pipeline of credit for energy efficiency and renewable energy finance to IREDA (a Public Limited Government Company under the administrative control of Ministry of New and Renewable Energy).

JICA have not had much experience of disaster management in India but are planning to conduct joint research with the Indian Institute of Technology (Hyderabad) in the area as well as work with the meteorological department and Tokyo University over a 5 year period on the issue.

#### **Indonesia:**

At the 13<sup>th</sup> meeting of the UNFCCC in Bali in December 2007, the Indonesian government announced its national action plan for inclusively mitigating whilst adapting to climate change. Japan announced its then-titled 'Cool Earth Partnership' shortly after, with a proposal for a Climate Change Program Loan subsequently agreed between the Japanese Prime Minister and Indonesian President at the July 2008 Toyako Summit. The loan agreement was signed two months later with JICA allocating around US\$300 million for Phase 1's series of initiatives to bolster Indonesia's national action plan on climate change over the period 2008-10 (providing general budget support against policy matrix). A second phase for 2010-12 is currently under discussion but is expected to be launched in June 2010. Phase 2 will chiefly emphasise mitigation and policy issues, improvement of energy infrastructure (e.g. geothermal and renewable energy), the transport sector as well as industrial issues.

JICA has provided an advisory and monitoring team to assist Bappenas (the National Development Planning Agency in Indonesia who is the lead climate change ministry) with the smooth implementation of the programme loan. JICA is also implementing technical co-operation for individual projects in both climate change mitigation and adaptation, in areas such as forest conservation, forest fires, energy, agriculture, and water resources.

In terms of technical assistance, a new programme to support integrated policy making will be launched shortly (as at May 2010). This will support on Indonesia's Nationally Appropriate Mitigation Actions and National Adaptation Programmes of Action under Bappenas with GTZ support. JICA will also start a meteorological study in July 2010 with the meteorological institution BMKG regarding vulnerability in Indonesia, as well as a national inventory study with the Ministry of the Environment regarding how to recognise and record CO2 emissions effectively.

In terms of projects or grants, JICA focus chiefly on forestry and energy. They also have a long history of flood damage prevention in Jakarta although this is not directly connected with climate change. Overall their focus in Indonesia is largely on rural areas not cities and whilst the delegation said that they do fund local NGOs, this does not tend to be in the climate change sphere.

#### **Vietnam:**

JICA's aid to Vietnam is increasing with an approximate \$1 billion commitment annually to the transport sector (40%), energy/power generation (40%), environment (8%), and telecoms (2%). JICA has positioned themselves as a key policy level player and have invested what they call 'intellectual and co-ordination energy' into pulling all the disparate ministries together, working closely with AFD and UNDP in this regard. The delegation in June 2010 explained that they are not doing much in terms of pure climate change work except at the central level, as follows:

- Policy lending – whilst they have provided a loan, it is not for investment. JICA agreed about 20 climate change policy/law action commitments with the Vietnamese government at start of the year (e.g. design of an energy efficiency master plan) and at the end of the year JICA will assess and make financing available accordingly if progress has been made. The lending is over 3 years and as at June



2010 they were about to start the 2<sup>nd</sup> year. The actions include both mitigation and adaptation - although it was noted that the Japanese government would prefer just mitigation but this would be criticised by the Government of Vietnam. JICA may find specific programmes to fund as a result of this initiative on an ad hoc basis. AFD are co-financing this work and they hope others will participate in due course.

- JICA will provide the technical assistance needed to conduct an inventory of GHG emissions more regularly. It was last done in Vietnam for the UNFCCC in 2002/3. This is a 3-year project which is due to start in August/September 2010.

JICA also has a strong focus on community resilience to disasters – both rural and urban– and support on plan development. They see their adaptation portfolio as essentially being disaster prevention in the form of technical assistance, and urban drainage in the form of financial assistance. There are on-going discussions regarding a climate change adaptation programme in the Mekong region with impact assessments and planning support targeting the impact of climate change on water, agriculture and disaster management sectors. It should be clear by the end of the CY2010 if this will go ahead (the delegation said that they were about 80% sure it will go ahead). If it does, they will select 2 provinces to target. It is planned as a technical assistance project so has no associated investment, but will include a feasibility study for future projects. AusAID and ADB are carrying out a similar study in Mekong on transport and energy.

In August 2010 it was learned that JICA are supporting (via their Grassroots Grants Programme) a project to build community resilience in Da Nang through disaster education at school level. This is in collaboration with partners SEEDS Asia and Da Nang University. This is a one year project but there are plans to build upon this and develop a longer-term 4-year initiative starting in 2011 (under JICA Partnership Program Fund). The need identified is to:

- Enhance policy level interventions for disaster education, including strengthening institutional basis and technical knowledge.
- Create an environment to encourage the high risk (for disaster) local governments to prioritize disaster education through school and community activities.

JICA are also assisting with the development of Da Nang's urban master plan. They have had a request from Can Tho for financing of their waste water disposal for a few years now and although the situation is getting worse now, they are not sure if it will be funded.

Funding is only for Japanese NGOs but they do need Vietnamese counterparts, and Japanese municipalities will partner with Vietnamese ones. JICA in Vietnam do issue calls for small 'grassroots projects' for disaster prevention.

#### **Thailand:**

The JICA delegation said that overall the institutional focus is shifting to Africa and that they are likely to see a budget cut for next year. They expect that there will only be 2-3 new projects next year. However the Thailand office is still pushing that the environment and climate change should remain major areas for focus in Asia and they believe that they will continue to assist in this sector in the future. The JICA office in Thailand does not have a regional remit.

The environmental sector in Thailand is based on technical co-operation and loans. Current projects include:

1. Bangkok Metropolitan Authority (BMA) – a 3 year project. The BMA has an objective to reduce carbon emissions by 15% by 2012. JICA are providing technical assistance to build staff capacity and improve interaction between different concerned departments. In the first year FY09, they helped establish a working group with which it developed policy and actions, and provided training. Staff also made a visit to Japan. This year, year 2, they will raise the capacity of staff around data collection in order to be able to better understand the programme's impact. They would like to see this intervention in other cities in the future.

2. Climate Change - JICA is working with the Thailand Greenhouse Gas Management Organisation (TGO) to conduct a project which focuses on building capacity of staff around their role as designated national authority for CDM projects in Thailand on behalf of UNFCCC. The work started in January 2010 and Thailand is in the top 10 of countries with the greatest number of approved CDM projects. JICA have 8 experts who support on training, particularly around the complex reductions reporting requirements. The staff of TGO will also have an opportunity to participate in training courses in Japan in areas such as mitigation policy (mitigation potential and technology), GHG inventory, and national registry.

JICA-Thailand would like to replicate the assistance provided in Indonesia through the CCPL, which provides general budget support to policy actions (including disaster prevention and adaptation). They have been working on this for the past 2 years but are unsure of when it will come through. In the meantime, this process of planning helps to build capacity of the Ministry of Natural Resources and Environment which as a relatively young organisation is low.

JICA is also hoping to start another project this year which has been approved in principle for a period of 3 years. The project aims to raise the capacity of local municipalities to translate centralised environmental policy into something relevant for the local level. The key focus is waste management and waste water, although the geographical focus does not overlap with ACCCRN (it is Regional Environmental Office 8). A disaster prevention project is also starting, with area selection on-going - but likely to be south of Chiang Rai.

Research and Training projects include:

- Building the capacity of the Environment Research Training Centre (ERTC) through grants assistance initially and then via technical assistance.
- A 'third country training programme' – JICA run a training programme joint with Thailand (specifically the ERTC) for neighbouring countries. These are mainly on environmental issues such as acid rain, Environment Impact Assessments, and forestry.
- Science and research schemes – which are joint between Japanese research institutes and those in developing countries. Currently there are 5 projects in Thailand, all recently started and with 4 of the 5 relating to environment/climate change: 2 x bio-diesel, understanding the climate impact on Chao Phraya river basin using a climate simulator to establish the effect on infrastructure, water re-use technology (e.g. in shopping malls), and one on infectious diseases.

### **Action Points:**

#### **Vietnam:**

- Keep in touch with the delegation regarding their work in Da Nang on the urban master plan and also the request for support that they have received from Can Tho in relation to waste water. Contact is: Taro Katsurai, Senior Project Formulation Advisor, [Katsurai.Taro@jica.go.jp](mailto:Katsurai.Taro@jica.go.jp)

**Thailand:**

- Given that disaster prevention work is starting in Thailand shortly, it may be worthwhile meeting the JICA contact point (Miss Takeuchi) to establish if any synergies exist.
- JICA's planning schedule usually sees draft proposals submitted by end August, with approval of full proposals by February. Then they send these to experts to support on further development. So it might be worth checking in around September /October to see what is planned for next year (their FY runs April – March).

## **Korea International Cooperation Agency.**

The Korea International Cooperation Agency (KOICA) was founded as a government agency in 1991 to maximise the effectiveness of Korea's grant aid programmes for developing countries by implementing the government's grant aid and technical co-operation programmes. The focus of KOICA is on promoting sustainable development, strengthening partnerships with developing partners, and enhancing the local ownership of beneficiaries. Additionally, global concerns such as the environment, poverty reduction, and gender mainstreaming, have gained significance. The key themes of KOICA are: education, health, governance, rural development, information and communication technology, industry and energy, environment, disaster relief and reconstruction, climate change and the MDGs.

## **KOICA's Climate Change Strategy:**

Regarding its climate change strategy, the Korean Government is focusing on its neighbouring region of East Asia, which they believe urgently requires that sustainable development approaches and adaptation be mainstreamed into development assistance. In July 2008 the 'East Asia Climate Partnership' was launched at the Major Economies Meeting of the expanded Group of Eight Summit in Toyako. Through this partnership, Korea has committed itself to a US\$200 million assistance package (2008-2012) for developing countries in East Asia.

The East Asia Climate Partnership aims to:

- Identify an 'East Asian Low Carbon Development Path' through a regional strategy which creates a 'win-win synergy' between the climate and the economy.
- Help raise the awareness of the significance of climate change and build the capacity for combating its impact within partner countries.
- Contribute to international co-operation on addressing climate change issues and achieving the MDGs.

KOICA aims to adopt approaches suited to the different natural environments and economic development contexts of each partner country. Pilot projects in renewable energy as well as other programmes will be implemented. The new technology will be disseminated in East Asia and regional adaptation strategies will be applied for awareness-raising and capacity building of least developed countries and small island developing countries. This partnership will establish a framework for energy policy consultations and financial support for its members.

## **KOICA and ACCCRN Programme Countries.**

KOICA has programmes in three ACCCRN programme countries: Indonesia, Thailand and Vietnam. In 2008, Vietnam was the third largest recipient of aid from KOICA at US\$9,964 million (9.1% of the budget for the region) whilst Indonesia was the fifth at US\$9,475 million (8.7%).

## **Funding Streams:**

KOICA gives support only to registered Korean NGOs that have more than 3 years of solid experience in implementing activities related to international development.

## **Netherlands' Ministry of Foreign Affairs.**

The Ministry co-ordinates and carries out Dutch foreign policy at its headquarters in The Hague and through its missions abroad. It describes itself as the channel through which the Dutch Government communicates with foreign governments and international organisations.

## **The Netherlands' Ministry of Foreign Affairs' Climate Change Strategy:**

'Sustainability, climate and energy' is one of four major themes under the Ministry of Foreign Affairs' (MOFA) development co-operation agenda. In order to accelerate the achievement of MDG7 (environmental sustainability), the Netherlands has chosen to focus on several key issues:

- Greater coherence amongst international agreements on trade, the environment, climate and poverty reduction.
- An environmentally-friendly, modern energy supply by 2015 for 10 million people who are currently dependent on traditional fuels.
- An additional investment in sustainable energy of 500 million Euro (US\$650 million) during the government's present term so as to increase access to energy by the poor.
- A contribution towards sustainable production chains and certification schemes in Bolivia, Ethiopia, Indonesia, Mali and Mozambique for biofuels such as palm oil, soybean oil, fishmeal and fish oil.
- Improved forest management in the Congo basin, the Amazon and Indonesia.

The Dutch Development Co-operation policy note (2007-11) sets out the following regarding climate change:

- According to the 'polluter pays' principle, they say that the obvious course is for Western countries to help pay the high costs that poor countries face in adapting to climate change. However, they state that the costs of adaptation must be made clear. The Netherlands, the United Kingdom and the World Bank have initiated a multi-donor study of the costs and benefits of measures countries might take to make climate risks manageable.
- The Netherlands supports innovative forms of financing and statutory instruments needed to tackle climate change (mitigation and adaptation).
- The Netherlands supports capacity-building for poor countries to enable them to make better use of the benefits of emissions trading systems like the CDM.
- The Netherlands will work through the World Bank, UN and the Organisation for Economic Cooperation and Development to ensure that rich countries consider the risks of climate change and live up to their responsibility to find solutions. The Netherlands will also support developing countries in integrating the risks of climate change into their own policies, and help them build their capacity to adapt in vulnerable sectors like land use, food production, water and health.

## **The Netherlands' MOFA and ACCRN Programme Countries.**

The Netherlands has a structural development relationship with 36 partner countries in order to ensure that the development budget is spent as effectively as possible. Of the ACCRN countries, there is overlap with Indonesia and Vietnam.

### **Indonesia:**

The Netherlands is the sixth donor in order of financial significance in Indonesia and, given the strong historical linkages with the country, Indonesia is their biggest recipient of aid. However, the delegation explained (in June 2010) that the financing will be reducing over coming years (from around US\$100 million to US\$70 million per annum).

The embassy in Jakarta has developed a Multi-Annual Strategic Plan, which presents its strategy at country level for the period 2008-2011. The plan aims to achieve the following four strategic results:

- Improved democracy, stability, human rights and governance, resulting in an equitable and secure society.
- Improved economic governance, resulting in sustainable economic growth and a just distribution of growth to the society, to be able to reduce poverty rapidly.
- Improved environment and climate policy and implementation, resulting in an increase of renewable energy, sustainable management of natural resources, mitigation and adaptation.
- Broad-based bilateral relations through the 'Comprehensive Partnership Framework'.

The embassy directs its support towards enhancing the environmental sustainability of economic development in Indonesia's lowland areas. This means developing sustainable agriculture and better management/protection of peat lands and forests in order to reduce GHG emissions. Moreover, it aims to assist Indonesia in setting-up more sustainable production chains of biomass, in particular palm oil.

The key focus of the Embassy is on capacity development since they believe that Indonesia can pretty much finance its own projects but have need of technology transfer. They also have twinning projects between Universities and institutions in the two countries – for example, between the Indonesian meteorological institution BKMKG and its Dutch equivalent.

The Dutch delegation explained in June 2010 that they had conducted a pilot with the Ministry of Environment/Public Works on water management in provincial capitals, specifically to address flooding through dredging (requiring the dredging of solid waste). They had worked with Mercy Corps on the community awareness component of the project. Now the World Bank will scale up the dredging. They are also conducting studies on flood prediction, with reference to rainfall in upstream areas, since they stated that river flooding is more critical than sea flooding.

The delegation won't have any programmes in Bandar Lampung and indeed stated that aside from the provision of expertise and dredging they will have little focus on cities. However, there are funds for Semarang from the Environment and Water Department in the Dutch Ministry of Foreign Affairs in Holland who are using a Dutch consultancy firm to construct water barriers.

#### **Vietnam:**

Given that Vietnam is moving towards becoming a middle income country, the nature of the co-operation between The Netherlands and Vietnam is in transition from a focus on development assistance to an equal relationship with a focus on institutional development, capacity development, research, and investment. This will be characterised by Dutch seed money with which to broker partnerships from a largely business angle and increased opportunities for co-operation with knowledge institutes, civil society and the private sector. The delegation remarked (in June 2010) that whilst they were close to exiting in terms of ODA (their programmes in sustainable forestry will be completed at the end of 2010, and water programmes in 2011) the very recent election in Netherlands may even lead to more budget cuts in the near future.

In the coming years the focus of co-operation will be on integrated water resources management, flood control, delta technology and coastal zone management to assist Vietnam in preparing its response to

pressing issues caused by climate change, pollution, environmental degradation and natural disasters. The delegation stated that as at June 2010 the key focus area will be water resource management in the Mekong delta region, including the greater Ho Chi Minh City area – which could also include Can Tho. The planning is at a very early stage but the support may include provision of knowledge (ideally on a commercial basis but not always) regarding dyke technology and water management – but will not include the hardware itself.

### **Funding Streams:**

In terms of NGO funding from the headquarters, a grants programme focussing on Strategic Alliances with International NGOs (SALIN) was created in 2006. SALIN, a closed shop grants scheme, offers a framework for co-operation with a limited number of INGOs on several theme-based policy priorities. The budget was been allocated to twenty organisations selected prior to the start of SALIN in 2006. There are in-country funding opportunities available in Indonesia and Vietnam however:

**Figure 20. The Netherlands’ Ministry of Foreign Affairs - Indonesia Facility.**

<b>Programme Theme:</b>	The purpose of the Indonesia Facility is to contribute to sustainable development in Indonesia. The focus is primarily on education, technological renewal and network development. By supporting human resources development activities the facility intends to promote stability and security in a social, economic and ecological sense. Furthermore, the facility intends to promote the climate for sustainable investment.
<b>Programme Focus:</b>	<p>The Dutch government's Indonesia Facility is a grant scheme set up to encourage international partnership projects in the following sectors:</p> <ul style="list-style-type: none"> <li>• Good governance.</li> <li>• Environment.</li> <li>• Agriculture.</li> <li>• Water management.</li> <li>• Infrastructure.</li> <li>• Sustainable investment climate.</li> </ul> <p>The Indonesia Facility aims to share knowledge between Dutch and Indonesian knowledge institutes, organisations and companies. The knowledge shared during the project must be permanent in nature. Examples of this include setting up educational courses, training institutes or knowledge centres.</p>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	<p>A project must be carried out by an international consortium. The target group of the programme includes Dutch knowledge institutes, NGO's and enterprises. The consortium should preferably involve one knowledge institute in The Netherlands and Indonesia. Dutch enterprises may only submit an application together with a Dutch knowledge institute. The participating companies must demonstrate that there is no profit motive in the activities of the consortium. Dutch ministries and (semi) government institutions that are part of the legal entity that is the State of the Netherlands and can therefore not be subsidised by part of that same legal entity, may contribute expertise to the consortium but may not themselves be an applicant.</p> <p>In addition:</p> <ul style="list-style-type: none"> <li>• Projects should aim to achieve a long-term working relationship.</li> <li>• The shared knowledge should contribute to sustainable development in Indonesia even after the project has ended.</li> <li>• A clear need and demand for the project activities should be expressed by the Indonesian partners.</li> <li>• Projects should contribute to poverty alleviation.</li> </ul>
<b>Application</b>	Application forms for 2010 are available on the website as a guide.

<b>Guidelines:</b>	There is a service offered by NL EVD International to educational, training or research organisations and companies or civil-society organisations preparing a project proposal for the Indonesia Facility, in order to assess whether the project idea is suitable, called 'QuickScan'.
<b>Funding Rounds:</b>	The most recent call had a deadline of August 16 <sup>th</sup> August 2010. Review takes around 4 months.  Only one project application may be submitted per year.
<b>Duration of Grant:</b>	Projects carried out within the context of the Indonesia Facility must have a minimum duration of one year and a maximum duration of three years.
<b>Grant Amount (US\$)</b>	The requested grant should not exceed 80% of the total project costs with a maximum of 600,000 Euro (US\$740,000). The remaining 20% should be divided evenly among the Dutch and Indonesian participant. The project costs must exceed the minimum amount of 125,000 Euro (US\$154,000). Project costs are defined as follows: time spent on the project, travel and accommodation costs and equipment purchase etc.  The yearly available budget for the Indonesia Facility will be 3.6 million Euro (US\$4.4 million) until December 31 <sup>st</sup> 2011.
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	
<b>Contact Details:</b>	The address for submission is: NL EVD International, Juliana van Stolberglaan 148, P.O. Box 20105, 2500 EC The Hague.
<b>Website:</b>	<a href="http://www.evd.nl/indf">www.evd.nl/indf</a>

**Figure 21. The Netherlands' Ministry of Foreign Affairs - Vietnam Facility.**

<b>Programme Theme:</b>	This programme aims at strengthening the bilateral relationship between the Netherlands and Vietnam through transfer and exchange of knowledge, capacity building in Vietnam and reinforcement of training and education programs.
<b>Programme Focus:</b>	The focus is on developing and strengthening the ties between educational institutes from both the Netherlands and Vietnam. Project activities can include: reinforcement of existing curricula; introduction of new curricula; setting up of training facilities; or initiation of joint research activities in Vietnam, preferably in collaboration with the private sector.  Transferred knowledge should be institutionalised within the partner institute in Vietnam. Ideally, projects should be made commercially viable through inclusion of the private sector. For example, by offering training courses to the private sector or by developing and exploiting the (applied) research. The aim of such projects is to establish long-term collaboration between the Dutch and Vietnamese project partners.  NL EVD International will send out an invitation at least once a year to submit proposals in the following sectors: <ul style="list-style-type: none"> <li>• agriculture;</li> <li>• health care;</li> <li>• private sector development;</li> <li>• water management.</li> </ul>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	In every project at least one Dutch and one Vietnamese knowledge institute (university, technical school, vocational college or research institute) should be involved. Otherwise the following entities are eligible: educational, training and knowledge institutes; private companies; (semi-)governmental institutes; and non-governmental organisations.
<b>Application Guidelines:</b>	In order to determine whether or not the project plan conforms to the requirements and intentions of the Vietnam Facility, it is possible to contact a project adviser at NL EVD International (telephone: +31 (0)88-6028513).



	Alternatively, complete the quick-scan form at <a href="http://www.agentschapnl.nl/vf">www.agentschapnl.nl/vf</a> and e-mail it to NL EVD International.
<b>Funding Rounds:</b>	The latest Vietnam Facility tender 2010 closed on April 26 <sup>th</sup> 2010. The next funding round will be in 2011.
<b>Duration of Grant:</b>	None stated.
<b>Grant Amount (US\$)</b>	The Ministry of Foreign Affairs (Development Co-operation) made a subsidy available of 1,087,500 Euro (US\$1,413,000) in 2009.  The maximum contribution per project is 362,500 Euro (US\$447,000) with a maximum of 80% of the total project costs. The project partners, including the Vietnamese counterpart(s) will supply the remaining 20%. The participant's contribution to the project is 20% and may consist of money, time or resources, or any combination thereof.
<b>Key Exclusions:</b>	Any necessary hardware or equipment purchased for the purposes of the project may not exceed 20% of the total subsidy amount.
<b>Comments:</b>	
<b>Contact Details:</b>	Juliana van Stolberglaan 148 PO Box 20105 2500 EC The Hague Telephone: +31 88 602 8059 Fax: +31 88 602 9026 <a href="mailto:VietnamFacility@info.agentschapnl.nl">VietnamFacility@info.agentschapnl.nl</a>
<b>Website:</b>	<a href="http://www.evd.nl/business/programmes/programmaint_vif.asp?land=vif">http://www.evd.nl/business/programmes/programmaint_vif.asp?land=vif</a>

### **Action Points:**

#### **Vietnam:**

- The Dutch Embassy in Hanoi can link ACCCRN to their Head Office water department, if that is of interest, regarding their possible plans to provide knowledge regarding dyke technology and water management in the Mekong region.

## **New Zealand AID.**

New Zealand Aid (NZ Aid) is the agency within the Ministry of Foreign Affairs and Trade that manages New Zealand's official development assistance programme and provides policy advice on international development issues.

Whilst two ACCRN countries (Indonesia and Vietnam) are focal countries for NZ Aid, their priority sector areas do not overlap. In Indonesia NZ Aid focus on sustainable rural livelihoods, governance and education, whilst in Vietnam the emphasis is on sustainable rural livelihoods, education and health.

## **Norwegian Agency for Development Co-operation, Ministry of Foreign Affairs.**

The Norwegian Agency for Development Co-operation (NORAD) is a directorate under the Norwegian Ministry of Foreign Affairs.

### **NORAD's Climate Change Strategy:**

Climate change and the environment are the main focus areas of Norwegian development policy, with co-operation as follows:

- Sustainable management of biological diversity and natural resources.
- Climate change and access to clean energy.
- Management of water resources, water and sanitation.
- Hazardous substances.

Norwegian core activities on mitigation focus on:

**Reducing Emissions for Deforestation and Forest Degradation (REDD):** The Government of Norway's 'International Climate and Forest Initiative' was launched at Bali in 2007. The initiative seeks to achieve cost-effective and verifiable reductions in GHG emissions from deforestation and forest degradation in developing countries. The secretariat for the initiative is based in the Norwegian Ministry of the Environment. NORAD is providing technical assistance to the secretariat, reviewing specific programme activities and funding schemes, and participating in joint missions. NORAD also manages a scheme for support to civil society organisations under the Climate and Forest Initiative.

**Clean Energy Initiative:** NORAD state that increased investment in low-carbon technology, improved energy efficiency and increased use of renewable energy at prices that are affordable to poor people is crucial in achieving the MDGs.

**Clean Development Mechanism (CDM):** The CDM allows public or private entities to invest in GHG mitigating project activities in developing countries and earn abatement credits, which can then be applied against their own GHG emissions or sold on the open market. NORAD has established a support mechanism to enable eligible entities to prepare the necessary documentation for submission of CDM projects.

Regardless of the effects of mitigation, NORAD states that there is a need for increased focus on and attention to adaptation to climate change. They are engaged in a review of their Embassies' portfolio to:

- Undertake climate change risk screening of the Embassy's portfolio to identify development programmes which are vulnerable due to climate change.
- Identify possible ways of integrating appropriate environmental concerns into current agreements within present framework and budgets, and for possible future phases of the various programmes.

### **NORAD and ACCCRN Programme Countries.**

#### **India**

India receives relatively little development assistance from Norway and the two countries are no longer engaged in government-to-government co-operation. Norwegian assistance is primarily related to efforts to reduce child and maternal mortality, the environment, clean energy and measures to mitigate climate change.

However, Norway’s support for the environment, energy and climate was increased in 2008 with research co-operation in particular expanded. New measures included a 5-year framework agreement with The Energy and Resources Institute (TERI). The objective of this is to address issues related to the energy security and climate change through co-operation between TERI, Norwegian and other Indian and International institutions and businesses on climate change, CDM, renewable energy and energy policy. The Agreement seeks to bridge knowledge gaps on issues such as climate change impacts, design of policy instruments to foster adoption of cleaner and more efficient energy options, and energy governance mechanisms for more effective energy sector organisations.

**Indonesia.**

Norway’s focus in Indonesia is on mitigation. In May 2010 Norway and Indonesia entered into a partnership to support Indonesia’s efforts to reduce greenhouse gas emissions from deforestation and degradation of forests and peat lands. Norway will support these efforts with up to US\$1 billion based on Indonesia’s performance, over the course of the next 7 - 8 years. The partnership has three phases. In the first phase funds will be devoted to finalising Indonesia’s climate and forest strategy and putting in place enabling policies and institutional reforms. In phase two the objective is to make Indonesia ready for the contributions for verified emissions reductions while at the same time to initiate larger scale mitigation actions through a province-wide pilot project. In the third phase, starting in 2014, the contributions-for-verified emissions reductions mechanism will be implemented nationally. The Norwegians are expecting to have developed a joint concept note with the government by October 2010. They have said that there will have to be a special agency set up to oversee REDD+ given the current lack of co-ordination.

The delegation said in June 2010 that they were not ruling out a contribution from the funds to the Indonesian Climate Change Trust Fund. However they are waiting to see what the government present in terms of their plans for the management and implementation of the fund first, before making a decision.

Whilst the delegation did not see any overlap between their work and ACCCRN they did say that they felt that ACCCRN offered great potential in terms of addressing public awareness/climate literacy issues – particularly amongst the urban middle class/provincial parliaments.

**Vietnam:**

The Ministry of Foreign Affairs will promote co-operation in the fields of environment, climate, and sustainable development, and efforts to strengthen human rights. Norway’s assistance will increasingly take the form of technical and institutional co-operation and it will seek to promote Norwegian business interests, specialist expertise and values. As part of the increasing co-operation on climate change issues, technical co-operation and dialogue between Norway and Vietnam have been established on measures to prevent humanitarian crises.

**Funding Streams.**

**Figure 22. The Norwegian Agency for Development Co-operation’s International Organisations and Networks.**

<b>Programme Theme:</b>	The scheme shall contribute to reaching the overall goals and objectives of Norwegian development co-operation within the policy priorities set by Norway. Support shall be provided to actors from civil society who, through their work methods, knowledge, range of activities and networks, complement other channels of Norwegian development co-operation.
<b>Programme</b>	The support shall contribute to strengthening South-based civil society actors’ ability to influence

<b>Focus:</b>	international, regional and national decision-making processes. Activities that strengthen capacity and competence in developing countries and facilitate co-operation across national boundaries will be emphasised.
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	Support will mainly be given to non-governmental international organisations and networks working globally or regionally in fields prioritised by the Norwegian government  To be eligible for support, organisations shall have members (organisations, countries or board members) from more than two countries. Support will preferably be given to organisations and networks with strong foundations in developing countries.
<b>Application Guidelines:</b>	Application guidelines are available on the website for guidance.
<b>Funding Rounds:</b>	The last deadline was December 2009 with the process to have been completed by March 2010. In e-mail correspondence in August 2010, the Civil Society Department explained that Norad is currently discussing which priorities to fund in 2011. In this discussion they will also conclude whether to have a call for proposals for 2011 or to invite specific organisations to apply. If there is a call for 2011, the deadline would probably be 1 December 2010, and the information will be available at the website <a href="http://www.norad.no/ingo">www.norad.no/ingo</a> probably by the end of October 2010.
<b>Duration of Grant:</b>	New recipients will normally enter into a one-year agreement with NORAD. A multi-year agreement requires a prior, positive assessment of the organisation.
<b>Grant Amount (US\$)</b>	No minimum or maximum amount. Up to 8% of the grant may be used to cover the grant recipient's administrative costs (overhead/indirect costs). Administrative costs that accrue with a local partner are regarded as project/programme costs and are not subject to the 8% rule.  Support will preferably be given as core funding. Only international organisations (i) included in the OECD-DAC list of international organisations or (ii) whose activities are fully targeted at developing countries will be provided with core funding. Programme and project support may be provided where the intervention is considered to be of strategic importance in its sector or within Norwegian priorities. To minimise fragmentation of Norwegian support to international organisations and networks, NORAD will seek to avoid support to small-scale activities.
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• Normally, NORAD's support shall not be provided to organisations that are already receiving substantial support from other donors.</li> <li>• Support for conferences / seminars, including travel allowance, can only be granted if included as part of a larger programme or scheme funded by NORAD.</li> </ul>
<b>Comments:</b>	<ul style="list-style-type: none"> <li>• Due to budget constraints, only a very limited number of new partners were considered for support in 2010. South-based organisations and networks working within the thematic areas gender and/or environment were prioritised.</li> </ul>
<b>Contact Details:</b>	Civil Society Department: +4722240321.
<b>Website:</b>	<a href="http://www.norad.no/en/Support+and+tender/Support/International+organisations+and+networks">http://www.norad.no/en/Support+and+tender/Support/International+organisations+and+networks</a>

### **Action Points:**

#### **India:**

- The EC in India suggested meeting with the Norwegian Embassy in Delhi which has a very active ambassador on climate issues.

## **Swedish International Development Co-operation Agency.**

The Swedish International Development Co-operation Agency (SIDA) works according to directives of the Swedish Parliament and Government to reduce global poverty. The overall goal of Swedish development co-operation is to contribute to making it possible for poor people to improve their living conditions.

### **SIDA's Climate Change Strategy:**

The Swedish Government has stated that climate issues are a top priority within their environmental portfolio. In 2008, the Budget Bill presented a concerted package of measures in the area of climate and energy which included a special initiative for climate and development worth some SEK4 billion (US\$5 million). SIDA's website states that Sweden considers itself to have an extensive knowledge concerning environmentally sustainable production techniques, waste management, energy, and sustainable town planning which can be shared to tackle climate change.

### **SIDA and ACCCRN Programme Countries:**

SIDA is moving towards a 'Partner Driven Co-operation' model in seven countries - three of which are ACCCRN countries: India, Indonesia and Vietnam. These are countries that are perceived as being able to manage without traditional aid and where the work undertaken is based on the partners' own initiatives. This, SIDA believes, will build on mutual interests and shared responsibilities - and can lead to long-term, self-sustaining relations. Partner Driven Co-operation sees SIDA helping to establish contacts, arrange meetings, and disseminate knowledge regarding potential partners and markets. The primary principle is that in the long-term, partners should finance their own co-operation. However, SIDA does provide initial financial support for limited periods and so together with their partners, stakeholders can apply for financial support for activities such as research and cultural exchange.

#### **India:**

With traditional development co-operation being phased out, SIDA state that their partner driven co-operation model in India means that Sweden will support demand-driven co-operation between Swedish and Indian partners. This is to be based on mutual interest and responsibility demonstrated through, amongst other things, cost-sharing. The intention is that the partner-driven co-operation ventures – which were introduced in India around 2004 - will lead to Indo-Swedish relationships that are sustainable over time without continued financial support from development co-operation funds. However, the SIDA delegation say that they are pragmatic about this and that they will bear some costs if that is what is required to ensure a project happens.

As at May 2010, there is a strategy in place for the country until 2013. Whilst there has been uncertainty regarding the Government of India's (Ministry of Foreign Affairs) requirements of a future Swedish strategy (the SIDA delegation stated that they had expected to phase out of India completely), it is now anticipated that SIDA will begin to work on a new strategy towards the end of 2011.

Within SIDA's environment sector, they are undertaking some work around 'sustainable cities' in Pune in Maharashtra and Visakhapatnam in Andhra Pradesh. SIDA is involved in city planning using Swedish consultants to ensure sustainability, and is also supporting with projects such as waste management and biogas. The criteria for choosing the cities was chiefly that they are medium sized cities. SIDA stated that they would be open to engaging with other cities in this regard.

**Indonesia:**

Again, due to its 'emerging economy' status, SIDA has reduced its bilateral agreement with Indonesia and works through its partner driven co-operation programme. The delegation described it as a 'transitional period for them' (as at June 2010) and stated that they have limited funds for Indonesia - around US\$7 million annually– which is chiefly for facilitating meetings and networking that will pave the way for sustainable relationships based on mutual benefit and partnership. The objective of SIDA's work within Indonesia is: environmentally sustainable development, enhanced democratic governance and increased respect for human rights, and economic growth/work with the private sector.

Specifically around environment and climate issues, the delegation explained that their chief current focus is to co-operate with the Indonesian Ministry of Environment (usually by using Swedish experts) on conducting strategic environmental assessments, municipality twinning in terms of urban planning, designing a carbon neutral airport, and forestry certification issues. SIDA are also involved in land administration issues, marine issues (e.g. fish stock assessment) and conducting a government training programme on integrated sustainable water resource management. SIDA are phasing out their NGO agreements in Indonesia and any aid provided is largely 'tied' and requires a Swedish partner.

Regarding the Indonesian Climate Change Trust Fund, the SIDA delegation said that they have committed to contribute a very limited amount of around US\$150,000.

**Thailand:**

SIDA does not have a presence in Thailand other than The Swedish Environmental Secretariat for Asia (SENSA). SENSA is SIDA's knowledge-based environmental secretariat based in Bangkok - a think-tank that establishes links between organisations in the region and Swedish environmental actors and initiatives. SENSA's main role is to work directly in the region, monitoring, analysing and documenting environmental developments and to serve as a platform for environmental and climate change dialogue. The secretariat also provides an open resource base for strategic analysis and assessment, consisting of the collective knowledge from its networks.

**Vietnam:**

Traditional development operations are being phased out, in accordance with the country strategy for the period 2009–2013. Focal areas for SIDA in Vietnam are the Swedish Government's thematic priorities of: the achievement of greater democratic governance, respect for human rights and environmentally sustainable development.

The SIDA strategy for Vietnam expands on issues within the environmentally sustainable development priority area as including:

- Administrative co-operation in the environmental field aimed at strengthening Vietnam's environment legislation and supervision, including that pertaining to environmental pollution.
- Sustainable use and management of natural resources for the purpose of securing ecosystem services and food supply and reducing forest clearance.
- Adjustment to climate change through raising public awareness and building public sector capacity for prevention and planning work.
- Enhancement of Vietnam's ability to reduce emissions of greenhouse gases and deal with the adverse effects of climate change.

## **Funding Streams.**

In terms of NGO funding, SIDA always channels its funds through 15 Swedish framework organisations, via 8-10 year agreements. If a local civil society organisation (CSO) is interested in entering into a partnership with a Swedish CSO, it is advised to contact any of the current 15 framework organisations. A local CSO must enter into and develop close co-operation with a Swedish CSO. The Swedish partner must also provide at least 10% of the total project funding.

Forum Syd is by far the largest Swedish organisation with a framework agreement with SIDA and it serves as an umbrella organisation for around 200 Swedish CSOs working within development co-operation. CSOs from countries other than Sweden can contact the headquarters of Forum Syd in Stockholm or one of its regional offices to explore more information about potential co-operation with a Swedish organisation.

## **Multi-country:**

### **Figure 23. SIDA's DemoEnvironment.**

Administered by the Swedish Agency for Economic and Regional Growth and financed by SIDA.

<b>Programme Theme:</b>	<p>The objective is to support environmental technology efforts to achieve sustainable urban development and renewable energy.</p> <p>DemoEnvironment gives authorities, municipalities, institutions and companies in some forty countries co-operating with SIDA an opportunity to test new technology. Small and medium companies are offered support for pilot studies on project development and project identification.</p>
<b>Programme Focus:</b>	<p>Eligible sectors within the area of sustainable urban development: air environment, water and sanitation, waste management, energy saving, renewable energy, soil pollution, noise, and urban transport.</p> <p>Within the area of sustainable rural development: renewable energy.</p> <p>DemoEnvironment offers two forms of support, one for implementation of demonstration projects and one for pilot studies on project development and project identification.</p>
<b>Priority Geographies:</b>	All ACCCRN countries – India, Indonesia, Thailand and Vietnam.
<b>Eligibility Criteria:</b>	<p>The applicant for a demonstration project can be an authority, municipality, institution or enterprise which is legally registered in the relevant recipient country and which has an identified delivering contractual party (supplier). The supplier cannot be from the same country as the applicant (buyer) of a demonstration project. The supplier in a demonstration project has to have a proven and tested technology/solution and the technology has to be new to the host country. The supplier has to have been active for at least 3 years and have at least three employees.</p> <p>Applications for pilot studies on project development and project identification can be submitted by small and medium sized enterprises that have been active for at least 3 years and that have at least three employees.</p>
<b>Application Guidelines:</b>	The application forms and guidelines are available on the website (see link below).
<b>Funding Rounds:</b>	<p>Two selection processes take place every year, one in spring and one in autumn. The dates for the selection processes of 2010 are:</p> <ul style="list-style-type: none"> <li>- 1 February - 15 March (selection process 1).</li> <li>- 1 August - 31 August (selection process 2).</li> </ul> <p>In between the application periods it is possible to discuss preliminary applications with the contact persons.</p>
<b>Duration of Grant:</b>	Not stated.



<b>Grant Amount (US\$)</b>	<p>Grants between SEK500,000 (US\$63,000) and SEK3,000,000 (US\$379,000) can be applied for. A demonstration project can consist of equipment, system knowledge (services) or a combination of these. The project budget should preferably contain a minimum of 50% equipment costs. Equipment can be financed at maximum 50%, and services at maximum 80%, of the cost. The remaining part is to be financed by a contractual party in the partner country. DemoEnvironment can finance equipment or system knowledge that will provide the partner country with new knowledge or new technology.</p> <p>DemoEnvironment can award support for implementing pilot studies on project development and project identification, which in their turn can lead to an application for a demonstration project. The support, maximum SEK300 000 (\$38,000US), is offered to small and medium sized companies.</p> <p>Expenses that are covered are primarily travelling and living costs in the partner country, partner search, limited consultant assistance to, for example, undertake a study of market potential. Costs for own time spent are not compensated for. Support of up to 80% of the total cost of the pilot study can be applied for. Costs for consultancy fees must not exceed 50% of the total support cost i.e. a maximum amount of 150,000 SEK (US\$19,000). DemoEnvironment supports up to 50% of the total consultancy fee cost (within the above mentioned limit).</p>
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• DemoEnvironment does not fund efforts which are likely to be realised without special support. This means, for example, that funding cannot be granted to projects where the recipient has carried out, or intends to carry out, procurement for the delivery.</li> <li>• DemoEnvironment does not finance projects where the action for which support is sought is part of a larger system delivery that the buyer intends to procure.</li> </ul>
<b>Comments:</b>	The SIDA delegation in India commented in May 2010 that the initiative is currently being evaluated as the funding ends this year – there is likely to be one further call this year and then whether it continues will depend on outcome of the evaluation.
<b>Contact Details:</b>	The application should be sent to the following address: DemoEnvironment Tillväxtverket Box 4044, SE-102 61 Stockholm, Sweden
<b>Website:</b>	<a href="http://www.tillvaxtverket.se/huvudmeny/englishpages/demoenvironment.4.21099e4211fdb8c87b800017786.html">http://www.tillvaxtverket.se/huvudmeny/englishpages/demoenvironment.4.21099e4211fdb8c87b800017786.html</a>

**Figure 24. Swedish International Centre for Local Democracy - Municipal Partnership.**

<b>Programme Theme:</b>	<p>The Swedish International Centre for Local Democracy (ICLD) seeks to promote local democracy in developing countries participating in the SIDA's co-operation programme. They aim to utilise and build on the experience and know-how of Swedish municipalities and regions, and also research and knowledge development in an international context concerning local democracy and local self-government.</p> <p>The Government's three thematic priorities for Swedish development co-operation which are to have a special emphasis in the programme are:</p> <ul style="list-style-type: none"> <li>• Democracy and human rights.</li> <li>• The promotion of gender equality and the role of women in the development process.</li> <li>• Environmental and climate aspects.</li> </ul>
<b>Programme Focus:</b>	<p>The programme covers projects in municipal areas of responsibility, such as:</p> <ul style="list-style-type: none"> <li>• Local democracy, governance and administration.</li> <li>• <b>Technical municipal services (e.g. waste management, water and sewage, energy).</b></li> <li>• <b>Sustainable urban development.</b></li> <li>• <b>Environment/ climate.</b></li> <li>• Local economic development (industrial and commercial development, tourism, rural development).</li> <li>• Social welfare operations.</li> <li>• Education.</li> </ul>

	<ul style="list-style-type: none"> <li>• Health and medical care.</li> <li>• Cultural and leisure activities.</li> </ul>
<b>Priority Geographies:</b>	In Asia: India, Indonesia, China and Vietnam.
<b>Eligibility Criteria:</b>	<p>Members of the Swedish Association of Local Authorities and Swedish regional local-authority associations are entitled to submit applications, this includes:</p> <ul style="list-style-type: none"> <li>• Swedish municipalities,</li> <li>• Swedish county councils,</li> <li>• Swedish regions,</li> <li>• Swedish regional local-authority associations.</li> </ul> <p>A municipal department, a municipal company, or a similar organisation is not entitled to apply for financial support for a specific project, since all applications must be made by one of the above bodies. More than one Swedish and/or foreign municipalities may participate in the same project, providing that one of the Swedish participants is responsible for operations.</p>
<b>Application Guidelines:</b>	The application forms and guidelines are available on the website (see link below).
<b>Funding Rounds:</b>	The next round of applications: 15 October 2010.
<b>Duration of Grant:</b>	Between 1 and 3 years.
<b>Grant Amount (US\$)</b>	<p><i>Preparation phase: Africa/Asia: Maximum SEK250,000 (US\$32,000).</i></p> <p><i>Preparation phase - three-party cooperation: Africa/Asia: Maximum SEK300,000 (US\$38,000).</i></p> <p><i>Management and co-ordination activities: Maximum SEK300,000 (US\$38,000).</i></p> <p><i>Bilateral project: Africa/Asia: Maximum SEK500,000 (US\$64,000).</i></p> <p><i>Project – three-party co-operation: Africa/Asia: Maximum SEK650,000 (US\$82,000).</i></p>
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	The SIDA delegation in India commented in May 2010 that municipalities can establish Swedish linkages or seek support from Swedish NGOs to facilitate these. The ICLD may also assist (although they will probably look more favourably those that are established without their support).
<b>Contact Details:</b>	<p>Lise-Lotte Norén  Municipal Partnership Programme Manager  ICLD, Box 1125  SE-621 22 Visby, Sweden  Telephone: +46 (0)498-29 91 51  E-mail: <a href="mailto:lise-lotte.noren@icld.se">lise-lotte.noren@icld.se</a></p>
<b>Website:</b>	<a href="http://www.icld.se/eng/index.pab">http://www.icld.se/eng/index.pab</a>

### Country-Specific:

#### **Figure 25. Indo-Swedish Facility for Environment Initiatives and Innovations.**

The Embassy of Sweden in New Delhi administers the Facility with input from SIDA Headquarters and clearance from the Ministry of Environment and Forest in India.

<b>Programme Theme:</b>	The Facility has been created in order to promote co-operation between Sweden and India in the field of environment. It is a financial mechanism for collaborative problem solving.
<b>Programme Focus:</b>	<p>The objectives of the Facility are:</p> <ul style="list-style-type: none"> <li>• To promote knowledge exchange between Swedish and Indian actors for problem solving in the environmental field;</li> <li>• To develop and disseminate best environmental practices;</li> </ul>

	<ul style="list-style-type: none"> <li>To facilitate the establishment of long term relations of mutual benefit between Indian and Swedish partners in the field of environment.</li> </ul> <p>Funds from the Facility are directed towards development of new knowledge on environmental issues in India and Sweden. The Facility will support applied research, joint studies, and limited pilot projects.</p>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	Partners could be e.g. public institutions, the private sector, civil society and academic institutions. There should be at least one Swedish and one Indian partner. The Swedish entity will be considered the contractual partner.
<b>Application Guidelines:</b>	The application form and budget format are available on the website.
<b>Funding Rounds:</b>	<p>The Facility has open funding rounds.</p> <p>Please note that as at August 2010 the website stated: currently projects cannot be cleared for use of the Facility due to changes in local administrative procedures. The aim is to have the Facility running again as soon as possible. However, planning grants can still be granted.</p>
<b>Duration of Grant:</b>	Maximum of 2 years.
<b>Grant Amount (US\$)</b>	<p>A maximum of SEK 75,000 (US\$10,000) can be applied for as a Planning Grant. This is to cover costs related to identification of possible partners in India and towards formulation of the final project goals.</p> <p>If the planning results in a project, a maximum of SEK2.5 million (US\$334,000), valid for 2 years, can be applied for towards the project implementation. The projects should reflect joint ownership of both Indian and Swedish stakeholders, with the relevant approvals of local government and regulators.</p> <p>An element of cost sharing required.</p>
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>The Facility cannot support commercial joint ventures, or be used towards the development of one-to-one business partnerships.</li> </ul>
<b>Comments:</b>	The SIDA delegation in India commented in May 2010 that the Facility had not been very active over the past 1½ years. However, it is being revived under the MOU/joint agreement between Swedes and Indian Government (it was previously under SIDA's technical co-operation agreement with Government of India which ended last year). Projects have very recently begun to be cleared by Ministries (Ministry of Environment and Forests and Department of Economic Affairs).
<b>Contact Details:</b>	Contact Arati Davis for any questions or clarifications: Email: <a href="mailto:arati.davis@foreign.ministry.se">arati.davis@foreign.ministry.se</a>
<b>Website:</b>	<a href="http://www.swedenabroad.com/Page_60663.aspx">http://www.swedenabroad.com/Page_60663.aspx</a>

### **Action Points:**

#### **India:**

- Follow up with SIDA-India's environmental section to learn more about the sustainable cities initiative and opportunities to collaborate with ACCCRN cities either now or in the replication phase.

#### **Vietnam:**

- Hold meeting with SIDA delegation in Hanoi for information sharing/co-ordination purposes.

## **Swiss Agency for Development and Co-operation.**

The Swiss Agency for Development and Co-operation (SDC) is Switzerland's international co-operation agency within the Federal Department of Foreign Affairs. SDC's annual budget is CHF1.57 billion (US\$1.44 billion) in 2010.

### **SDC's Climate Change Strategy:**

The focal areas for SDC in the climate change sphere are:

- Forest and land use – with a focus on small-farmer and community initiatives for sustainable forest management, the regeneration of degraded forests, and afforestation, and approaches for multifunctional land use.
- Energy – SDC focuses on decentralised rural electrification, access to local renewable energy sources, and energy efficiency in buildings.
- Vulnerability and adaptation – SDC is supporting the efforts of the most vulnerable countries to develop policies that will enable them to adapt in an effective way to climate change and to promote development in a way that integrates climate considerations. The SDC also supports efforts to strengthen the capacities of local and central authorities in creating efficient systems for the management of soil, water sources and forests. In addition it recognises that there are considerable synergies with humanitarian aid, and these are being developed in an effort to lessen the risk of natural disasters.

### **SDC and ACCCRN Programme Countries.**

SDC bilateral development co-operation currently focuses on 16 priority countries and 7 special programmes in Africa, Asia and Latin America. The priority countries include two ACCCRN countries: India and Vietnam (Mekong region). From January 2012 however, the SDC will focus on just 12 priority countries/regions - Benin, Burkina Faso, Mali, Niger, Chad, Mozambique, Tanzania, Bangladesh, Nepal, the Mekong Region, Bolivia and Central America.

#### **India:**

The programme is transitioning from a development co-operation programme based on the transfer of resources to a co-operation based on mutual interests and on joint ventures and financing, with the ultimate aim of reducing poverty (and with a substantially reduced annual budget). The programme focuses on promoting exchanges of know-how and technology transfer based on partnerships with a broad range of players, including the private sector, consortiums and support for national, regional and global networks.

Geographically SDC's co-operation programme has been concentrated on semi-arid regions of the central Deccan plateau (Karnataka, Andhra Pradesh, Maharashtra) as well as on Kerala, Rajasthan, Orissa, Sikkim and Gujarat.

Proposed areas of co-operation in order for India to pursue fair, sustainable development characterised by awareness of climate change and to assume growing responsibilities in respect of global problems are:

- Energy and climate with a focus on adaptation of vulnerable groups to climate change, energy efficiency and clean environment. Partnerships in science and technology linked to these fields will also be developed and strengthened. The adaptation initiatives in India focus on water resources and security, food security, and agricultural biodiversity, including the promotion of climate resilient and climate ready crops which are drought, salt and pest resistant. SDC's partners in India on climate change

adaptation include: Watershed Organisation Trust; Development Alternatives; MS Swaminathan Research Foundation; and Action for Food Production.

- Governance with specific focus on accountability, gender equality and inclusion.
- Knowledge management and south-south co-operation to promote and facilitate the generation, access, and exchange of knowledge among development partners in India and beyond, at the regional and international levels.
- **Humanitarian aid with a focus on the development of local disaster-prevention and preparedness capability (particularly in the field of urban search and rescue operations).**

**Vietnam:**

Vietnam is a priority country for Swiss development co-operation. In 2007 Switzerland decided to consolidate its programme in Vietnam, to increase its engagement in Lao PDR, and to strengthen the regional dimension of its programme. Accordingly, the Swiss assistance to the Mekong Region (2007 – 2011) aims at facilitating global and regional socio-economic integration, improving human security and safeguarding natural resources in the region by supporting countries in implementing their national development strategies for sustainable economic growth and poverty reduction, and by fostering related regional initiatives.

The SDC supports humanitarian aid programmes in this region, which provide school facilities, drinking water and medical care for the victims of political conflicts and displaced people as well as disaster preparedness activities. Other areas of focus include good governance, rural livelihoods and sustainable use of resources, and economic development with an emphasis on private sector support.

**Action Points:**

**India:**

- The EC in India suggested meeting the Swiss who are active in water issues.

## **United States Agency for International Development.**

The United States Agency for International Development (USAID) is the principal US agency to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms. USAID is an independent federal government agency that receives overall foreign policy guidance from the Secretary of State. Their work supports long-term and equitable economic growth and advances US foreign policy objectives by supporting:

- Economic growth, agriculture and trade.
- Global health.
- Democracy, conflict prevention and humanitarian assistance.

### **USAID's Climate Change Strategy:**

To help countries address domestic and international climate change priorities, USAID's Global Climate Change Programme dedicates about US\$195 million a year to promote:

- Clean Energy Technology.
- Sustainable Land Use and Forestry.
- Adapting to Climate Variability and Change.
- Capacity Building.
- Climate Science for Decision-Making.

USAID aims to fund environmental programmes that reduce growth in GHG emissions while promoting energy efficiency, forest conservation, biodiversity, and other development goals. This 'multiple benefits' approach to climate change helps, USAID believe, developing and transition countries achieve economic development without sacrificing environmental protection.

In April 2010, the US confirmed their commitment to working towards achieving the Copenhagen Accord financing targets. They have set aside US\$1.3 billion for 2010 and are planning for US\$1.9 billion for 2011. Funds include a support pledge of US\$1 billion for REDD. They stated that nearly 60% of US climate funding goes through multilateral channels. In 2010 the US delivered US\$375 million to the Climate Investment Funds and has budgeted US\$635 million for 2011. They are also delivering at least US\$26 million in 2010 for climate investments in the GEF and have budgeted US\$90 million for 2011. Asia receives around 18% of USAID Climate Funding (approximately US\$104.3 million).

### ***Adaptation:***

USAID's climate change adaptation programme seeks to assist missions and other development partners to build resilience to climate change through a variety of activities. Adapting to climate change requires a hierarchy of linked efforts, USAID state. They are linking information from observation systems to those lacking such information, improving their understanding of current climate, climate variability and future climate change. They are also working to make earth observation information readily applicable to development decisions, including creating applications and appropriate tools to then communicate that information to stakeholders and decision makers. Through interaction with local partners and new tools, they hope to better understand how environmental changes may impact sectors critical for development and thus help stakeholders to assess and agree upon preferred adaptation options. Then, on-the-ground actions are implemented to build the resilience of projects designed to promote economic development.

Building human and institutional capacity to address climate change is an important component of USAID's Global Climate Change Programme. Capacity building cuts across many of the issues under consideration in the climate change process, including activities focused on GHG mitigation, technology transfer, land-based carbon sequestration, vulnerability and adaptation to climate impacts, and climate change science. In response to the broad range of needs expressed by developing and transition countries, USAID's Global Climate Change Programme is helping to address climate change concerns by integrating capacity building into its sectoral activities through education, training and outreach activities.

### **USAID and ACCCRN Programme Countries.**

#### **India:**

USAID has three core areas of focus, the mission explained in May 2010:

- Food Security.
- Energy and environment.
- Health.

Cross-cutting themes include: education, governance and women's empowerment.

In terms of the energy and environment theme, USAID state that they work to increase viability in the power sector to meet consumer needs, conserve energy and water resources, and promote clean technologies and renewable energy. USAID is strengthening incentives for the adoption of clean technology practices and certified environmental management systems that are climate-friendly. USAID facilitates sharing of energy and environment best practices between the US and India, and among South Asian countries.

The mission is also collaborating with the Indian government and local communities over a period of 7 years to improve their capacity in disaster risk reduction. This intervention aims to save lives and minimise threats from large-scale financial, infrastructure, crop and productivity losses. USAID is providing scientists and engineers with state-of-the-art tools for better early warning systems and to increase India's response effectiveness at the national and state levels. Retrofitting government buildings, schools and hospitals in Delhi to withstand earthquakes, coupled with training in earthquake preparedness, is helping to ensure that critical lifeline buildings and staff will be able to function in the event of a natural disaster. The programme also includes some river flooding forecasting/modelling and draws in a range of U.S. government partners – such as the Federal Emergency Management Agency, the US Forest Service, the National Oceanic and Atmospheric Administration, and the US Geological Survey – to provide expertise and information exchange with Indian counterparts.

Training of Indian disaster management professionals in the Incident Command System is helping states better prepare for and respond to floods and other natural disasters. Trainings have taken place in Gujarat, Assam and Andhra Pradesh. This will be ramped up over the next 1½ years with training of 'master trainers' and will be supported by disaster management guidelines which are coming out soon (as at June 2010).

The mission is currently programming US\$5 million of adaptation funding, in conversation with the Ministry of Home Affairs and National Disaster Management Agency. Whilst they were still trying to narrow down the geographical focus they said it would definitely include Uttar Pradesh. USAID in India appreciated the inclusion of climate change in ACCCRN-city Master Plans and felt that there could be good linkages between ACCCRN and their work. They said that they are always looking for partners– especially with private sector

and foundations. They are currently re-thinking how they approach partnerships and are looking at an 'aggregator' model which would see them working with fewer but more strategic partners.

At a follow-up meeting in August 2010, USAID explained that it is considering partnering with a UNDP DRR programme that will work in 75 cities in India – the ambition is to work in every state. It is a US\$20 million programme, of which UNDP has secured US\$10 Million, and USAID is considering putting in the other US\$10 million. Both Surat and Gorakhpur are on the list of target cities. Interventions may include pilot projects, planning processes, policy analysis and feasibility studies.

#### **Indonesia:**

USAID is working to improve natural resource management and address climate change problems through targeted investments in five major programme areas:

1. Marine Ecosystems governance (they are now restarting this after it was stopped under the Bush administration).
2. Forest Ecosystems management.
3. Increased access to safe water and sanitation – provision of assistance to water utilities and local governments which enables them to expand water and sanitation services to the urban poor.
4. Increased access to clean energy.
5. **Reduced disaster risks - strengthened resiliency of vulnerable populations to prepare for and recover from the effects of disasters and climate change (USAID said that they do tend to combine disaster risk reduction with climate change adaptation).**

USAID's latest strategy started in October 2009 at a total of US\$1 billion over 5 years of which about US\$125 million is for the environment work stream. The mission said in June 2010 that climate-related funding is increasing in 2010 (particularly around the planned – and now rescheduled - President's visit) and they hope for more next year. It is expected that the President will announce a climate centre when he does visit (probably in collaboration with the Norwegians).

There is a separate programme for urban water and sanitation called IWASH which is still being procured. This will focus on 40 cities to increase access to water resources – they are not currently working in Bandar Lampung or Semarang (although selection is not final yet) but expressed an interest in the vulnerability assessments conducted.

The Annual Program Statement is USAID's local grants programme. It can support between US\$500,000 - \$1.5 million over 3 years and they expect to have one window for mitigation and one for adaptation. Normally 2-3 proposals would be supported in each (at a total value of around \$5 million). The first round for concept notes was January 2010. There will be a second solicitation in August 2010 for use in 2011. They are looking for innovative ideas that lend themselves to replication.

#### **Thailand:**

USAID's Regional Development Mission for Asia (RDMA) oversees a broad portfolio of programmes addressing numerous regional and transnational issues, such as global climate change, infectious disease, and human and wildlife trafficking. It also helps to improve the management of coastal and marine resources, facilitate trade and economic development, improve governance, and resolve political conflict. RDMA's approach involves strengthening regional institutions, engaging regional and international partners, and providing cost-effective ways to manage services and programmes. RDMA was established in Bangkok in



2003 to support bilateral USAID programmes in countries without USAID Missions, such as Burma, China, Laos, Papua New Guinea, and Thailand, and to manage regional programmes in East, South East, and South Asia and the Pacific.

To address regional environmental challenges, USAID established Environmental Cooperation-Asia, or ECO-Asia, a regional platform that promotes a range of initiatives designed to:

- Improve access to clean water and sanitation.
- Promote clean energy and mitigate climate change impacts.
- Improve sustainable management of natural resources and biodiversity conservation.
- Strengthen environmental governance.

ECO-Asia provides a platform for sharing and replicating experiences, technical innovations and expertise, and for improving co-operation between Asian countries, cities, and communities. Partners in promoting regional dialogue include Asia Pacific Economic Co-operation, the Association of South East Asian Nations, the Asian Development Bank, the World Bank, the Mekong River Commission, and the US Environmental Protection Agency. Key programme countries include: Cambodia, China, India, Indonesia, Laos, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, Sri Lanka, Thailand, Timor Leste, and Vietnam.

#### **Vietnam:**

Previously a satellite office to Bangkok, Vietnam now has a full mission in-country and the office expects to continue scaling up. Their key programmes are:

- Creating better opportunities for persons with disabilities and ethnic minorities.
- Strengthening economic policies and governance.
- Targeting HIV/AIDS and avian influenza.
- Public-private partnerships protect the environment, help farmers, and promote information technologies.
- **Enhancing preparedness and mitigation of disasters and disaster risk reduction.**

USAID currently grants about US\$70 million per annum in Vietnam, of which 60% is in funding on health (via the US President's Emergency Plan for AIDS Relief fund). Therefore their flexible budget is around US\$20 million. USAID is expecting to begin an assessment and design of a climate change portfolio for Vietnam later this year which will be a new line of funding. They anticipate that funding will start flowing from 2011, and they will be trying to align it with the National Target Program as far as possible. Based on initial discussions, the government has indicated an interest in getting help with data collection and forecasting but this is yet to be determined.

Unlike the World Bank and ADB, USAID does not have an infrastructure budget. However, they do provide technical expertise on strategic planning for infrastructure to the Ministry of Planning and Investment and the mission did sound interested in learning more about the kinds of projects that come out of ACCCCRN, especially those that are ready for funding in 2011. They won't know for some time what their 2011 focus for additional funds will be though, but Mekong Delta and coastal sea-level rise issues are both a possibility. They will be consulting the US Geological Survey, Environmental Protection Agency, National Oceanic and Atmospheric Administration and US Forest Service for help for structuring USAID work.

The mission also created the Provincial Competitiveness Index (PCI) which was used by ARUP in the Phase 1 selection work.

**Funding Streams:**

The Development Grants Program is a competitive programme that provides opportunities for nascent US private voluntary organisations and local NGOs that have not worked extensively with USAID in the past to initiate development partnerships directly with USAID Missions in the field to contribute to USAID's development objectives. Co-operative Agreements are awarded to implement activities in the field over a three-year period. Each award is \$2 million or less; organisational and technical strengthening is provided to recipient organisations to improve implementation planning and execution, monitoring and evaluation and other organisational systems that are critical to effective service delivery and organisational sustainability.

Further information can be found at:<http://www.dgpconnect.net/home>

**Figure 26. USAID's Annual Program Statement - Climate Adaptation and Disaster Resilience, Indonesia.**

*Please note: this information is based on the 2009-10 proposal solicitation and so just serves as a guide regarding how the anticipated 2010-11 call will be structured.*

<p><b>Programme Theme:</b></p>	<p>It is clear that Indonesia will suffer increasingly from both the impacts of disasters and climate change, that efforts to address these have not been successful or sufficient to date, and that many areas particularly along the coast are vulnerable to both. Given the insufficient resources needed to address these threats across the country and the fact that both can be addressed in similar ways, USAID solicits innovative proposals to efficiently, effectively and sustainably address the needs for disaster risk reduction and climate change adaptation together among vulnerable populations in Indonesia.</p>
<p><b>Programme Focus:</b></p>	<p>1. Primarily, increase and strengthen the resiliency of vulnerable populations to prepare for and recover from the effects of disasters and climate change, and</p> <p>2. Secondly, improve Indonesia's capacities for disaster risk reduction as well as climate change adaptation among civil society organizations, the government and the private sector.</p> <p>To achieve the desired results, a disaster risk reduction and climate change adaptation project must cover some or all of the following areas of concentration:</p> <p>Reduction of exposure and vulnerability to disasters and climate change, and increase resilience of communities, including:</p> <ul style="list-style-type: none"> <li>• Improvement of health response and preventive care.</li> <li>• Water and sanitation system strengthening.</li> <li>• Sustainable natural resource and environmental management.</li> <li>• Economic alternative activities, including better adapted crops and diversified economic activities.</li> <li>• Social awareness, preparation and response capacity.</li> <li>• Improved infrastructure to prevent and respond to disasters and climate change impacts.</li> <li>• Improved land use, spatial planning and zoning.</li> </ul> <p>Use of knowledge, innovation, and education to build a culture of safety and resilience at all levels, including:</p> <ul style="list-style-type: none"> <li>• Information management and exchange.</li> <li>• Education, training and research.</li> <li>• Public Awareness on disasters and climate change.</li> </ul> <p>Policy, institutional capacity and consensus building for disaster management and climate adaptation, including:</p>

	<ul style="list-style-type: none"> <li>• Focus on national institutional, legal and resource frameworks.</li> <li>• Development of human resources in disaster management.</li> <li>• Fostering consensus and participation of broad stakeholders.</li> <li>• Elaboration of risk assessment at national, regional or local levels.</li> <li>• Improvement of early warning systems.</li> <li>• Capacity development in risk assessment and response.</li> </ul>
<b>Priority Geographies:</b>	None stated.
<b>Eligibility Criteria:</b>	USAID welcomes concept papers from US and international NGOs, non-profit and for-profit organisations where the latter are not eligible for fee or profit, and collaborative partnerships or consortia of qualified organisations.
<b>Application Guidelines:</b>	<p>USAID/Indonesia invites US and international non-government organisations to submit brief concept papers that demonstrate an innovative approach to strengthening a community through climate change adaptation and disaster risk reduction programmes. This is a two-stage process. Concept papers should demonstrate the approach and describe results that could be achieved should funding be awarded by USAID, but do not need to be in the format or detail of a full proposal (they should not exceed 11 pages). These will be reviewed by a Technical Evaluation Committee and those most highly rated will be invited to participate in the second stage – submission of a full application.</p> <p>Application formats (for the previous call) are available on the website (see link below).</p>
<b>Funding Rounds:</b>	The most recent APS opened for a period of one year from the issuance date of 7 <sup>th</sup> December 2009, with a deadline for concept notes of the 25 <sup>th</sup> January 2010 and a deadline for full proposals of the 26 <sup>th</sup> July 2010. A second solicitation is expected in August/September 2010.
<b>Duration of Grant:</b>	Up to three years.
<b>Grant Amount (US\$)</b>	Between US\$500,000 and US\$1,500,000.
<b>Key Exclusions:</b>	None stated.
<b>Comments:</b>	
<b>Contact Details:</b>	<p>USAID          Jl. Medan Merdeka Selatan          No. 3-5          Jakarta, Indonesia 10110          Tel: (011-62-21) 3435-9000</p>
<b>Website:</b>	<a href="http://indonesia.usaid.gov/en/opportunities/procurement/">http://indonesia.usaid.gov/en/opportunities/procurement/</a>

### **Action Points:**

#### **India:**

- Meet with USAID again (around September 2010) to get update on talks over the summer regarding the programming of the adaptation funding and to follow up on the interest expressed regarding receiving some of the ACCCRN concept notes.
- Follow up on the interest expressed by Gary Robbins in visiting an ACCCRN programme (particularly Gorakhpur).

#### **Indonesia:**

- Mercy Corps to explore the Annual Program Statement opportunity further.

#### **Vietnam:**

- Continue to collaborate with USAID in Hanoi since at the last meeting an opportunity for ACCCRN partners to feed into their CC strategy, which is clearly committed to both mitigation and adaptation components, was sensed.

### **The United States Department of State.**

The US Department of State's mission is to advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

### **The US Department of State's Climate Change Strategy:**

The Department of State's say that they are taking a leading role in addressing climate change by advancing an ever-expanding suite of measures. These include developing transformational low-carbon technologies to improving observations systems that will help to better understand and address the possible impacts of climate change. They emphasise that the world community must work collaboratively to slow, stop, and reverse GHG emissions in a way that promotes sustainable economic growth, increases energy security, and helps nations deliver greater prosperity for their people.

The Asia-Pacific Partnership (APP) on Clean Development and Climate is an integral component of US efforts to combat climate change, promote energy security, and foster international economic growth and co-operation. The Partnership employs a public-private partnership model that brings together industry stakeholders and government officials to accelerate the development and deployment of clean energy technologies. The Partnership addresses these issues through eight sector-based Task Forces which implement projects in aluminium; buildings and appliances; cement; cleaner fossil energy; coal mining; power generation and transmission; steel; and renewable energy and distributed generation. To date, the United States has committed approximately US\$65 million to support APP projects.

# Foundations' Profiles.

---

## **Asia Foundation.**

The Asia Foundation is a non-profit, non-governmental organisation committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. The Foundation supports Asian initiatives to improve governance, law, and civil society; women's empowerment; economic reform and development; sustainable development and the environment; and international relations. Drawing on nearly 60 years of experience in Asia, the Foundation collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research.

With 18 offices throughout Asia, an office in Washington, DC, and its headquarters in San Francisco, the Foundation addresses these issues on both a country and regional level. In 2009, the Foundation provided more than US\$86 million in programme support. However, the Asia Foundation is not an endowed foundation but has to raise funds from donors.

During a conversation with the Head of the Foundation's Environment Programme in August 2010 it was explained that historically environment had been housed within the governance, law and civil society theme and had chiefly focused on governance reform. The Board took a decision in 2009 to separate out the environment work meaning that the past year has been one of structural change and they are now focusing on revamping the environment programme, which will see a move away from technical programmes to those focused on governance and climate budgeting (budget reform).

The Asia Foundation started to look climate change programming last year, and feel that there will be alignment with ACCCRN. Whilst they have done some work at national policy level, in time they will work at a sub-national and even local level. They anticipate that there will be greater clarity regarding their climate change strategy by the end of 2010. It is likely that they will focus on 5-6 countries initially this year (probably from Mongolia, Indonesia, Vietnam, China, Laos, Cambodia, Bangladesh and Thailand).

**India:** they reopened their office in India in the summer of 2009. Their focus is chiefly water governance/trans-boundary work, of which climate change is a part. It is unlikely that they will implement at a local level in India but rather will focus on the national or state level.

**Indonesia:** they have been very involved in decentralisation work particularly regarding forestry.

Vietnam: at a meeting with the Asia Foundation in Hanoi in June 2010, it was explained that they focus on:

- Opening up of private enterprise.
- Women's empowerment and gender issues – particularly around engagement in economic life.
- Environment – issues relating to the side-effects of growth.
- Governance – think about issues of economics, empowerment, environment etc through a governance lens.

They are working in the South around urban canals to raise awareness on water pollution/solid waste issues and have also integrated environmental management into teaching practice in HCMC. There they are working with the Ministry of Education unit to test dynamic ways to integrate environmental issues, including climate change, into schools.

**Mekong:** the Foundation is looking at adaptation here more. They have funding from Danida and DFID for natural resource management in 10 provinces of Cambodia. Focus on empowerment, alternative income generation, and awareness raising.

## **Bill and Melinda Gates Foundation.**

The foundation is organised into three main programme areas:

- Global Development.
- Global Health.
- The United States Programme.

The mission of the Global Development programme is to:

“Increase opportunities for people in developing countries to overcome hunger and poverty. We focus on areas with the potential for high-impact, sustainable solutions that can reach hundreds of millions of people. We work closely with our partners to support innovative approaches and expand existing ones so they reach the people who need them most. We also support policy and advocacy efforts to accelerate progress against the world’s most acute poverty”.

The focal areas under this programme are: Agricultural Development, Financial Services for the Poor, and Special Initiatives which include Libraries, Water, Sanitation, and Hygiene, Urban Poverty, and Emergency Response. The following provides further details that may have synergy with ACCCRN.

### ***Financial Services for the Poor.***

The initiative aims to provide poor people with reliable access to a range of safe, affordable financial tools and services to help them build better, healthier lives.

#### *Distribution Channels.*

The foundation says that it seeks new ways to deliver financial services at much lower cost and greater convenience to poor households by:

- Working with savings banks and credit unions to double the number of accounts for poor clients through technical assistance, access to technology, and software support.
- Teaming with mobile phone companies, banks and microfinance institutions to explore agent banking systems based in post offices and retail outlets to extend financial services into neighbourhoods.
- Working to connect networks of small credit unions and other community-owned financial institutions to each other and the national payments system to increase the value of deposit accounts held locally.
- Supporting the start-up and growth of new banks in difficult markets to capture deposits from the general population, including poor households.

#### *Financial Systems.*

The Gates Foundation support research into the most effective methods, policies, and regulatory changes needed to help deliver safe, quality financial services outside traditional bank buildings. They work with partners to encourage an exchange of ideas across the developing world and promote policies that support greater financial inclusion.

#### *Savings Products.*

The Foundation supports innovation in the design of savings products that will encourage clients to deposit or withdraw as little as US\$1 with fees that are both affordable to the poor and sustainable for financial institutions. They are also developing new projects that explore the ways people save and mechanisms that encourage them to increase their savings balances.

### *Complementary Financial Services.*

While the Foundation focuses on savings, they say that they encourage and value the efforts of the many institutions that are working to provide other financial products such as insurance, agricultural finance, and microcredit. Poor households need access to a range of financial tools, including insurance, payment, credit, and remittance services that meet specific needs. Because institutions often deliver these products through the same channels as savings accounts, the products can help to encourage use of other services and strengthen financial inclusion overall.

### ***Water, Sanitation, and Hygiene.***

The Foundation makes investments and creates partnerships in four key areas:

#### *End Open Defecation.*

They aim to expand approaches such as community-led total sanitation to help more than 30 million people gain access to safe, sustainable sanitation by 2015, with at least a 30% reduction in child diarrhoea. The Foundation will build upon lessons learned about implementing this model at scale and help fund expansion in Africa and Asia. They will also work to harmonise the approaches used by major implementing organisations.

#### *Invest in Sanitation Tools and Technologies.*

They will fund the development of new tools and technologies, such as latrine design, pit emptying, sludge treatment and disposal or reuse of waste. They aim to develop scalable business models and technologies capable of moving millions of people from unsustainable to sustainable sanitation services across the sanitation value chain.

#### *Policy and Advocacy.*

They will advocate for change and innovation in the sanitation sector to encourage changes in policy and funding priorities necessary to accelerate access to sustainable sanitation.

#### *Water and Hygiene:*

The Gates Foundation has invested in technologies and methods for increasing sustainable access to clean water and hygiene in addition to funding for their key focus of sanitation. They will continue to provide limited funding to promising clean water and hygiene solutions.

### ***Urban Poverty***

Urban Poverty is a special initiative of the Global Development programme that explores ways to help the urban poor strengthen their voices and improve their economic, health, and social opportunities. Projects funded in the past include one to ensure that the urban poor have a voice in planning and implementing local urban development by helping community-based organisations and partners strengthen their technical and organisational skills, one to share results and lessons from the microenterprise field with microfinance providers, enabling them to deliver local, market-based services to the urban poor, and one to help Slum Dwellers International increase its efforts to support poor communities in Africa, Asia, and Latin America that are improving their housing, water, and sanitation.



## **Global Health.**

The Global Health Programme focuses on the health problems that have a major impact in developing countries but get too little attention and funding. Where proven tools exist, they support sustainable ways to improve their delivery. Where they don't, they invest in research and development of new interventions, such as vaccines, drugs, and diagnostics. Their work in infectious diseases focuses on developing ways to fight and prevent enteric and diarrhoeal diseases, HIV/AIDS, malaria, pneumonia, tuberculosis, and neglected and other infectious diseases.

### *Climate Change.*

On climate change, the Gates Foundation says that it believes that climate change is a major issue facing all of us, particularly poor people in developing countries, and that they applaud the work that others are doing to help find solutions in this area. While they do not fund efforts specifically aimed at reducing carbon emissions, many of their global health and development grants directly address problems that climate change creates or exacerbates. For example, they refer to their Agricultural Development initiative which works to help small farmers adapt to increased drought and flooding through the development of drought and flood resistant crops, improved irrigation efficiency, and other means.

### **Funding Streams:**

The foundation awards the majority of its grants to U.S. 501(c)(3) organizations and other tax-exempt organisations identified by their staff.

- Financial Services for the Poor - funding for grants are made through request for proposal (RFP) only. They do not accept letters of inquiry (LOI) or unsolicited proposals that do not address an open RFP.
- Water, Sanitation, and Hygiene - funding for grants in this area of focus is by invitation only. They do not accept LOI or unsolicited proposals.
- Urban Poverty - funding for grants in this area is made by invitation only and they do not accept unsolicited proposals or LOI.
- Health - qualified organisations can submit LOI for the funding.

## **Clinton Foundation.**

The William J. Clinton Foundation launched the Clinton Climate Initiative (CCI) to create and advance solutions to the core issues driving climate change, taking a holistic approach, addressing the major sources of greenhouse gas emissions and the people, policies, and practices that impact them. Working with governments and businesses around the world, the CCI focuses on three strategic programme areas: increasing energy efficiency in cities, catalysing the large-scale supply of clean energy, and working to stop deforestation. In 2006, CCI became the delivery partner of the C40, a group of large cities committed to reducing greenhouse gases, and has since formed partnerships with additional cities interested in decreasing their own carbon footprint. The C40 network is able to bring combined purchasing power, resources for best practices, and a biannual C40 Summit.

The CCI provides the following services project partners, all of which can be tailored to local needs:

- **Technical Assistance:** including access to expertise on technologies, market dynamics, and case studies of relevant projects, and assistance with product specifications for pilot or full-scale projects and emissions Abatement Analysis.
- **Project Assistance:** stakeholder engagement and co-ordination and project co-ordination.
- **Purchasing Assistance:** vendor introductions and access to equipment discounts.
- **Financial Advice:** advisory Services, financial institution relationships, and cost-justification analysis.
- **Network Access:** cross-sector Introductions to partners in government, industry, non-profit, and finance sectors, and city-city collaboration.
- **Analytical and Measurement Tools:** access to software tools specifically designed for cities to measure and compare emissions and reduction measures, and use of customised technology assessment tools.

### ***Cities Programme:***

Local CCI city directors work on the ground in cities to deliver programmes with the support of partners and programme teams. Key activities include:

*Building retrofit* – The Clinton Climate Initiative’s Energy Efficiency Building Retrofit Program brings together many of the world’s largest cities, energy service firms and financial institutions in an effort to reduce energy consumption in existing buildings. CCI works with industry, financial, government and building partners to overcome market barriers and develop financially sound solutions that accelerate the growth of the global building efficiency market. CCI provides support to building owners such as city governments, commercial portfolio owners, schools, universities, and public housing authorities in identifying, designing, and implementing large-scale energy efficiency retrofit projects and brings the owner together with the necessary contracting and financial firms for implementation.

*Waste* - The Clinton Climate Initiative’s Waste Management Program supports actions to reduce and prevent greenhouse gas emissions from municipal solid waste. CCI staff evaluates cities’ waste management systems and makes recommendations for improvements that maximise revenue potential and reduce greenhouse gas emissions. Using a custom-built analytical tool, technologies are considered against economic and environmental criteria. Once a city approves its plan, CCI helps to draft public tender documents, with the goal of streamlining processes and enhancing transparency. Where needed, it taps its global partner network for technical expertise and to explore financing options and private partnerships.

*Outdoor lighting:* The Clinton Climate Initiative helps cities improve the energy efficiency of street and traffic light systems by advising on project management, purchasing, financing, and technology.

*Project 2°:* Project 2° software allows cities to establish a baseline on their greenhouse gas emissions, manage inventories, create action plans, track the effectiveness of their emissions reduction programmes, and share experiences with each other. The tool will allow cities to produce a standardised report showing graphs, charts, and comments and to slice data by sector and jurisdiction. The tool is designed to be compatible with internationally accepted protocols such as those developed by the International Panel on Climate Change, the World Resources Institute, World Business Council for Sustainable Development, and ICLEI – Local Governments for Sustainability.

*Climate Positive:* The Climate Positive Development Program was created to meet the dual challenge of rapid urban growth and climate change by setting a new global benchmark for leadership in large-scale urban development. Launched in 2009 in partnership with the US Green Building Council, the programme supports the development of large-scale urban projects that CCI hope will demonstrate that cities can grow in ways that are ‘climate positive’, striving to reduce the amount of on-site CO<sub>2</sub> emissions to below zero. Specific deliverables include the creation of a ‘Climate Positive’ greenhouse gas metric and measurement standard.

*Transportation:* CCI works with partner cities to develop cost-effective public and non-motorised transit systems which reduce greenhouse gas emissions and increase the quality of urban life. CCI’s global partnership with the Institute for Transportation and Development Policy focuses on the implementation and improvement of Bus Rapid Transit systems and bicycle networks. CCI also helps cities adopt proven and emerging technologies to reduce carbon in their transportation sector, by looking at vehicles and propulsion systems, fuel options, and fuel distribution and dispensing infrastructure.

**Funding Streams:**

The Clinton Foundation does not generally make grants to outside organisations; rather, they direct their financial resources to the implementation of their own initiatives and programmes on the ground.

## **Ford Foundation.**

The Ford Foundation believes that all people should have the opportunity to reach their full potential, contribute to society, and have voice in the decisions that affect them. Their goals are to:

- Strengthen democratic values.
- Reduce poverty and injustice.
- Promote international cooperation.
- Advance human achievement.

They work in three programme areas:

1. Economic opportunity and assets - reducing poverty and establishing economic security.
2. Democracy, rights and justice - strengthening democracy and advancing human rights for all.
3. Education, creativity and free expression - promoting more equitable education and greater voice and expression.

These programme areas encompass their nine issue areas and the corresponding initiatives through which they make their grants. Those of potential interest to ACCCRN are detailed below.

### ***Economic opportunity and assets - reducing poverty and establishing economic security.***

- Economic fairness – this includes their work to help financial institutions serve poor households by helping microfinance institutions to develop social performance management systems that improve their ability to serve poor and low-income people, strengthening the capacity of financial institutions to use such systems and identifying new ways to reach very poor households.
- Sustainable development – this includes expanding community rights over natural resources and climate change responses that strengthen rural communities. With respect to climate change the Foundation states that they are promoting socially just climate change policies that meet the needs of the rural poor.

### **The Ford Foundation and ACCCRN Programme Countries.**

Ford are exiting from Vietnam and Thailand but have a presence in India and Indonesia.

#### *India:*

In India, they support organisations that:

- Promote livelihood opportunities among the poorest populations.
- Advocate for economic and social rights.
- Make the government's development efforts transparent and accountable.
- Work to create more sustainable agricultural policies.
- Enable women and girls to address their sexual and reproductive health and rights.
- Broaden the participation of marginalised groups through public service media.

A meeting was held with the Ford Foundation in India in May 2010. Key points included:

- Currently co-ordination is largely done at high level by Climate Change Officer in New York. The Foundation is investing in mitigation work through ClimateWorks.
- They feel the area of climate change is a highly politicised one in India and don't have any programmes in the sector other than their support to rainfed agriculture which is a sector highly vulnerable to climate change.

- They explained that the Foundation's international focus has been rural for past 40 years or so, whilst their US focus has been urban. However, they are now re-examining their urban work internationally (within a context of constrained resources). They were unsure if Ford Foundation would take an organisational viewpoint on urban issues at the end of review or just let individual country offices choose their own priorities. Currently they only have urban governance and market linkages initiatives that are not rural. The review should be complete in 2011.
- Suggested that future interventions may include: rural-urban migration, violence /safety issues, climate change, and urban planning capacity – but nothing was definite at that point.

*Indonesia:*

Their work focuses on:

- Institutionalising the participation of the poor and underrepresented in local planning and budgeting decision-making bodies.
- Improving recognition of reproductive and sexual rights and the full participation of women in society.
- Strengthening social protection programmes for the extremely poor.
- Advancing public service media that amplifies marginalised voices and critical perspectives in order to build an informed and active citizenry.
- Contributing to the government's land reform agenda to make it more responsive to the needs of the rural landless and indigenous groups with insecure tenure over their historic lands.
- Promoting participatory land use management that seeks equity and sustainable natural resource management.

A meeting was held with the Ford Foundation in India in May 2010. Key points included:

- They have been through a recent refocusing of their work and climate change was the only new area that they took up. However, it is entirely rural/forestry-focused and doesn't share similar geographies.
- Regarding urban work – if the review does recommend that Ford should be working in this area, they would also likely focus on 2<sup>nd</sup> tier cities.

# Research Centre Profiles.

---

## **International Development Research Centre.**

The International Development Research Centre (IDRC) is a crown corporation which reports to the Canadian Parliament through the Minister of Foreign Affairs. Approximately 83% of IDRC's 2008/2009 revenues came from Parliament when the Centre's Parliamentary revenues were CAD\$168.8 million (US\$160.5 million). This represents 3.9% of Canada's international assistance.

IDRC's mission is empowerment through knowledge and they operate through the following ways:

- By funding applied research by researchers in developing countries on the problems they identify as crucial to their communities.
- By providing expert advice to those researchers.
- By building local capacity in developing countries to undertake research and to innovate.

The Centre supports research under four broad themes:

- Environment and natural resource management.
- Information and communication technologies for development.
- Innovation, policy and science.
- Social and economic policy.

## **IDRC's Climate Change Strategy.**

IDRC say that their experience has shown that while research capacity exists to understand the implications of climate change, research has generally failed to effectively link with local or national policy-making. It has not yet contributed to significantly enhancing the capacity of decision-makers, government personnel, resource managers, or vulnerable populations to understand climate change and act on that knowledge. Their future investment will thus be concentrated on the following three areas:

1. Helping people and countries prepare for and recover from climate-related shocks by measuring vulnerability, and mapping and managing risk (including early warning systems). This includes cost-benefit analysis of adaptive measures in infrastructure, energy, water, health, or food systems.
2. Contributing to maintaining stable economies and societies in the context of a changing climate by identifying effective policy and managerial interventions that improve the governance of natural resource use; supporting the design of planning responses; investing in projects that generate immediate benefits while strengthening the ability of institutions and people to respond to climate change — increasing resilience.
3. Supporting the shift to clean development through market-based approaches and public policies that can contribute to reducing fossil-based energy use and the impact of climate change on land, water availability, and infrastructure.

## **IDRC and ACCCRN Programme Countries.**

### **India:**

IDRC support in India aims to:

- Bolster the capacity to reduce poverty, inequality, and conflict.
- Combat emerging infectious diseases.
- Adapt to climate change.
- Tackle crucial issues that the country holds in common with China.
- Harness new technologies in the service of the poor.

At a meeting with IDRC in Delhi in May 2010, it was explained that regarding the area of Environment/Climate Change in South Asia they are looking at the following:

1. They are currently looking at the appraisal documents/proposal for funding from the South Asia Consortium for Interdisciplinary Water Resources Studies (SACIWaters) which looks at peri-urban water use, conflict and competition and how climate variability would affect this in India, Bangladesh and Nepal over 3 years (CAD \$800,000).
2. Grants for young researchers.
3. Developing a project on alternative energy use, which is led by their Ottawa office.

Their former Urban Poverty and Environment programme has now morphed into the Climate Change and Water programme, which has an urban and peri-urban adaptation and risk reduction focus.

### **Indonesia:**

IDRC-supported research in Indonesia addresses urban and rural environmental challenges, post-tsunami reconstruction, the use of information and communication technologies for development, the sustainable management of forests, as well as the environmental determinants of avian influenza.

### **Thailand:**

IDRC's support to Thailand has evolved as the country has developed into a middle-income nation. After decades of substantial involvement with Thai researchers, IDRC now supports only a limited number of research activities in the country. Most have an economic focus examining, for example, the impact of globalisation on poverty, strategies for improving the plight of migrant women working in Thai border factories, and means of overcoming the marginalisation of women home-based workers. IDRC's thrust in Thailand is to facilitate Thai participation in regional networks. These networks are a means for Asian researchers to join forces to address common concerns.

### **Vietnam:**

IDRC continues to support economic research and efforts to improve agriculture, food production, fisheries, and forest management. Research on women's rights and avian influenza is also underway.

## **Funding Streams.**

**Figure 27. The International Development and Research Centre.**

<b>Programme Theme:</b>	IDRC is a Canadian Crown corporation that works in close collaboration with researchers from the developing world in their search for the means to build healthier, more equitable, and more prosperous societies.
<b>Programme</b>	The Development Strategic Framework for 2010-2015 states that regarding climate change, future

<b>Focus:</b>	investment will be concentrated on the following three thrusts: <ol style="list-style-type: none"> <li>1. Helping people and countries prepare for and recover from climate-related shocks by measuring vulnerability, and mapping and managing risk (including early warning systems). This includes cost-benefit analysis of adaptive measures in infrastructure, energy, water, health, or food systems.</li> <li>2. Contributing to maintaining stable economies and societies in the context of a changing climate by identifying effective policy and managerial interventions that improve the governance of natural resource use; supporting the design of planning responses; investing in projects that generate immediate benefits while strengthening the ability of institutions and people to respond to climate change — increasing resilience.</li> <li>3. Supporting the shift to clean development through market-based approaches and public policies that can contribute to reducing fossil-based energy use and the impact of climate change on land, water availability, and infrastructure.</li> </ol>
<b>Priority Geographies:</b>	None stated – IDRC has interventions in all ACCCRN countries.
<b>Eligibility Criteria:</b>	IDRC's principal approach is to support projects and partnerships proposed by developing-country research institutions. However, this does not exclude South-North partnerships. They are more likely to consider partnerships involving other developed countries when funding is available from other donors, provided the partnership is seen as a means of strengthening IDRC-supported research in developing countries.
<b>Application Guidelines:</b>	IDRC strongly recommend that you contact a programme officer working in the most relevant IDRC programme area early on in your deliberations to ensure closeness of fit between your area of interest and IDRC's priorities. Alternatively, you may initiate contact by sending in a project idea in a one- to three-page letter. Proposals are commonly reviewed and revised several times before the final version is submitted for approval. This is done in close consultation with one or more of our programme officers.
<b>Funding Rounds:</b>	India: IDRC have allocated their funds for this year (financial year runs from April) but will start to look at concept notes for the next financial year in the 3 <sup>rd</sup> quarter (i.e. October-December 2010). Concept notes may be submitted on an unsolicited basis though the emphasis is on getting in touch for discussions. Concepts are sent for internal review. Once a full proposal is requested, it means that research is being funded. It is important to refer to their 5 year strategy
<b>Duration of Grant:</b>	Not stated.
<b>Grant Amount (US\$)</b>	Over IDRC's experience with grant projects, the values of individual grants have varied quite considerably. Some projects are small grants - CAD\$2,000-5,000 (US\$1,900-4,700); whereas others include provision for substantial amounts in excess of CAD\$100,000 (US\$95,000).
<b>Key Exclusions:</b>	<ul style="list-style-type: none"> <li>• They do fund some applied research and piloting – not just pure research - but don't fund pure implementation.</li> <li>• They do not generally support stand-alone requests for travel, conference participation, or training. However, partial funding for conferences is occasionally provided as part of IDRC's network-building efforts.</li> </ul>
<b>Comments:</b>	IDRC have a history of supporting partners consecutively.
<b>Contact Details:</b>	<p>150 Kent Street Ottawa, ON, Canada K1P 0B2 Phone: (+1-613) 236-6163 Fax: (+1-613) 238-7230 Email: <a href="mailto:info@idrc.ca">info@idrc.ca</a></p> <p>International Development Research Centre Regional Office for Southeast and East Asia 22 Cross Street #02-55 South Bridge Court Singapore 048421 Tel: (65) 6438-7877 Fax: (65) 6438-4844</p>



	<p>Email: <a href="mailto:asro@idrc.org.sg">asro@idrc.org.sg</a></p> <p>Regional Office for South Asia  208 Jor Bagh, New Delhi 110 003, India  Phone: (+91-11) 2461-9411/12/13  Fax: (+91-11) 2462-2707  Email: <a href="mailto:saro@idrc.org.in">saro@idrc.org.in</a>  Web: <a href="http://www.idrc.ca/saro">www.idrc.ca/saro</a></p>
<b>Website:</b>	<a href="http://www.idrc.ca/en/ev-1-201-1-DO_TOPIC.html">http://www.idrc.ca/en/ev-1-201-1-DO_TOPIC.html</a>

**Action Points:**

**Overall:**

- Share water-related proposals with Mark Redwood, Coordinator of water and climate change programme.

# Annexes

---

## **Annex 1. The Copenhagen Accord - Paragraphs 8-10**

8. Scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing countries, in accordance with the relevant provisions of the Convention, to enable and support enhanced action on mitigation, including substantial finance to reduce emissions from deforestation and forest degradation (REDD-plus), adaptation, technology development and transfer and capacity-building, for enhanced implementation of the Convention. The collective commitment by developed countries is to provide new and additional resources, including forestry and investments through international institutions, approaching USD 30 billion for the period 2010–2012 with balanced allocation between adaptation and mitigation. Funding for adaptation will be prioritized for the most vulnerable developing countries, such as the least developed countries, small island developing States and Africa. In the context of meaningful mitigation actions and transparency on implementation, developed countries commit to a goal of mobilizing jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries. This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance. New multilateral funding for adaptation will be delivered through effective and efficient fund arrangements, with a governance structure providing for equal representation of developed and developing countries. A significant portion of such funding should flow through the Copenhagen Green Climate Fund.

9. To this end, a High Level Panel will be established under the guidance of and accountable to the Conference of the Parties to study the contribution of the potential sources of revenue, including alternative sources of finance, towards meeting this goal.

10. We decide that the Copenhagen Green Climate Fund shall be established as an operating entity of the financial mechanism of the Convention to support projects, programme, policies and other activities in developing countries related to mitigation including REDD-plus, adaptation, capacity building, technology development and transfer.