



Regional: Identifying Climate Adaptation Investment Priorities (Subproject 4)

Project Name	Identifying Climate Adaptation Investment Priorities (Subproject 4)	
Project Number	52004-006	
Country / Economy	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 6933-REG: Identifying Climate Adaptation Investment Priorities	
	Technical Assistance Special Fund	US\$ 1.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Public sector management / Public expenditure and fiscal management	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The knowledge and support technical assistance (TA) cluster on Supporting the Implementation of ADB's Climate Change Operational Framework 2017-2030 (CCOF2030) was approved by the President on 7 December 2018 with an amount of \$4.55 million. The TA cluster is aligned with the Asian Development Bank's (ADB) Strategy 2030 Operational Priority 3 on tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability.</p> <p>The TA cluster has the following impact: low-carbon development and climate resilience in Asia and the Pacific enhanced. The TA cluster outcome is the capacity of selected developing member countries (DMCs) for implementing climate actions enhanced. Through the TA cluster, ADB established the "NDC Advance", a dedicated support platform, to support DMCs on Nationally Determined Contributions (NDCs) implementation through three outputs: (i) implementation of NDCs in selected DMCs supported (Subproject 1) approved on 1 March 2019; (ii) financial mechanisms to develop the climate actions of DMCs enhanced (Subproject 2) approved on 29 May 2019; and (iii) mechanisms to measure, monitor, and report on commitments made under the Paris Agreement established (Subproject 3) approved on 19 March 2019.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Intergovernmental Panel on Climate Change Sixth Assessment Report stressed that climate change has already caused widespread adverse impacts, including in some cases irreversible impacts, and related losses and damages, beyond natural climate variability. Impacts can be felt on food production, water security, human health and well-being, and infrastructure and settlement, thereby hindering efforts to meet the Sustainable Development Goals. The assessment predicts that the mid-and long-term impacts of these risks will be up to multiple times higher than currently observed, thereby underscoring urgency in scaling up investments that support climate adaptation and build the resilience of wider systems.</p> <p>The Adaptation Gap Report 2017 estimated that the annual costs of adaptation in developing countries could be between \$140 billion-\$300 billion by 2030 and \$280 billion-\$500 billion by 2050. While it is recognized that investments in climate adaptation and resilience generate wide-ranging socioeconomic benefits, assessments show that financing for adaptation and resilience remains limited. The Global Landscape of Climate Finance 2021 Report which tracked \$632 billion per year for 2019-2030 for global climate finance, found that the majority of tracked finance (\$571 billion) flowed to mitigation, \$46 billion for adaptation, and \$15 billion to cross-cutting themes that include both mitigation and adaptation. This highlights that the level of adaptation finance falls far short of estimated need and thus increased investments are needed for projects that support climate adaptation and resilience outcomes.</p> <p>To address the adaptation gaps and fulfill their commitments to the Paris Agreement, DMCs have prepared the NDC and the National Adaptation Plans (NAP). While the NDCs typically identify broad adaptation-related priorities, the level of detail remains limited thereby making it difficult to translate such priorities into a direct investment pipeline. So too, the NAP, which is a strategic planning process undertaken by countries to identify medium- and long-term adaptation needs and develop and implement strategies and programs to address those needs, do not automatically lend itself to identifying and developing a project pipeline and nor do they identify policy and institutional reforms needed to unlock the potential of securing additional financing for implementing adaptation measures.</p> <p>Overcoming this gap would require supporting DMCs to bridge the adaptation planning process with implementation through support in identifying and developing a pipeline of investment projects and identifying reforms needed in different sectors to overcome barriers to scaling up adaptation. This requires, strengthening the institutional partnership between ministries of environment, the usual custodian of NDCs and NAPs, with respective sector ministries involved in identifying and developing project pipelines; and with ministries of planning and finance to ensure prioritization of identified projects to secure financing for implementation from different sources, including multilateral development banks, such as ADB. It also requires providing support in linking the prioritized projects with project preparation facilities to undertake pre-feasibility studies that would be needed to take forward the project proposal to funding agencies for financing and implementation.</p> <p>ADB has announced a commitment to fully align its new sovereign operations with the goals of the Paris Agreement by 1 July 2023. It has set climate finance targets under its long-term Strategy 2030 and an ambition of providing \$100 billion between 2019-2030, of which \$34 billion will be for climate adaptation and resilience. Achieving such targets would require ADB's upfront support to its DMCs to identify and develop a robust pipeline of investments, especially in climate-sensitive sectors, that have an explicit objective of enabling climate adaptation and resilience and could potentially be financed by ADB; and identify policy and institutional reforms that could form the basis for potential policy-based lending-related support from ADB. Thus, ADB's support to DMCs is critical in overcoming the above-mentioned gaps.</p>	
Impact	Low-carbon development and climate resilience in Asia and the Pacific enhanced (ADB Climate Change Operational Framework 2017-2030)	
Project Outcome		
Description of Outcome	Capacity of selected DMCs for identifying climate adaptation investment priorities enhance	
Progress Toward Outcome		

Implementation Progress	
Description of Project Outputs	Climate adaptation investment priorities identified Knowledge on identifying climate adaptation priorities documented and shared
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Regional
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	Individual consultants will be recruited to provide international and national consulting inputs. About 22 person-months of international inputs (climate adaptation planning and policy specialists; climate adaptation sector specialists; and climate adaptation researcher); and 66 person-months of national inputs (climate adaptation experts and TA coordinator) are needed to carry out the subproject. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. Output-based contracts will be considered where appropriate. For the firm, ADB proposes to engage the International Institute for Sustainable Development (IISD) through direct contracting. The IISD is a leading global think tank working on issues related to sustainable development. One of its five priority areas of research is climate change. IISD hosts the secretariat of the National Adaptation Plan Global Network, which was established in 2014. The NAP Global Network connects more than 150 countries working on national adaptation planning and action. IISD has vast expertise in supporting countries in adaptation planning, which is the primary focus of this subproject.
Responsible ADB Officer	Sinha Roy, Arghya
Responsible ADB Department	Sustainable Development and Climate Change Department
Responsible ADB Division	SDCD
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines
Timetable	
Concept Clearance	-
Fact Finding	30 May 2022 to 30 May 2022
MRM	-
Approval	27 Jul 2022
Last Review Mission	-
Last PDS Update	27 Jul 2022

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,000,000.00	0.00	0.00	0.00	0.00	0.00	1,000,000.00	-	0.00

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