Integrating climate change adaptation into planning and budgeting, Rohini Kohli, UNDP, Regional Dialogue on Climate Resilient Growth and Development, 21st February 2018
Outline

1. Key messages
2. Integrating adaptation into planning
3. Integrating adaptation into budgeting
4. About the NAP-Ag initiative
KEY MESSAGES
Climate change adaptation should be integrated into the full planning and budgeting cycles, from inception, including at national, sectoral and local levels.

Integration into existing systems at multiple levels maximizes use of existing systems and ensures harmonization with development priorities.

Institutional arrangements and capacity development are important aspects of risk informed planning, budgeting and monitoring systems and processes.

A range of tools and approaches are available for integrating adaptation, which are relevant at national, sectoral and local levels.

Embedding adaptation into budget systems enables moving towards multi-year budget plans that can generate more sustained and predictable resources to implement medium- to long-term adaptation strategies.

The National Adaptation Plan process provides an opportunity for countries to strengthen their medium to long term comprehensive risk management responses.
1. INTEGRATING CLIMATE CHANGE ADAPTATION INTO PLANNING
What is the National Adaptation Plan (NAP) Process?

• The national adaptation plan (NAP) process was established under the UNFCCC Cancun Adaptation Framework (2010).

• Its objectives are to reduce vulnerability to the impacts of climate change, and to facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities.

• In plain-speak, National Adaptation Plans are a means of identifying medium- and long-term adaptation needs and developing and implementing strategies and programmes to address those needs.

• Integration of climate change into ongoing planning and budgeting processes is a key component of NAPs.
Stage 1. Formulating plans and budgets

- Integrating adaptation into national plans and policies – visions, goals, priorities
- Institutional arrangements
- Applying risk and vulnerability assessments and socio-economic scenarios in a regular manner; updating
- Spatial planning maps incorporating CC risk, hazards, key infrastructure, social and demographic data
- Prioritising adaptation into sector and local strategies, plans and budgets
Towards integration of adaptation: National Planning & Budgeting Process

- Sector Performance Review & Evaluation
- Review of adaptation effectiveness
- Implementing adaptation practices
- Adaptation projects costed & prioritized
- Project Monitoring & Impact Assessment
- National Development Plans & Budget allocation
- National Adaptation Plan
- Sector Adaptation Plans & Guidance
- District Vulnerability Assessments, Adaptation Plans & Budgets
- District Plans & Budget Allocations
- Project Formulation Guidance & Practice
- Project Implementation
In practice: Mainstreaming CC in Thailand

Climate Change Plans
- CC Master Plan (CCMP) 2015-2050
  - Thailand’s NDC
  - Thailand’s NAP

Development Plans
- 12th National Economic and Social Development Plan 2017-2021 (12th NESDP)
- Agriculture Development Plan 2017-2021 (ADP)
  - Strategic Issues: Green and Sustainable growth
  - Strategic Issues: Climate Resilience and Green and Sustainable growth
- Agriculture Strategic Plan on Climate Change 2017-2020
  - Climate Change Framework in Agriculture Sector

Source: ONEP, Nov. 2016
Stage 2. Implementing adaptation plans and policies

- **Identifying** adaptation options
- Integrated economic **appraisal** of projects & programmes
- **Costing** adaptation options and developing realistic financing plans
- **Prioritizing** programmes using multi-criteria and economic tools
- Developing centralized planning/screening guidelines for CC & DRR for inclusion in official **templates/performas**
- **Gender** checklists and gender responsive criteria
Understanding likely impacts and identification of adaptation options in Sri Lanka

- Using climate projections, it is possible to predict the type of crops that farmers will choose to invest by 2030, 2050 and 2070, based on changes in precipitation and temperature.
- As temperature rises, farmers would focus on annual crops such as rice, cereals and vegetables and would not invest in fruits, plantation and others.
- As precipitation increases, farmers would invest in fruit, cereal and plantation and would move away from rice, vegetables and other crops.
- By 2030, farmers will choose cereal and other crops, whereas by 2050 and 2070, farmers will invest in rice and cereal.
- Possible policy responses would need to look at the differences between rain-fed and irrigated farms and understand the implications for both agriculture and the water sector in the long term.
Stage 3. Monitoring and reviewing

- Track national progress towards adaptation targets and national development goals
- Integrate adaptation into national M&E systems
- Identify adaptation indicators and targets
- **National and international reporting** on adaptation
- Feed into systematic and iterative national adaptation planning
- **MRV of support**: finance, technology transfer, capacity building
Kenya: MRV+ system under National Climate Change Action Plan

- MRV+ system: Monitor, report and evaluate of GHG emissions and mitigation actions; and M&E of adaptation actions
- Incorporated into National Integrated Monitoring and Evaluation System
- Climate Change Secretariat in Ministry of Environment; working groups and technical analysis groups
- Agriculture: one of the prioritised sectors; included in priority national indicators (20 in total)

<table>
<thead>
<tr>
<th>Top-down institutional adaptive capacity for national to county level</th>
<th>Bottom-up reduction in vulnerability from county to national level</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.g. % of poor farmers and fishermen with access to credit facilities or grants</td>
<td>E.g. Nr of ha’s of productive land lost to soil erosion</td>
</tr>
</tbody>
</table>
2. INTEGRATING CLIMATE CHANGE ADAPTATION INTO BUDGETING
Context

- Disconnect between CC policies & action plans and realistic financing often creates an **implementation gap**.
- Integration of CC into budget cycle aims to help prioritize, direct, manage, track, and evaluate climate funding.
- It plays a critical feedback mechanism in policy & planning cycles and to achieving comprehensive risk management approaches to development.
- Multiple benefits from systemic, integrated climate financing frameworks and climate budgeting vs. parallel systems.
The Budget Cycle

- Entry points to mainstream at all stages and steps:
  - **STAGE 1: Formulation**
  - **STAGE 2: Allocation & Execution**
  - **STAGE 3: Monitoring & Oversight**

- Where to start? How and Who?
Nepal: Toward Robust Sector CC budgeting

- First country to introduce CC budget coding
- Iterative improvement & innovation under CCFF, including “real-time” budget reporting
- NAP-Ag working to address integration and mainstreaming at sector level:
  - Rectify limited convergence of CC Policy/NAP goals with sector budget plans.
  - Development of more robust sector budgeting guidelines
    - Current budget code doesn’t capture sub-national level actions/budget. Sub-national pilots to develop guidelines.
  - Capacity building of key officials in MOAD & MOLD.
- Train MOAD and MOLD officials on using climate budget code and giving sectoral input to criteria developed at central level.
Mainstreaming CC into the budget

The reveal

The reforms

The integration

Advocacy for Demand & Accountability
## Top spending ministries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Public Works &amp; Transport</th>
<th>Agriculture</th>
<th>Water or Irrigation</th>
<th>Energy</th>
<th>Environment</th>
<th>Local Government</th>
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</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>5%</td>
<td>23%</td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
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<tr>
<td>Cambodia</td>
<td>27%</td>
<td></td>
<td>8%</td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>Kiribati</td>
<td>15%</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Nepal</td>
<td>28%</td>
<td>10%</td>
<td>18%</td>
<td></td>
<td>14%</td>
<td>21%</td>
</tr>
<tr>
<td>Samoa</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>14%</td>
<td></td>
<td>30%</td>
<td>30%</td>
<td></td>
<td>12%</td>
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<tr>
<td>Thailand</td>
<td>2%</td>
<td>55%</td>
<td></td>
<td>3%</td>
<td>28%</td>
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</tr>
<tr>
<td>Uganda</td>
<td>36%</td>
<td>7%</td>
<td>14%</td>
<td></td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

Bangladesh: Agriculture

CAMBODIA: Water or Irrigation

Kiribati: Water or Irrigation

Nepal: Agriculture

Samoa: Agriculture

Tanzania: Agriculture

Thailand: Agriculture

Uganda: Agriculture
Role of a CPEIR

1. Gateway to help assess ability to translate CC objectives into budget
2. Sets a *baseline for* tracking and analysing trends in allocation and expenditure based on agreed typology
3. Illustrates trends in external fund flows
4. Reveals gaps & where to scale-up
5. Recomends systems and policy reforms for mainstreaming.
Benefits of Climate Budget Tagging

- More comprehensive data on climate-relevant spend enables more informed decisions and prioritization of investments.
- Facilitates incorporation of climate considerations in project design, budget formulation stage.
- Enables more accountability, increased public scrutiny on public/donor spending.
- Step toward more robust commitments – NDC adaptation priorities and NAPs translated into budget allocations and sectoral, sub-national implementation plans.
- Cambodia’s ODA database is CC tagged to track implementation of international commitments and how well they leverage domestic funds.
<table>
<thead>
<tr>
<th>Ministry</th>
<th>Recurrent</th>
<th>Capital/Finance</th>
<th>Total</th>
<th>Cash</th>
<th>GON</th>
<th>Foreign</th>
<th>Kinds and Direct Payment</th>
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<td>7,52,45,55</td>
<td>4,46,49,66</td>
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<td>7,17,71,25,92</td>
<td>6,42,29,98,60</td>
<td>75,41,27,32</td>
<td>63,89,86,88</td>
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<td>1,04,49,87,14,47</td>
<td>97,35,57,08,49</td>
<td>7,14,30,05,97</td>
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<td>37,86,45,25,56</td>
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<td>8,87,34,25,12</td>
<td>1,74,29,19,04</td>
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<td>50,68,88,08,41</td>
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<td>18,66,21,81,03</td>
<td>18,43,16,51,18</td>
<td>17,87,05,76,48</td>
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<td>365 Ministry of Federal Affairs and Local Development</td>
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<td>17,50,00,00,00</td>
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<tr>
<td>602 MOF Miscellaneous</td>
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<td>2,24,75,67,10,27</td>
<td>2,24,75,67,10,27</td>
<td>2,05,44,09,90,97</td>
<td>19,31,57,19,30</td>
<td>52,02,38,80,19</td>
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<tr>
<td>Total</td>
<td>3,42,11,01,46,90</td>
<td>5,14,24,28,70,23</td>
<td>8,56,35,30,17,14</td>
<td>8,04,32,91,36,95</td>
<td>6,88,94,69,55,40</td>
<td>1,15,38,21,81,55</td>
<td>52,02,38,80,19</td>
</tr>
</tbody>
</table>

*Source wise Climate Change Responsive General Office Expenditure Fiscal Year 2015/16 (2072/73)*
THE NAP-AG INITIATIVE

TO ASSIST DECISION MAKERS IN PROGRAMME COUNTRIES TO INTEGRATE CLIMATE CHANGE CONCERNS AS THEY AFFECT AGRICULTURAL SECTOR-BASED LIVELIHOODS INTO ASSOCIATED NATIONAL AND SECTORAL PLANNING AND BUDGETING PROCESSES
Our 11 Partner Countries

- Guatemala
- Colombia
- Uruguay
- Zambia
- The Gambia
- Nepal
- Uganda
- Thailand
- Kenya
- Viet Nam
- The Philippines
Opportunities for 2030 Agenda and NAP Alignment

- Institutional arrangements.
- Data coherence.
- Adaptation options as SDG catalysts.
- Budget implications.
- Common messaging.
- Accessing climate finance.
Questions for discussion

- In your country, and in your sector, what are steps have you taken to integrate adaptation?
- What are the challenges you face? What are the successes?
- In your country, what are the themes that need a multi-sectoral response?
- What are the institutional mechanisms for multisectoral planning? How are adaptation issues prioritized across sectors and how are tradeoffs identified?
Thank You