



**Community  
Based  
Adaptation:  
Financing Local Adaptation**

**8th International Conference  
24-30 April 2014  
Kathmandu, Nepal**

**Conference proceedings**

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## Background to the Conference Series

Community-based adaptation (CBA) recognizes that environmental knowledge, vulnerability and resilience to climate change impacts are embedded in societies and cultures. This means that communities already possess much of the knowledge and skills required to cope with the expected impacts of climate change, and can often increase their resilience to climate stresses by building on these. What they lack are the resources and supportive policies that enable them to take action. The focus of CBA is thus on empowering communities to take action based on their own knowledge, needs and decision-making processes. This is especially important in the Least Developed Countries, and poor countries in Africa, Asia and elsewhere, which are particularly vulnerable to climate change. CBA can also operate at scale, for example through mainstreaming into government processes, but with communities remaining central to planning and action.

CBA is a relatively new field of practice and learning. Sharing experience and knowledge from projects and programmes amongst practitioners, policymakers, researchers, governments, funders and the communities at risk is essential. In view of this, the International Institute for Environment and Development (IIED) in collaboration with the Bangladesh Centre for Advanced Studies (BCAS) began a series of conferences in 2005 that started as biennial events, and swiftly became annual events. The first four conferences were held in Dhaka, Bangladesh, but conferences are now hosted in vulnerable countries worldwide in recognition of the vulnerability of other African and Asian nations to climate change impacts and as a way to showcase the many innovative responses that those working in these countries are leading on.

The First “International Workshop on Community Based Adaptation (CBA) to Climate Change” was held in Dhaka, Bangladesh, in January 2005. The Second International Workshop on CBA was in Dhaka, in February 2007. The Third International Conference on CBA was in Dhaka from 18 to 24 February 2009. Here, participants agreed to make the conference an annual event to be held in a number of vulnerable countries, and not Bangladesh alone.

The 4th International Conference on Community-Based Adaptation to Climate Change was thus held in Dar es Salaam, Tanzania in February 2010. The conference series had begun attracting more people from around the world, and nearly 200 people from 38 countries attended CBA4. The fifth CBA conference returned to Bangladesh in 2010, and focused on “Scaling Up: Beyond Pilots.” This emphasised the need to move away from stand-alone project activities and ensure that best practices were effectively and systematically communicated and replicated both horizontally across communities and vertically across levels of governance and action. A total of 388 registered participants from 62 different countries attended.

The 6<sup>th</sup> CBA conference was held in Vietnam in April 2012. Over 320 people from 61 different countries attended, and many more attended the opening and closing sessions. The theme of CBA6 - communicating CBA - was addressed in dedicated communication-related sessions on blogging, working with the media, digital photo storytelling, using games to communicate risk and methods and tools for working with children. Conference outreach was also dramatically improved compared to previous years. Live interviews were broadcast online each day and more than 50 interviews uploaded to YouTube. Delegates wrote nearly 30 blog posts and produced nearly 2000 tweets, using the conference hashtag #CBA6. The conference supported the attendance of several developing country journalists, which resulted in a number of published media articles throughout the world.

The 7th international CBA conference returned to Dhaka, Bangladesh, in April 2013. The theme was “Mainstreaming CBA into National and Local Planning” in recognition of the need to work with and through governments to ensure responses to climate change occur at the scale and level needed to address the problem.

Conferences are regularly attended by a wide range of policymakers, non-government organizations, research and policy institutes, international development organizations, those funding CBA initiatives, academics, students and practitioners with grassroots experience of adaptation projects. At CBA7, however, a strong cohort of government officials involved in adaptation initiatives came to learn and share their experiences, and the small cohort of government officials attending CBA6 reported back. These officials formed a “Government Network on Mainstreaming Climate Change” - an indication of the growing levels of government interest and experience in CBA.

The 8th international CBA conference reported on in these proceedings was held in Kathmandu, Nepal, 24-30 April 2014. The theme was “Financing Local Adaptation” in recognition of the need to understand how best to finance the growing number of CBA project and programme activities. Roughly 450 people from 58 different countries attended, including representatives from governments and many of the large international and bilateral funds, donors and foundations currently supporting CBA. This included the Executive Secretary of the UNFCCC, Chair of the Adaptation Fund Board, and Prime Minister of Nepal. CBA8 concluded with the launch of the *Kathmandu Declaration on Financing Local Adaptation*, which saw delegates call for a radical shift in financial flows to ensure the most vulnerable communities can adapt to climate change.

#### **Aims of the Eighth International Conference on Community-Based Adaptation to Climate Change**

The primary aim of CBA8 was to share and consolidate the latest developments in CBA planning and practices in different sectors and countries in South East Asia and globally, and disseminate this knowledge more broadly. Specific objectives were:

- Bring together different stakeholders and practitioners to share and discuss knowledge of CBA planning and practices;
- Capture and share the latest experiences and learning from CBA planning and practices, especially on mainstreaming CBA into national and international planning and financing CBA;
- Enhance the capacity of practitioners to help those most vulnerable to climate change improve their livelihoods;
- Disseminate lessons learnt at the conference through published proceedings, and wide online and media coverage.

In recent conferences, daily online communication-related outputs helped “Virtual Internet Participants – VIPs” follow the conference remotely. These included blogs, tweets, recorded interviews, photos and online live video streams. More than 200 people logged in and actively participated in discussions during CBA7, and many more viewed web-based material. Media coverage was also significant, with media outlets mentioning the CBA7 conference at least 52 times in at least 12 countries during the conference month. More than 550 people registered to be VIPs at CBA8 and followed and contributed to the coverage. Available web-based material was viewed by more than 35,000 people. Media coverage was also significant, with media outlets mentioning the CBA8 conference at least 40 times in at least 13 countries from 16 March to 11 May. More than six hours of recorded video footage was produced.

To ensure learning from the CBA community reaches broader audiences and policy fora such as the Intergovernmental Panel on Climate Change, material shared at conferences is published in proceedings and more widely. Collating material shared at CBA7, a special issue of the journal *Climate and Development* on Mainstreaming CBA will be published in 2014. Knowledge from CBA6 has also been published in the 2014 Routledge book *Community Based Adaptation to Climate Change: Scaling it up* edited by E.L.F Schipper, J. Ayers, H. Reid, S. Huq and A. Rahman.

Conferences routinely include a two- or three-day field trip to a number of sites preceding time spent in the hotel for more formal sessions. This provides experiential learning on how communities are coping with climate change impacts, and also allows conference participants to get to know each other better. At CBA6, conference delegates evaluated the different adaptation projects they visited on the field trip and awarded a special “Solidarity Prize” of US\$5000 to the best one. This was a Save the Children project in the North of Vietnam in which children play a key role in disaster preparedness.

Hotel-based sessions include high-level panels, formal presentations in thematic plenary or parallel sessions, poster and video sessions, debates, small group work and interactive “out of the box sessions.” Networking is strongly encouraged, as is publication dissemination. At CBA8, over 600 publications and briefings were distributed during the conference, plus 100 free copies of the book, *Community-based adaptation to climate change: Emerging Lessons*. All delegates also received a USB containing conference-related materials.

Over the years, the conferences have been funded by a number of generous co-sponsors and contributing organizations, and also through individuals attending and paying a conference fee. Limited funding is sometimes available to bring selected participants from developing countries who could not otherwise afford to attend.

The 9th international CBA conference is planned for April 2015 in Nairobi, Kenya. The focus will be on “CBA effectiveness”.

## Programme Summary

Day one: 26 <sup>th</sup> April	Participants arrive in Kathmandu after field trip
Day two: 27 <sup>th</sup> April	<b>Inaugural Plenary session 1: Conference Opening and Welcome Speeches</b> Chair: Dr Krishna Chandra Paudel (Secretary, Ministry of Science, Technology and Environment)
	<b>Plenary session 2: Securing Finance by Mainstreaming Adaptation into National Government Development Planning</b> Facilitator: Paul Steele (UNDP)
	<b>Parallel session 3: Challenges Faced by Funding Agencies Supporting Local Adaptation</b> Facilitators: Delfin Ganapin, UNDP/GEF Small Grants Programme and Ali Sheikh (CDKN / LEAD Pakistan)
	<b>Parallel session 4: Building institutional capacity and improving governance to access and spend adaptation finance</b> Facilitator: Victor Orindi, National Drought Management Authority, Kenya
	<b>Parallel 'out-of-the-box' session 5: Reaching the Most Vulnerable</b> Facilitator: Fiona Percy, CARE
	<b>Plenary 'out-of-the-box' session 6: Exploring Ways of Communicating and Learning: A Game to Support Climate Finance Decision Making</b> Facilitator: Pablo Suarez (Red Cross/Red Crescent)
	<b>Plenary session 7: Securing Private Sector Finance for Local Adaptation</b> Facilitator: Cristina Rumbaitis Del Rio (Rockefeller Foundation) and Helen O'Connor (DFID)
Day three: 28 <sup>th</sup> April	<b>Parallel session 8: Low-cost options for CBA</b> Facilitator: Caroline Borchard (Plan International) and Neera Shrestha Pradhan (ICIMOD)
	<b>Parallel session 9: Securing Finance by Mainstreaming Adaptation into Sub-National Government Development Planning</b> Facilitator: Farah Kabir (ActionAid Bangladesh) and Penny Urquhart (independent consultant)
	<b>Parallel 'out-of-the-box' session 10: Experiential Lobbying</b> Facilitator: Bettina Koelle (Red Cross/Red Crescent), Peter With (Southern Voices) and Vositha Wijenayake (CANSAs)
	<b>Parallel session 11: Accounting for Natural Capital in CBA</b> Facilitator: Hannah Reid (IIED)
	<b>Parallel session 12: Financing Adaptation in the LDCs</b> Facilitators: Prakash Mathema (Ministry of Science, Technology and Environment, Nepal; Chair, LDC Group)
	<b>Parallel 'out-of-the-box' session 13: Engaging the Private Sector through Microfinance for Adaptation</b> Facilitator: Pablo Suarez (Boston University)
	<b>Plenary session 14: Financing local adaptation in urban centres</b> Facilitator: Diane Archer (IIED)
	<b>CBA short films</b> Facilitator: Alexander Stubbings and Helena Wright (Imperial College, London)
	<b>Plenary session 15: Poster Market Place</b> Facilitator: Hannah Reid (IIED) and Adrian Fenton (ICCCAD)
Day four: 29 <sup>th</sup> April	<b>Parallel session 16: Financing Disaster Risk Reduction and CBA: what synergies?</b> Facilitators: David Dodman (IIED) and Colin McQuistan (Practical Action)
	<b>Parallel session 17: Ensuring Accountability and Transparency when Financing Local Adaptation</b> Facilitator: Heather McGray (WRI) and Annaka Carvalho (Oxfam)
	<b>Parallel 'out-of-the-box' session 18: Game Design Session Part I</b> Facilitators: Carina Bachofen, Pablo Suarez and Bettina Koelle (Red Cross/Red

	<b>Crescent)</b>
	<b>Parallel session 19: Evidence of Effectiveness</b> <b>Facilitators: Susannah Fisher (IIED) and Fakri Karim (UNCDF)</b>
	<b>Parallel session 20: Civil Society Advocacy on Financing CBA</b> <b>Facilitator: Saskia Daggett (ACCRA) and Peter With (Southern Voices)</b>
	<b>Parallel 'out-of-the-box' session 21: Game Design Session Part II</b> <b>Facilitators: Carina Bachofen, Pablo Suarez and Bettina Koelle (Red Cross/Red Crescent)</b>
	<b>Plenary session 22: Poster Market Place – your chance to ask questions and make comments</b> <b>Facilitator: Hannah Reid (IIED) and Adrian Fenton (ICCCAD)</b>
	<b>CBA short films</b> <b>Facilitator: Alexander Stubbings and Helena Wright (Imperial College, London)</b>
<b>Day five: 30<sup>th</sup> April</b>	<b>Plenary session 23: Moving the Agenda Forward</b> <b>Facilitator: Saleemul Huq (IIED / ICCCAD)</b>
	<b>Plenary session 24: Conference Closing Session</b> <b>Chair and vote of thanks: Dr Krishna Chandra Paudel (Secretary, Ministry of Science, Technology and Environment)</b>

## Session Summaries

### Inaugural Plenary session 1: Conference Opening and Welcome Speeches

#### Chair

Dr Krishna Chandra Paudel, Secretary, Ministry of Science, Technology and Environment

#### Session Panellists

- Prakash Mathema, Joint Secretary and Chair of the LDC group, UNFCCC; Ministry of Science, Technology and Environment
- Dr Saleemul Huq, Senior fellow, International Institute for Environment and Development; Director International Centre for Climate Change and Development
- Dr Atiq Rahman, Director, Bangladesh Centre for Advanced Studies
- Dr Balaram Thapa, Coordinator, Climate Change Network Nepal
- Sam Bickersteth, CEO, Climate Change and Development Knowledge Network
- Mamadou Honadia, Chair of Adaptation Fund Board
- Rt Hon. Sushil Koirala, Prime Minister, Government Of Nepal

The Government of Nepal showed a short film on Local Adaptation Plan of Action (LAPA) implementation while participants waited for the chief guests to arrive.

The first plenary session for CBA8 witnessed the inauguration of the conference by the Prime Minister of Nepal, Mr Sushil Koirala. The presenters gave an overview of the conference proceedings, including lessons learnt from previous CBA conferences, and the theme of this year's conference: financing community-level adaptation. The presenters described the CBA conference as a forum to share lessons learnt and experiences on CBA. This has been tied in with the opportunity to visit rural field sites in Nepal to experience how CBA is being implemented in vulnerable communities. Presenters contextualised CBA in the adaptation agenda, and its ability to harness local capacity, build on local knowledge, recognise the potential of autonomous adaptation and strengthen livelihoods of those most vulnerable who have contributed very little in the way of greenhouse emissions. The imperatives of scaling up CBA and integrating it with development and disaster risk reduction were highlighted.

Presenters described the immediate threat of climate change, the lack of international commitment to mitigation and the urgency of adaptation. It was noted that it is typically women, children and elders, particularly the poor in developing countries, who are most vulnerable. These individuals are already paying to adapt through their own labour, money and time.

Presenters discussed the impacts and implications of climate change in Nepal, and the steps that Nepal has taken through developing both a National Adaptation Plan of Action (NAPA) and LAPAs, as well as taking a leading role in LDC negotiations under the UNFCCC. Dr Balaram Thapa, however, noted that the benefits of such policies and plans are far from being realised, especially for those most at risk, and urged conference participants to look at adaptation financing both from global and local perspectives. Presenters discussed the adaptation interventions already being undertaken by developing nations, including taking full

management of adaptation finance, developing NAPAs, consulting with local communities through participatory methods, and developing low-carbon and climate resilient economies.

Presenters noted the deficiencies of adaptation funding at a local level. Sam Bickersteth added that despite increasing donor commitment to adaptation, most climate finance is being used for mitigation purposes. He also noted that 75% of climate finance does not leave national boundaries. Dr Saleemul Huq mentioned that following Nepal's example, 80% of national-level adaptation funds should be made available at the local and community level and directed towards those most vulnerable. Presenters stated that developing countries are in a strong position to make a case for increased support through international climate finance which would, in turn, help them build their own capacity.

Financing CBA was described as a means to mobilise adaptation funds, and direct them to the benefit of poor and vulnerable communities, who particularly reside in the Least Developed Countries (LDCs). Presenters encouraged developing countries to assist each other in order to improve access to funds, and noted that international, national and local level planning is needed to improve accessibility and disbursement of climate finances. It was further agreed that climate financing will require collaboration and cooperation across boundaries and therefore presenters encouraged developing countries to assist each other to improve access to adaptation funds.

Dr Huq introduced the Kathmandu Declaration, a collaborative outcome of CBA8, which will be designed to provide guidance to intergovernmental, national and local funding bodies, to direct adaptation funding to those who are most vulnerable. He also described how the Kathmandu Declaration could be utilised at the Climate Summit in September 2014 in New York, and at the 21st 'Conference of the Parties' (COP) in Paris in 2015.

## **Plenary session 2: Securing Finance by Mainstreaming Adaptation into National Government Development Planning**

### **Facilitator**

Paul Steele, UNDP

### **Session Presenters**

- Chakra Pani Sharma, Ministry of Local Government, Nepal
- Luis Miguel Buchir, Ministry for Co-ordination of Environmental Affairs, Mozambique
- Meuthia Naim, Ministry of Environment of the Republic of Indonesia
- Nicole Clot, HELVETAS Swiss Intercooperation
- Mousumi Pervin, CDMP II, UNDP Bangladesh

Paul Steele opened the session by pointing out that poor households are already spending their own money on responding to climate change. Paul Steele stated that the session would focus on systems that countries use for all expenditure and how countries can include climate change into these country systems. Integrating climate change into government systems can increase ownership, and reduce duplication and transaction costs, as well as strengthening accountability over financial resources. The key process in many countries is the budget process, and through that process line ministries engage on how finance will be managed. Paul Steele explained that the session would send out a challenge to audience participants and ask: are you engaging with country processes on mainstreaming, and if not, why not?

Chakra Pani Sharma explained that the Ministry of Local Government is a coordinating ministry for local government in Nepal in 75 district development committees. Nepal has introduced climate budget codes in central budgeting, to analyse how much funds are released from government to the adaptation sector. At the local level, the LAPA supports local government in 14 districts in the western region and 70 government units have started that project. The LAPA is implemented by local government bodies, focused on a 14-step planning process that starts from the settlement level. The budgeting process will be integrated to be climate sensitive. A climate change policy has also been drafted. An environment-friendly local government framework focuses on local results.

Chakra Pani Sharma explained that each of the 75 districts has a climate change section in the local government unit to coordinate, support and report the climate activities implemented at the district level. Already 40 districts have set up a dedicated environmental fund to support environmental and adaptation activities demanded by the most vulnerable people. 30 LAPAs have now been prepared and some communities started CBA through NGOs.

Luis Miguel Buchi explained that Mozambique has decentralised planning and budgeting activities, meaning that counties have the budget to start their adaptation plans. Mozambique needs support for this as the government does not have enough money, so government received primarily technical support from ACCRA and DANIDA, as well as support from other NGOs. Guidelines have been proposed for local adaptation plans, because many NGOs in Mozambique have done local level activities. Mozambique has also developed monitoring and evaluation (M&E) tools for these local adaptation plans to align with the local monitoring processes by the Ministry of Planning. Remaining challenges relate to technical capacity, and also improving these plans in different sectors.

Meuthia Naim explained that Indonesia has two types of planning: long-term plans for 20 years and medium-term plans on a 5-year basis. These plans are coordinated under the development planning agencies. In order to mainstream adaptation into development planning, government published several important related policy documents in order to coordinate adaptation actions, including the national plan on adaptation and mitigation. Indonesia has identified sectoral programmes for adaptation with particular focus on coastal areas, water and health. Most recently, the government published a national action plan on adaptation. The financing mechanism follows a national regulatory framework, taking into account the sectoral roadmap and adaptation plans.

Meuthia Naim explained that the Government of Indonesia has established and manages the Indonesian Climate Change Trust Fund (ICCTF), which aims to attract funding from private sector and international donors including the Green Climate Fund and Adaptation Fund. The ICCTF aims to be an important policy dialogue forum for development partners. It is also an implementing agency under the Adaptation Fund. All proposals are evaluated by the trust fund board and government agencies are executing agencies. These agencies submit project proposals and are responsible for implementing the project.

Nicole Clot explained that climate adaptation programmes are implemented by regional governments and facilitated by a consortium of regional NGOs in Peru. The Climate Change Adaptation Programme in Peru (PACC) programme started in 2009 and is now in the second phase. It focuses on an area with a population of around 1.5 million people, around 40% of whom suffer from malnutrition. In agriculture, 70% of land depends on rainfall. The first phase of PACC mainly focused on activities collaborating with researchers, and is now trying to promote and enable adaptive capacity as well as trying to strengthen local government through technical knowledge and training. Targeted public investments have begun. When planning for the first phase started in 2007, ministries expressed interest but said this could not be just an

initiative planned by NGOs. They wanted to be involved in the whole planning process. Public investment has played a major role, as well as incorporating climate change into programmes and institutionalising programmes and tools at the sub-national level. Integration of climate change was supported through 5 main activity lines: technologies; planning, management and evaluation; training of technical staff; technical assistance in the field; and lastly monitoring of the additional impact. These activities are being tested in 2 pilot areas with the aim of scaling them up and implementing them in the entire region.

Nicole Clot argued that this was an excellent example of how to leverage public and private funds. Political and institutional leadership has been crucial. Scaling up adaptive practices also requires linking policies and actions including between different levels of government. Supra-local policies are needed to facilitate actions at the local level. Overall, there is a need to promote linkages between actors at different levels and different roles, as well as linking scientific and local knowledge. The fact it is a joint initiative with Government improves ownership. Finally, Nicole Clot argued that national structures need to be used for adaptation so that small scale actions can be up-scaled.

Mousumi Pervin presented recent research on the challenges of mainstreaming climate finance at national and sub-national levels, on behalf of the government group. Mousumi Pervin argued that there have been four main challenges in Bangladesh: leadership, coordination, scaling up from the local level and engaging the private sector.

Firstly, there are leadership challenges relating to managing available funds, and managing fragmented approaches. In the case of Bangladesh, the Ministry of Environment is leading but leadership is still a key challenge. Secondly, lack of coordination sometimes leads to fragmented interventions and gaps. Better coordination would lead to a better allocation of resources. Scaling-up practices is also challenging and there is a need for capacity building. Lastly, there are challenges in establishing public-private partnerships and intermediaries, because leveraging private investment is challenging. In Gambia, there has been some collaboration with private companies who are investing in the carbon market in tree plantations. In other countries, this is a weak area that requires consideration.

In the discussion that followed there were questions from the audience on tracking adaptation finance, political commitment, and linking the national and local levels. There were also questions relating to the inclusion of different groups and it was felt that civil society has a role in making sure vulnerable groups are not excluded. There were specific questions on women and gender, the disabled and indigenous people. For example, a participant from Pakistan noted that people with disabilities make up 10% of the population in Pakistan and so there is a special fund for people with disabilities.

On tracking adaptation finance, it was noted that in Nepal there is a citizen forum and citizens' awareness centres so that people know how much funds come to the community. There is also an established coordination mechanism for linking between local and central government, but this is not fully enforced. On the issue of differentiating adaptation and development, the panellist from Peru argued that there is a need to talk more about climate resilient development and not focusing on what is development or adaptation, as very often these two cannot be easily separated in reality.

Several discussants emphasised the need to ensure transparency and track adaptation finance to ensure it is spent wisely. Mousumi Pervin recommended strengthening the capacity of monitoring agencies, including human resources, new technologies for monitoring and impact evaluation, and knowledge sharing and management to address this. In Bangladesh, a climate fiscal framework has also been recommended that will help track progress in future.

Another audience member explained that capacity building sometimes fails because of turnover of staff and asked how to overcome this problem. Meuthia Naim explained that in Indonesia there is an education and training centre for regular annual training of government officials on environmental issues. Luis Miguel Buchi suggested there should be an inter-institutional group on climate change as a solution to coordination issues. Finally Chakra Pani Sharma explained that prioritising adaptation is challenging because people lack an incentive to focus on climate change, and without specific motivation they focus basically on development.

### **Key advocacy messages emerging from session**

- Integrating climate change into government systems can increase ownership, and reduce duplication and transaction costs, as well as strengthening accountability over financial resources

## **Parallel session 3: Challenges Faced by Funding Agencies Supporting Local Adaptation**

### **Facilitators**

Delfin Ganapin, UNDP/GEF Small Grants Programme  
Ali Sheikh, CDKN / LEAD Pakistan

### **Session Presenters**

- Daniel Gallagher, Adaptation Fund Secretariat
- Emma Bowa, CARE International, Kenya
- Britta Horstmann, German Development Institute (DIE)
- Charles Nyandiga, UNDP/GEF Small Grants Programme
- Michael Quinn, DFAT, Australia
- Helen O'Connor, UK Department for International Development

This session was highly interactive, with the facilitators opting for a sofa-style approach to allow for spontaneity and creativity in responses. No presentations were made; instead the facilitators posed questions to each panellist, and allowed them more time later to respond to questions from the floor. Ali Sheikh began by making two important points. Firstly, funding must be inclusive; secondly, that adaptation funding should take care not to precipitate maladaptation.

Michael Quinn was asked about the criteria used to choose how funds were disbursed to communities. Aid donors, as well as aid recipients, have their own systems of accountability and approvals. Michael Quinn was asked what criteria DFAT used to address such concerns in considering community-based adaptation projects. He explained how DFAT used the following criteria:

- Relevance - to our partner governments priorities as well as our own
- Evidence base - evidence of analysis is difficult when considering future or uncertain events
- Effectiveness - risks identified, assessed and communicated
- Robust monitoring and evaluation - M&E systems need to capture both climate outcomes and broader development benefits

- Efficiency - value for money and scalability. The issue of organisation size emerged as a key challenge for larger donors
- Sustainability
- Inclusivity - gender equality and social inclusion

It can be a challenge to demonstrate, in particular, scalability, sustainability and efficiency in small local projects. However, these are the criteria proponents have to demonstrate when applying for finance from DFAT.

Funding bodies will increasingly need to demonstrate results to governments and that means the projects they fund will too. In the case of Australia, benchmarks for results are becoming more important. Opportunities for engaging with the private sector and promoting inclusive economic growth are also likely to continue. There is not enough aid to solve all development issues. Agencies will need to show how they are helping people participate in market opportunities, for example, helping communities access to value chains for agricultural commodities.

Emma Bowa, responded to a question about how to make the case to donors that investing in adaptation is important. She emphasized the need to consider the following:

- M&E
- Cost benefit analysis of CBA
- Resolving the confusion between development and adaptation
- Case studies around what CBA looks like in practice
- Civil society voices of the vulnerable / gender / adaptation champions

Helen O'Connor commented on the issue of 'value-for-money' in projects and programmes and explained that this is what the United Kingdom's Department for International Development (DfID) is looking for. With £4 billion to spend (50% on immediate climate change adaptation action, 30% on mitigation and 20% on forestry) accountability and transparency are crucial indicators that DfID looks for when distributing funds to beneficiaries. Past experience has demonstrated time and time again that it is far easier to prove mitigation projects are working, and therefore actors and non-state actors invest in these.

Britta Horstmann presented key points from the project 'Delivering international adaptation finance to vulnerable communities: A study on potentials and limits of Social Investment Funds'. She pointed out that the efficient and effective distribution of resources to communities vulnerable to climate change is a major challenge in climate change adaptation finance. Against this background, the study investigates to what extent Social Investment Funds (SIFs) could serve as an institutional structure for the delivery of international adaptation funds to vulnerable communities and what the related potential and challenges are. The study gives an overview of the evolution and operational characteristics of SIFs and related strengths and weaknesses.

Social Investment Funds became an attractive instrument of international financial cooperation in the mid-1980s. One reason for this was the opportunity they provided for bundling a large number of small-scale projects at the local level into national programmes thereby reducing transaction costs. Analysis shows that SIFs can potentially take over several institutional and political functions in adaptation finance and are generally in a good position to help meet current adaptation funding requirements and challenges.

This discussion highlighted the possibility of using existing institutions for funding. Particularly because within the UNFCCC there are higher transaction costs when people are applying for funding. The use of existing institutional approaches such as SIFs can thus be explored.

Daniel Gallagher answered questions about the Adaptation Fund and how it is being scaled up for other actors to access its funds.

Charles Nyandiga was asked about UNDP/GEF Small Grants Programme (SGP) project experience in financing local adaptation, particularly about lessons for taking CBA to scale. He was asked how to increase the flow of funds for local adaptation going to communities and civil society. He shared some of the challenges of taking micro-level CBA activities to a larger scale - at the national level. He noted that in over 200 CBA adaptation projects supported by the SGP, geographical areas differed and projects were implemented by communities who are different in terms of culture, habits and survival strategies, and often confronted by different local climate risks. This diversity is a major challenge for scaling up.

Charles Nyandiga noted that significant challenges were encountered by the SGP in sourcing funds and that significant lobbying by the SGP and UNDP was required. In addition, he indicated the need for continual advocacy and pushing partners through networking with other CSOs. In particular, he emphasised the importance of advocacy at the climate change COPs and other such venues. He underscored the fact that most adaptation funding seems to come through central governments in a top-down process with the hope that these resources will trickle down to grassroots stakeholders through commonly used government planning and budgeting processes, which have many difficulties as far as community access is concerned. He mentioned two critical solution pathways:

- i) Mainstreaming CBA activities into government and non-state actor activities.
- ii) Networking at local, sub-national and national levels as a way of freeing sectorial resources for CBA activities.

Discussion made it clear that to increase flow of funds for CBA there is a need to proactively campaign for such funds. In such a campaign one must demonstrate evidence regarding what has worked. Advocates will have to deal with government and donor bureaucracies. Timing in the political process is also important, for example elections, changes in administration and fiscal calendars will change what timing works best.

Charles Nyandiga noted that mainstreaming provides room for generating and receiving extra resources for local adaptation work. In addition, replication is crucial as it allows communities to benefit from the processes of upscaling. Michael Quinn elaborated on this, pointing out that successful NGO project upscaling requires the integration of work into the wider NGO community. Similarly, this process can be adopted so that adaptation work can also be integrated into other more general humanitarian work thus extending reach and impact.

Tanjir Hussain from Action Aid, Bangladesh, commented that NGOs struggle with donor concepts and focus, which are always changing. He asked how to adapt when you have not even met basic development needs. Helen O'Connor answered by suggesting that NGOs should capture the incremental costs of development and also that of development with climate change, including adaptation. In Bangladesh, for example, there should be a strong climate change component throughout any development intervention, due to the sensitivity of the delta. She also pointed out that even DfID has to apply for specific funding which addresses climate change and not social safety nets, which highlights the underlying tension between regular development funding and funding for climate change adaptation.

Another session participant asked about tracking impacts and capturing associated learning, and whether there was a group of donors that tracked adaptation. Helen O'Connor responded by describing the Action Research on Community Adaptation in Bangladesh (ARCAB) knowledge and information transfer network. ARCAB aims to capture and build on knowledge,

and the approach has led to offshoots in East Africa. However, the way knowledge is captured within DfID remains an issue. Unfortunately at the moment knowledge is not captured very well, although as an institution it is learning. Britta Horstmann commented that there is a disparity between those who need the knowledge and those who construct the knowledge (different actors and different scales of government and civil society). As a proposal for moving forward on this issue, Charles Nyandiga suggested that CBA8 participants should develop a practitioners' network before leaving the conference.

A participant from Care International, Indonesia, asked about the length of donor funding. Michael Quinn answered this by drawing on the experiences of DFAT. He emphasised the scrutiny to which donors are subjected to, in particular (all of which constrain the amount of time a given project can have funding):

- (i) Specifications in annual budget papers
- (ii) Reporting on meeting international standards
- (iii) Reporting on outcomes (pre-defined)
- (iv) Transparency in funding utilization
- (v) External scrutiny from parliament
- (vi) External audits
- (vii) Civil society keeping track on what they do

Hyacinth Douglas, UNDP / GEF SGP Jamaica, reminded participants and panellists that community requirements differ massively from those of the donors. She asked if there were monitoring systems in place to track if adaptation was occurring. Charles Nyandiga responded by stating that in order to monitor how a community is changing we should check how their lifestyles are changing to climate change. By using this qualitative indicator it should be relatively easy to identify if the communities are changing for the better, and if adaptation is taking place. However, there is a caveat and this has to do with the channelling of resources into communities. Are these resources leading to observed adaptation or is there something else occurring which is not yet being captured?

One participant commented on the disparity between adaptation and mitigation benefits, the latter of which are more obvious. They wanted clarification on what constitutes adaptation benefits and how can this be tracked. They added that most money goes to 'easy to implement' projects and that adaptation finance is increasingly concentrated amongst a minority of people. Delfin Ganapin pointed out that the best way to track the impact of adaptation finance at the community level is not just to focus on easily observed technological adaptation measures. Adaptation requires being able to manage changes that will come much later and thus technological measures will have to change. Social and institutional changes are key to tracking longer lasting adaptation benefits. There is a need to see if the community members have developed the capacity to unite and work together to meet challenges as they come, and it is this transformative action that constitutes real adaptation.

In the closing minutes of the session, facilitators asked the audience what their 'advocacy asks' for the session were. Some of the asks provided by participants were as follows:

- Funders should have a shared vision and a mechanism for pooling of funds.
- Disabled people are ignored; there is a trust deficit surrounding them by donors. There needs to be a sea change whereby donors extend trust to disabled, and other vulnerable groups.
- There should be a single donor platform so that there is no duplication or repetition of projects and activities.
- The funding provided should be sustained beyond the need to respond to disasters.

- There must be an accountability framework to be followed by both funding agencies and recipient parties.
- There is a need to consider absorptive capacity (related to the matter of providing for capacity development components and to making the funding easy to access).
- Donors should be flexible in their requirements for accessing funds.
- The principle of inclusivity should govern prioritization of access to funding – include disabled groups as part of vulnerable groups with women and children.
- It is also important to consider and assess the power relations involved in funding. Social justice must be a consideration. Care has to be taken in the case of private sector finance (as the drive for profit could lead to negative impacts on poor and vulnerable communities). We have to look not just at how much funding is flowing but also on what kind of finance is being provided.
- The funding for local adaptation projects should be longer, at 5 years or more. There should be fewer requirements relating to numbers in the initial years to reflect the importance of going through the right process and getting institutional aspects right rather than just tracking quantitative indicators such as the number of check dams, seedlings planted, rainwater harvesting structures, etc. As adaptation will be a very long and continuous process, the institutional resilience of the community (i.e. the ability to unite and work together to meet new challenges) is more important than technological solutions fixed to a particular situation and time.
- The accountability of donors to their taxpayers must complement the accountability of fund recipients to their communities.
- Funding flow for local adaptation should be tracked, not only in terms of delivery amounts but also whether the funds flow to the most vulnerable.
- A practitioners' network that works at local, country and global levels is needed to link those who have questions to those who have answers. Such a network will also monitor how donor needs complement community needs and thus strengthen transparency in funding decisions and flows.
- There is already lots of knowledge available. The task is how to use such knowledge effectively to lead into scaling up and mainstreaming.
- Aside from integrating climate concerns into donor and government development initiatives, civil society organisations should also find ways to integrate climate change issues into their humanitarian work.
- Look at ways to make funding for local adaptation more effective by allowing communities and NGOs to manage funds (and also to have more direct access to funds).
- Promotion of South-South cooperation is critical.

In summarising this session, Delfin Ganapin brought together some of the key recurring themes. For instance, the obligations that donors face and the accountability they have to their parliaments. When the use of funds does not provide evidence of positive results and impacts, and at worst they disappear due to corruption, then funding is withdrawn from projects and from donors themselves, as their use no longer represents value-for-money. Moreover, donors are accountable to taxpayers just like civil society groups are to the communities that they work in. It is important to find ways by which donor and civil society accountabilities will complement each other. The proposal to create a network to track local adaptation funding post-CBA8 was reiterated. Lastly, Ali Sheikh commented on a number of points. Firstly, that resilience does not trickle down and the effectiveness of aid has to be inclusive, and secondly, that awareness raising and capacity development are critical as communities are still struggling to distinguish between adaptation and maladaptation.

**Key advocacy messages emerging from session**

- In funding adaptation donors need to be able to distinguish between adaptation and maladaptation, support communities in capacity development to meet requirements, and facilitate good communication to synergize their support with one another.

## Parallel session 4: Building Institutional Capacity and Improving Governance to Access and Spend Adaptation Finance

### Facilitator

Victor Orindi, National Drought Management Authority, Kenya

### Session Presenters

- Anowarul Haq, CARE Bangladesh
- Rieneke Rolos, CARE International Indonesia
- Chanthan Kong, National Committee for Sub-National Democratic Development Secretariat (NCDDS), Cambodia
- Penny Urquhart, independent researcher
- Sunil Regmi, CARE international, Nepal
- Lordman Kitewan Lekalkuli, National Drought Management Authority, Kenya
- Martin Obermaier, Universidade Federal do Rio de Janeiro, Brazil

The session facilitator offered a brief introduction to the session, describing how institutions are critical to achieving adaptation outcomes as they will be the bodies that are responsible for receiving and accounting for finance. The manner in which public institutions operate will determine the degree to which the voices of the vulnerable are heard. The facilitator then posed key questions that he invited each of the panellists to answer in turn based on their particular experiences from the projects that they have been involved in. The three questions were:

- (i) What were the three key/critical things that you did in the project to help build institutional capacity and improve governance?
- (ii) What did implementation of these achieve?
- (iii) What ideas can be offered going forward?

Anowarul Haq shared experiences from the Empowerment of Local Actors and Non-State Actors in Responding to Economic Development Opportunities and Climate Change and Disaster Vulnerabilities project (PRODUCE) project. He explained how the project was introduced to tackle vulnerability amongst the poor in northwest Bangladesh. Non-governmental Organisations (NGOs) have been very proactive in the project. The project took three critical steps to help build institutional capacity. These could be observed during the project's implementation:

- (i) Demonstrable inclusive and participatory governance. The project sought to show how local government could finance and help manage local adaptation. Volunteers were trained in the villages. It was acknowledged that the diversity of actors involved could be a challenge, but nevertheless, local government should be viewed as pivotal.
- (ii) The local private sector was linked up with adaptation activities. This helped to successfully raise their awareness about climate change issues, which were then built into business plans.

- (iii) The project improved women's access to governance and the private sector.

Going forward, Anowarul Haq argued for equitable and comprehensive access to finance for local actors so that institutions at the local level can manage adaptation.

Rieneke Rolos shared experiences from the Building Coastal Resilience to Climate Change Programme in Indonesia. The programme works with communities and local governments to identify changes in the environment and their impact on livelihoods, and develop strategies to further improve adaptation to changing environments. Key findings from the Programme include:

- (i) The specific impact of climate change must be determined for different groups and communities. It is unwise to adopt a homogeneous perspective on this. The Climate Vulnerability and Capacity Analysis (CVCA) tool can help with this.
- (ii) Building resilient coastal communities requires that the full spectrum of stakeholders including local (village) groups, civil society, and political decision-makers are included.
- (iii) Climate change adaptation should be integrated as far as possible into sub-national development, as well as disaster risk reduction strategies and plans.

Rieneke Rolos stated that knowledge sharing between communities and with all the relevant local institutional focal points is key for improving decision-making and governance. Provision of up-to-date and relevant information is another key consideration to take forward.

Chanthan Kong then shared key Cambodian experiences. Planning authorities have a five-year planning cycle, and local councils are empowered to devise their own district plans that incorporate local adaptation considerations. Participatory monitoring and evaluation at the local level has been shown to help build in a degree of accountability and can thus improve governance. Local level governments should be encouraged to actively participate in adaptation, for example the Cambodia Climate Change Alliance Trust Fund was established as a single engagement point for development partners and a multi-donor financial facility to provide resources for climate change capacity building at national and local government levels.

Penny Urquhart described how a number of African nations were putting in place governance systems to address climate change. Many of these systems are in their infancy, but institutions are beginning to emerge. Given that CBA is a relatively new area, however, capacity levels are often low. The majority of adaptation in South Africa remains autonomous and reactionary. Key findings from her experience included the need to build adaptive capacity at the local level, facilitated by national policy. Policy should seek to enable differentiated activities from national to local levels. This should include more coherent cross-sectorial policy making. More financial resources need to be directed to the local level for adaptation, and institutions and governance for managing finance needs to be enhanced. This could be achieved through the closer integration of adaptation policy and planning that also takes into account political economy factors. Participatory governance should also be increased. One possible consideration to take forward could be the integration of capacity building into donor policy, as opposed to just a narrow focus on concrete actions.

Sunil Regmi shared experiences from the Hariyo Ban programme. This five-year initiative aims to reduce the negative impacts of climate change in Nepal by working with the government, communities, civil society and the private sector. The project aims to empower Nepal's local communities to safeguard the country's living heritage and adapt to climate change through conservation and livelihood oriented approaches. Sunil Regmi highlighted that adaptation is promoted at the local level via the Local Adaptation Plans of Actions (LAPAs). The LAPAs are aimed at the District Development Committees (DDCs). Community Adaptation Plans of Action

(CAPAs) are aimed at a more local level – the Village Development Committees (VDCs). The Hariyo Ban programme aims to achieve the following:

- (i) Increase government and private sector understanding of climate change vulnerabilities and available adaptation options.
- (ii) Create systems for participatory vulnerability monitoring at the local level.
- (iii) Offer support for climate change adaptation policies, strategies and guidelines at various level of governance.

Lordman Kitewan Lekalkuli explained that Kenya implemented its new constitution in 2010, which brought in a newly devolved system of governance and new levels of national and county government. Experiences were shared from the Isiolo County Adaptation Fund and a number of key successes were highlighted:

- (i) National and local planners were brought together so that they could better understand one another's needs and processes.
- (ii) There was increased bottom-up planning so that communities had a voice in the planning process, and ward level priorities could be integrated into county level planning.
- (iii) Customary knowledge was taken account of, and mainstreamed as far as possible.
- (iv) Accountability at the lower levels of governance – in particular the ward level – needed to be improved. Indicators developed in this respect must be linked to the local level.

Martin Obermaier presented experiences from the Family Farm Associations, which have focused on building close links within communities. He explained how a lack of money is not necessarily the key issue, but rather a lack of access for local institutions. This is largely linked to local level capacity relating to, for example, IT literacy skills and report and proposal writing. The Associations work on building capacity so that effective proposals can be drafted which will allow local actors to access funds. Martin Obermaier stated that more funds should be directed towards building the capacity of local institutions. The CBA community should encourage governments and donor organisations to direct funds for this purpose.

#### **Key advocacy messages emerging from session**

- Institutions are critical to achieving adaptation outcomes. They will be the bodies that are responsible for receiving and accounting for finance. Donor and government policy should therefore direct more support towards institutional capacity building as opposed to just a narrow focus on concrete actions.

### **Parallel 'out-of-the-box' session 5: Reaching the Most Vulnerable**

#### **Facilitator**

Fiona Percy, CARE International

#### **Session details**

The objective of this session was to explore participant knowledge and experiences around the critical issue of reaching the most vulnerable people. In a world of profound inequalities due to

economic disparities, political and social exclusion and widespread gender imbalances, climate change is worsening the situation for the most vulnerable people. Reaching them is one of the greatest challenges for CBA and requires targeted financing based on good knowledge of different vulnerabilities and what drives these amongst communities affected by climate change impacts.

This interactive session provided participants with an opportunity to discuss big issues, good practices, challenges and conditions for effective CBA and generate lessons and priorities for CBA financing as a group. Focusing on five themes, participants highlighted many issues that need to be addressed, first in terms of unpacking CBA and vulnerability and second in terms of systems and criteria for upscaling and financing.

Participants agreed that reaching the most vulnerable among the vulnerable is a key challenge with one participant stating that “You need to keep trying to identify these people, as you won’t find them straight away” and another “Building a relationship of trust with communities needs a period of time to allow for issues of marginalisation and exclusion (and the potential diversion of valuable resources to powerful local elites) to gradually surface”. Real participation was raised as a critical issue as experience with vulnerability mapping has demonstrated that if communities are not actively involved as stakeholders, it can actually be a disempowering process. One of the session groups concluded there is a need to ensure women, socially excluded, and other vulnerable groups are empowered to raise demands to the local government and avoid elite capture of resources by powerful people.

There may be a need for a change in language, to communicate the issues and focus on action and empowerment, e.g. asking the community, what can they do for themselves, including mobilising resources? One participant argued it is not just about who is involved (among the vulnerable), but also who is not involved. We should be asking why are they involved, or why not? Participants noted that vulnerable people at grassroots level often lack the capacity to communicate with the authorities and other stakeholders (both upward and downward). One way around this was collaborative efforts to liaise with government and other stakeholders to advocate for change. Doing this is difficult, however, and was raised as a key challenge confronting CBA. Emphasis is needed on strengthening adaptive capacity at community level, including their ownership, agency, rights and relations, access to information, innovation, and decision making.

The most commonly discussed best practice was vulnerability assessments which were deemed vital to identify and understand why differential vulnerabilities at the local level exist. Adaptation programmes have a range of vulnerability and capacity analysis (VCA) tools to draw from, for example CARE’s Climate Vulnerability and Capacity Analysis (CVCA) and others. They are also required to identify vulnerable groups and how their specific vulnerabilities differ. Looking forwards, vulnerability assessments conducted at the local level, and analysis of the underlying causes of these vulnerabilities and how they relate to climate change impacts all need to inform national adaptation planning.

Further discussion highlighted that there is still progress to be made with vulnerability assessments. Some need to be expanded so that they consider the vulnerability of the systems the community depends on. Currently they tend to focus on socio-economic aspects at the expense of bio-physical indicators. Even so, analysis of gender and other differences which affect vulnerability and its underlying causes needs to be more sensitive. For example, labelling people as 'poorest and most vulnerable' could be avoided by focusing on differential risk, instead of differential wealth or vulnerability. Enquiring about varying levels of risk can lead straight to the key underlying issues without stigmatising or privileging people in the process. Vulnerability assessments also need to recognise complexity and metrics must be different for each sector. For example, the food security sector has sophisticated systems of vulnerability

assessment but in the urban sector, metrics are not yet as developed. It was questioned whether metrics is the right way to approach assessments relating to differential vulnerability where people need to have a say themselves on their situation and opportunities. Assessments also need to go beyond descriptions to analyse the underlying causes of vulnerability and the relationship between climate and other risks.

Other issues discussed included the need for grievance mechanisms, comprehensive data on vulnerability, and compliance with relevant standards and human rights (e.g. collective rights, freedom of speech). Economic empowerment and leadership-building are central to helping vulnerable people participate in decision-making processes. Community based monitoring and evaluation and participatory implementation of LAPAs (involving women, youth, elder, rural people, urban people, indigenous people, ethnic minorities, etc.) is also needed.

Participant discussions on CBA and vulnerability collectively concluded that successful adaptation depends on:

- Understanding the different vulnerabilities within and among communities and responding sensitively to issues of exclusion and inequality.
- Empowering communities as agents of change, to determine and implement their own adaptation actions, recognising the value of combining local knowledge and expertise with external and scientific knowledge, strengthening adaptive capacity and supporting local resource mobilisation.
- Responding to changing vulnerability as the climate changes and livelihoods are affected by new risks, extreme events and uncertainties. Migration, urbanisation, loss of local knowledge and social capital will increasingly require transformation of vulnerable people's livelihoods into areas where their knowledge and capacities may no longer be relevant. Can CBA ensure this transformation is positive rather than further increasing and exacerbating their vulnerabilities and poverty?
- Seeking ways for CBA to address underlying causes and drivers of vulnerabilities, which are often entrenched, such as poor governance, inequality in power, rights, access, control etc. These barriers will prevent successful adaptation by the most vulnerable.

Scaling up good practices was recognised as one of the real challenges. Such good practices must be feasible and applicable at a larger scale. Both short-term and long-term gains are needed, not just one or the other. Applying and up-scaling good practices is not innovative enough on its own, however. We need to learn from failure and share those lessons too. Investment criteria should incentivise learning from failure as well. Finally, some participants argued that we have issues that we don't have good practices for yet.

Participants felt that it was important that evidence is generated that can create wider change and justify the changes that are requested. But this is currently difficult in light of budget constraints caused by donors who do not always enable such activities to take place. One possible option is linking with research institutes to develop indicators and conduct independent monitoring and evaluation.

Discussion then moved to focus on what criteria/standards should be applied to adaptation investment decisions at all levels to ensure support for mainstreaming CBA among the most vulnerable, applying good practices and overcoming challenges. Many potential criteria were highlighted. People agreed that a fundamental requirement is for adaptation initiatives to be both participatory and 'bottom-up' – where the interests and needs of local communities form the basis for how adaptation finance is allocated, community ownership enables sustainability and people most at risk within those communities are not left out. Communities need direct or enhanced access, transparency in allocation and budgeting, and space for diversity, with systems to avoid gatekeepers and ensure accountability.

Participants argued that it takes a long time to work with communities on climate change so there is a need for long term finance. Resources for knowledge sharing and the need to translate research and knowledge so it is available to communities in a form they understand is also important. National plans should be based on local adaptation plans developed through CBA approaches. These require vulnerability assessments, and flexibility in funding to adjust programming based on results of assessments. Standards have to be feasible and achievable – one participant highlighted the Red Cross / Red Crescent ‘minimum standards for climate smart disaster risk reduction’. While sometimes there is a need for trial and error, and risk-taking activities, funding should also be built on local knowledge and proven indigenous practices.

The session also highlighted the role of micro-finance institutions, alternative financing including generating local funds, engaging diverse stakeholders including the private sector, and mobilization of resources from other established groups such as the example of Community Forestry Users Groups (CFUGs) in Nepal. These institutions can not only act as a source of finance but also entities through which finance can be channelled.

Overall the session concluded that CBA financiers need to be flexible. They need to fund local decision-making processes and the criteria for investment must be based on needs and values, with consideration of scalability and of responding to uncertainty and change over time. Planning and its financing needs to be flexible to adjust in a more fluid system - avoiding having to say at the start what concrete adaptation strategies should be implemented in later years, when the reality is that climate change impacts are all about risk and uncertainty. Financing decision making processes, climate information services and other systems would create an enabling environment for effective CBA at all levels. Process indicators of participation, inclusion, decision making etc. should be included when tracking financial flows and their reach, not only impact/hardware indicators.

**Key advocacy messages for financing adaptation to ensure the most vulnerable are included:**

- Direct access to flexible funding and budgeting: to support participation of the most vulnerable in decisions and actions at the local level at timescales related to the changing climate (extreme events, seasonal to long term), linked to better coordinated systems for analysing and strengthening adaptive capacity, integration in local development planning, climate information services, disaster risk reduction, self-help and local financial services and economic/private sector services.
- Finance for safeguards with incentives to ensure inclusion of the most vulnerable, equitable responses to diverse and multiple social/economic differences and to enable targeted social protection; risk anticipation, early warning, reduction and management through for example insurance and welfare related to extreme events, and support for changing to new resilient livelihood strategies.

**Parallel ‘out-of-the-box’ session 6: Exploring Ways of Communicating and Learning: A Game to Support Climate Finance Decision Making**

**Facilitator**

Pablo Suarez, Red Cross/Red Crescent Climate Centre

## Session details

Session participants played a climate game, designed by the Red Cross / Red Crescent Climate Centre, whereby information about risks and options can inform decisions about finance and investment. The game was fast-paced, serious fun. There were winners and losers - and prizes. More importantly, delegates learnt more about the complex relationships between climate change stakeholders, and the challenges associated with making decisions about how to finance local adaptation.

The game involved teams - rows of people in an auditorium setting. One individual on each team was a disaster manager who needed to make decisions on whether they wanted to invest in development or protect against too much rain. They consulted with the team on the decisions taken. The game was about financing and choosing what to do with resources. Individuals needed to choose if they were going to invest in development, early warning, disaster response, or disaster preparedness. The game was designed to help people understand and address the community level implications of climate change adaptation. It explained complexity and the relationship between what you do and the consequences of this. Participants felt the game taught them about adaption trade-offs, and that putting money into climate change funds could avoid the need to deal with loss and damage later on.

### Key advocacy messages emerging from session

- We have a great opportunity to set up forecast-based financing to support disaster preparedness decisions before a likely extreme event hits vulnerable communities.
- Games and other intensely interactive approaches can help accelerate learning and dialogue about core trade-offs.

## Plenary session 7: Securing Private Sector Finance for Local Adaptation

### Facilitator

Cristina Rumbaitis Del Rio, Rockefeller Foundation  
Helen O'Connor, DFID

### Session Presenters

- Thomas Loster, Chairman, Munich Re Foundation
- Colin McQuistan, Practical Action
- Luke Colavito, International Development Enterprises
- Gernot Laganda, IFAD
- Sumana Tanchangya, ICCCAD
- Olga Petryniak CARE Ethiopia

The private sector should not just be viewed as a source of funding, but also as a stakeholder with particular skills and influence which can be strategically leveraged to support adaptation efforts. The private sector should also not simply be viewed as homogeneous. It is often conceptualised as being large corporations, but private sector organisations come in a number of different guises from large multinational companies, right down to small-holder farmers.

Thomas Loster highlighted that innovative products for insurance have been and are being developed that take account of the adverse impacts of climate change. A number of services and products are being developed that support adaptation, for example, micro health insurance and insurance for infrastructure projects. There will be a risk premium attached to such products, but the premium calculation is transparent.

There can be a direct business interest in adaptation, for example from logistics and construction companies, as well as if there is a personal vested interest from a high-ranking company official. However, private sector uptake remains slow as the risk profile of projects in developing countries is sometimes perceived as being prohibitive and investors will be reluctant to incur big losses.

The private sector needs better understanding and greater literacy about the products that can support adaptation. It traditionally operates on shorter timescales than many adaptation projects, which will most likely have a longer-term time horizon. There is currently also a degree of misunderstanding and mistrust from the public sector towards the private sector. It is a commonly held view that private sector organizations are only in it for the money. There needs to be greater dialogue between private and public sector actors to help erode any misunderstandings and mistrust. For example, it may be the case that there is a lack of data (for example, from smallholder farmers) which leads to the perception that the implementation of private sector instruments will be difficult. This is not necessarily the case. Other data can often be used as a proxy, but there may be mistrust from communities as data will 'crunched through a computer' leading to the perception that it has little resemblance to real life. Another example is the perception that there is automatically a high-risk premium attached to insurance products. Premium calculation, however, is a transparent process. Responding to a query on reliance on government subsidies for micro-insurance, Thomas Loster stated that micro-insurance should be stand-alone, as it would flounder if the government were to subsequently withdraw subsidies.

Colin McQuistan described how the development community recognises that the private sector is indeed a valuable stakeholder in climate change actions, but that progress has remained slow. Echoing the opening remarks by Cristina Rumbaitis Del Rio, Colin McQuistan stated that the private sector should not be viewed exclusively as a source of funding, but also in terms of its expertise and skills. It should be regarded as a stakeholder in CBA because private sector actors can add value to adaptation projects, bringing different perspectives and new opportunities to projects and helping improve efficiency. Private sector contributions should not be viewed exclusively from a Corporate Social Responsibility (CSR) or philanthropic perspective, but rather in terms of how they can genuinely contribute skills and expertise; not just cash. The development community should consider ways in which to move the private sector away from just looking at mitigation projects, and more towards adaptation projects. Alliances with the private sector can be built to mobilize its many diverse skills, matching those needed by poor people on the ground. Private sector partners can mobilize skills and expertise across multiple fields, hence contributing to building overall resilience. Through market-based approaches, the private sector can contribute to building resilience and to more proactive mechanisms that explore markets and risk reduction.

Gernot Laganda stated that there is often the temptation to conceptualise the private sector and the public sector in rather simplistic terms. This can be counter-productive as it does not recognise the broad diversity of the private sector. It is essential to include small businesses in the discussion on financing adaptation. This is where 'value chain systems thinking' can play a useful role and help offer access for small businesses to finance activities. This involves consideration of each actor in the chain, and the role that they can play. This can include the following actors representing different stages of the value chain: input supplier, producers, agroindustry, wholesale, retail, and finally the consumer at the other end. There is a currently a

gap in the training around how larger finance institutions can work with smaller businesses. However, financial institutions, policy institutions, insurance organisations, logistics companies, consulting firms, research organisations and development partners all have an important role to play as facilitating agents. Innovation pays off in value changes. The private sector is very diverse, and small businesses are critical agents of change.

Luke Colavito described the Initiative for Climate Change Adaptation (ICCA) project in Nepal, which was funded through USAID's Development Grants Program (USD 2.3 million). There are a number of partners involved in the project: International Development Enterprises (IDE), Rupantaran and RIMS, as well as local NGOs. ICCA is piloting innovative approaches and providing technical support to the larger USAID Hariyo Ban programme. It will directly benefit 20,000 households (100,000 people). Under the project, the private sector is enabling sustainable organization of farmers around community managed collection/processing centres for adaptation planning. Farmer organizations provide the guarantees needed by financial institutions for loans for products and services supporting adaptation. Extending input supply to the last mile enables the delivery of supplier credit for micro irrigation and other adaptive products. Luke Colavito explained how public-private partnerships were key in weak markets, and how ICCA projects facilitated 5,000 adaptation loans to small and vulnerable farmers in six districts in 2013.

Helen O'Connor discussed how public finance could be better used to stimulate private sector engagement in building disaster resilience and preparedness for climate change risks. The private sector has a number of opportunities to grow in developing and emerging economies, but needs to factor in the practical risks and costs of doing business in these countries. Natural hazards and climate change can negatively impact foreign investment, and financial losses may be incurred as a result of climate change. Impacts from natural hazards and climate change can affect a company directly through its own operations or indirectly through its value chain. Opportunities to scale up public-private collaboration on building resilience remain largely untapped; resilience and adaptation are often viewed as the sole domain (and responsibility) of the public sector. At the same time, the private sector needs to understand the return on investment of resilience building actions, and examine and trial different approaches to reducing/avoiding risk. Prospects also exist for the private sector to develop new and innovative products and services for building resilience. This can bring about economic benefits through growth and jobs, but also reduces vulnerability and risk.

There are a number of barriers to private sector investment. For example: lack of relevant risk information; lack of capacity and skills required; lack of access to credit to implement resilience measures or capitalise on market opportunities; poor regulatory environments; and infrastructure limitations. Helen O'Connor outlined four key areas for private-public sector action:

- (i) Improvement of the enabling environment through better regulation and the removal of corruption.
- (ii) Better management of risk, and information surrounding risk.
- (iii) Support innovation.
- (iv) Better coordination between private and public sectors.

#### **Key advocacy messages emerging from session**

- The private sector should not just be viewed exclusively as a source of funding, but also as a stakeholder with particular skills, expertise and influence that can be strategically leveraged to support adaptation efforts.

## Parallel session 8: Low-cost options for CBA

### Facilitators

Caroline Borchard, Plan International  
Neera Shrestha Pradhan, ICIMOD

### Session Presenters

- Madhav Karki, ISET-Nepal
- Alvin Chandra, OXFAM Australia
- James Totton, International Centre for Climate Change and Development
- Amsal Ginting, World Vision
- Pratima Shrestha, CARE International, Nepal
- Walter Adongo, World Agroforestry Centre – ICRAF
- Vu Thi My Hanh, Challenge to Change, Vietnam

The session sought to address what to do in the absence of significant funding from bilateral/international sources. Options include sourcing local funding through integration into local development funding, microfinance and crowd-sourcing, social capital, non-monetary support and in-kind contributions. Investing in children/youth is central to this, as is volunteerism. The session also explored the challenges for low-cost CBA options, and how to move beyond the project level and do low-cost options at scale.

Neera Shrestha Pradhan opened the session by explaining that many viable adaptation options can be implemented at low cost or at high cost/benefit ratios. Since communities are already working on adaptation plans naturally in response to shifting and newly challenging environments, we should examine low-cost options to support these efforts, while linking to mid-and high-level coordination and planning. This can channel funding and microfinance into local low-cost CBA work. It is crucial to support growing community capacity to cope with climate change by exploring, documenting and sharing what is happening already (leveraging local knowledge for broader learning), while also exploring and documenting low-cost and high-cost-benefit-ratio funding options to strengthen and expand community capacity for adaptation and climate resilience.

We need to shift our attitudes about poverty and abundance to include capacities, knowledge and resources, and approach our work with communities by first identifying all the resources and capacities they have at their disposal. Activities must first and foremost support low-cost, effective and appropriate community adaptation activities, and harness existing capacity to leverage inputs and potential financing for more effective and broadly disseminated CBA programme work. CBA resource centres are valuable for building up knowledge and learning about climate change and supporting community adaptation plans.

Caroline Borchard asked how to mobilize communities to invest their own time and energies in adaptation. Pratima Shrestha responded by explaining how Community Adaptation Action Centres in Nepal are used to explain to people what climate change is, help them recognize its impacts, and support community adaptation plans. It is very important that local communities are engaged in the process, and that district level, mid-level and national level governments are linked into community adaptation plans so that government can align its policy accordingly.

In response to a question about what kind of adaptation options are available - high tech or other alternatives - Madhav Karki explained that climate change is a science, and adaptation needs knowledge, technology and finance. There are national level knowledge gaps so local communities use traditional, local, indigenous solutions based on local knowledge, culture and historic coping methods. ISET works to link these indigenous solutions to the Government of Nepal's Climate Resilience plan. Work has confirmed that local solutions are cost effective, accessible, affordable and available locally. For example, traditional societies have developed wooden suspension bridges across the country in mountainous and riparian terrains as an adaptation to mountain living. Traditional indigenous knowledge is rich and needs to be documented to identify best practice and low-cost solutions. Communities want to dialogue with the scientific community. Knowledge fusion (indigenous knowledge and scientific innovation/knowledge) has already begun, but right now in Nepal, indigenous knowledge is not recognized or promoted by the government or in official spaces. Indigenous knowledge needs recognition and promotion as a crucial component of adaptation planning.

Amsal Ginting described some examples of low-cost adaptation options in Indonesia, where he works with over 30 different examples of local technologies. Communities drive the process and determine what is needed. Most importantly they are a part of the process. If you are talking about bringing hope, then you are talking about children. Focus on the future of your children, and people respond and do something about it. They are concerned about their children's welfare, and that moves them to do something. Amsal Ginting described work where children's names were placed on trees and people were asked to care for them as they would a child. Tree conservation is bringing back water and food security.

Vu Thi My Hanh then described some examples of low-cost CBA funding in Vietnam where she has been working. An examination of city people and community climate change vulnerability resulted in an action plan that people took to the local authorities. Local authorities were then persuaded that young people were capable of implementing change. Funding was secured for showing how young people in cities could explicitly demonstrate their own capabilities in terms of addressing climate change vulnerability. Some 12 youth initiatives emerged, none of which cost more than USD 5,000. One youth group working at the department of technology and science provides support to local urban farmers dealing with the threat of losing their land and no longer being able to grow food for their households. Hydroponics can provide solutions here and the youth have linked this to climate change. Hydroponics also supports infrastructure development and saves water and space.

Alvin Chandra then described Oxfam's work on micro-finance, which demonstrates a no-regrets win-win approach. Oxfam is quite active in tracking climate finance and Oxfam research shows that microfinance has catalytic potential in terms of channelling funds from the national level. In the risk management / business context, a portfolio needs to be diverse. CBA must thus look at a range of activities including improved resource management to spread risk across programmes. Credit schemes and micro-finance can support livelihoods in vulnerable local systems. Savings models also provide women with more reliable access to funds. Such schemes are also compatible with traditional knowledge and practices. Savings schemes in East Asia and the Horn of Africa helped provide target groups with financial literacy and training on business and agricultural issues. They reached the most vulnerable groups and provide a good entry point for CBA initiatives.

Responding to a query on how to help communities make informed decisions, Walter Adongo explained how every community always wants to make you believe they are poor, so ICRAF is using the ABCD model (Asset Based Community Driven development). If you begin by seeing the glass as half full instead of half empty then the process of developing adaptation plans with the community can begin. First choose low-hanging fruit, for example what the community can do with minimum or no external support. Starting this way makes it easier for communities to own

the process. Communities are then able to carry out a value-chain assessment and identify where they fit in the value chain. If a community collects information for their own purposes, it will be very different than when an outsider collects data. It will be more accurate and appropriate to their needs. This process seems simple but has a number of associated challenges, one being our perception and our language. If we start by always referring to the 'poor' and focusing on poverty, then from where do we derive power? If we begin instead with recognizing community capacity and resources then an appropriate process whereby communities start reorienting their thinking and appreciating themselves and their intermediaries can begin.

Caroline Borchard then asked how to connect people in order to fund small activities. James Totten described crowdsourcing as one possible solution. This involves international online scale small loans, linking those who need and those who give without money getting lost along the way. For example, communities requiring small amounts of money could receive this from oil companies. To do this requires a website, community outreach and a 'sales pitch' for funding. Where internet access is weak, local NGOs could help by uploading information onto the site. This could be a good project for youth groups to take on.

The session then moved into breakout group discussions, summaries of which are described below. Each of these looked at good practices and enabling factors for low-cost CBA options; challenges; and recommendations for sustainable low-cost CBA options at scale.

#### Group 1: Social mobilization, community resources and local development

- Community empowerment must be the foundation of whatever is done. This must involve education, awareness raising and community engagement to ensure process ownership.
- Involving local institutions in planning and implementation is key. This includes local government, NGOs, faith organizations and schools.
- Scaling up pilot initiatives needs resources, and communities need to know what resources are available.
- Strong community leadership is needed.

#### Group 2: Indigenous knowledge

- Indigenous traditional solutions are low-cost solutions. Many regional / local practices have indigenous roots, but not enough, and finance is critical. Some outside finance helps boost efforts and is needed to sustain practices.
- Indigenous and traditional practices and links to culture must be recognised and valued by society. When owned in this way they will be perpetuated. We need knowledge systems to merge, diversify and learn from each other. Knowledge fusion in this way will enrich lives and help with adaptation challenges never seen before.
- Institutions are part of society and need to be part of the solution. This needs networking, capacity building, accessing resources etc.

#### Group 3: Microfinance practices and challenges, low-cost finance options and value chain assessment

- Look at adaptation through a development lens.
- Priorities are different between donors, the private sector and local communities. Differing priorities need merging to form an appropriate and effective plan of action.
- Local communities need to develop their capacities to access finance and grants, and build awareness.

- Community adaptation plans need a range of components and a range of people to access.
- The poorest and most vulnerable need specific targeting.

Group 4: Explore youth engagement (youth are most vulnerable in some ways, but also powerful and must be brought to the table)

- The main challenge with youth is how to ensure sustainability, because it's a moving, shifting, changing group. We need to link youth with elders and also with institutions for education, support and guidance. This will help ensure sustainability.
- Grants / stipends can help youth engage with CBA work, mobilize them, support their innovative ideas and provide some employment.
- Youth capacity building to raise awareness around climate change can use technology and should be fun to keep them engaged. This will help ensure sustainability.
- Young people can help ensure knowledge and information is disseminated to reach the most vulnerable.
- Youths need a proper platform to access low cost options.

#### **Key advocacy messages emerging from session**

- Social mobilization and leveraging community resources: local institutions and diverse representatives of community groups need to be involved in the planning process and their capacity built to access financing for CBA for the sustainability of low-cost options.
- Local and indigenous practices: document and recognize traditional indigenous solutions for coping, adapting and resilience, and enable dialogue with the scientific community to learn and improve local traditional low-cost adaptation options for 'fusion CCA knowledge'.
- Microfinance and small direct investment: building on local capacities to leverage resources is a key strategy for developing low cost options to finance CBA efforts. Microfinance for livelihood diversification and risk distribution is a win-win option and innovative technology methods such as crowd sourcing can be facilitated to improve direct access to small credit and microfinance for community adaptation plans.
- Youth engagement: youth need to be engaged in CBA planning and funding efforts, building their adaptive capacity through creativity, energy, innovation and high tech capacity for problem solving. Engaging and creating a platform to connect them in fun way and providing incentives through small funding will make their involvement naturally sustainable.

### **Parallel session 9: Securing Finance by Mainstreaming Adaptation into Sub-National Government Development Planning**

#### **Facilitators**

Farah Kabir, ActionAid Bangladesh  
Penny Urquhart, independent consultant

#### **Session Presenters**

- Omarou Tankari, CARE International Niger
- Mark Abkowitz, Vanderbilt University, US

- Gabriel Kulwaum, The Nature Conservancy
- Boonthida Ketsomboon, Raks Thai Foundation Thailand
- Brandon Wu, ActionAid
- Govinda Kharel, Ministry of Science Technology and Environment, Nepal

Omarou Tankari discussed experiences and challenges from Niger related to mainstreaming CBA into local development plans and budgets. Mark Abkowitz then outlined emerging lessons from the Tennessee Department of Transportation's (TDOT) efforts to holistically assess the vulnerability of the regional transportation system, both existing and planned, to extreme weather events. He described the projects mandate to integrate assessment findings into the planning of transportation investments, and the allocation of operational funds. He noted that these risk management decisions would affect TDOT's asset management, design and construction standards, use of building materials, and interactions with its community partners. He mentioned the challenge of addressing 'climate change' in the USA, which requires him to discuss or approach it as an extreme weather-related problem.

Gabriel Kulwaum discussed the local adaptation efforts being undertaken in Manus province, Papua New Guinea (PNG). He noted that although many of the planned community-level adaptation strategies would be low-cost, many communities in the area are still largely subsistence-based and thus there is a lack of funds available within communities to finance such adaptation measures. He explained that many local communities in PNG have decided to target government funding to finance adaptation. He discussed how PNG has a centralised system of governance, and that funding to support communities is disbursed through the national government out to the provinces. He stated that all provinces and local government areas need to develop a plan with specific development actions in order to receive any funding. He outlined how CBA planning in Manus is being mainstreamed into regional and national government policies and funding streams to support adaptation.

Boonthida Ketsomboon discussed how, as a result of decentralisation in Thailand, the state has provided local administration organisations (LAO) with a certain degree of autonomy in providing services and development planning. He described how each LAO must establish a local development committee responsible for the three-year local development plan, which will be developed with participation from the local people, as laid out in the community plan. He added that the LAO collect a small amount of revenue through local property taxes etc. but this is barely enough to fund meaningful local initiatives. He stated that local government can submit project proposals to the provincial administration in order to seek funds to implement projects that are beyond its financial capacity.

Brandon Wu described lessons learnt from ActionAid's 'Financing Local Adaptation' research in Bangladesh. He outlined the challenges related to attracting financing from international climate finance sources and institutions, and domestic challenges related to channelling finances to local adaptation measures. He emphasised the need for investment in local government to ensure their 'readiness', and building their capacity for securing climate finances.

Govinda Kharel discussed efforts in Nepal to mainstream adaptation into local development planning and budget cycles, under the current agenda for decentralisation.

The session highlighted the constraints to leveraging adaptation financing through the sub-national mainstreaming process. However, the panel noted that these constraints are endemic to the decentralisation process, and must therefore be addressed within the framework of decentralisation. Panellists noted that decentralisation is still young in Asia.

Contributors unanimously agreed that local government has a critical role to play in supporting autonomous adaptation. However, a lack of local government capacity was highlighted. Contributors asked for greater investment in capacity building of local government bodies, enabling them to effectively access and manage climate finance, specifically to support CBA. Specifically, local governments must be aware of international financing reaching the national authorities, and how they can access those funds.

Discussion emphasised that the mind-sets of civil servants within government structures has not been conducive to prioritising climate change, and therefore planning to support CBA initiatives has been slow. Delegates called for equity and gender sensitivity to be incorporated into financing processes.

Delegates urged for further discussion around the design of the National Designated Authorities under the Green Climate Fund (GCF), and argued that this is currently a critical period for influencing the planning and structures of these National Designated Authorities. Delegates agreed that the National Designated Authorities should be multi-stakeholder collaborations, including representation from a range of government sectors, civil society, research and academia, and the private sector. The session called for strong representation from local government, as well as from NGOs and community-based organisations working at the community-level. National Designated Authorities should share lessons learnt from within their country through negotiations under the GCF.

#### **Key advocacy asks emerging from session**

- Given the critical role of local government in supporting community-level adaptation, including for the most marginalised and vulnerable people, significant investment in local government capacity building should be made to develop the readiness to access and manage climate finance. There should be a clear understanding that this should be an ongoing and iterative long-term process. Local government should be encouraged to be innovative in mobilising and matching local resources.
- National Designated Authorities (NDA), established under the GCF, should be multi-stakeholder collaborations between a government, civil society, research institutes, and the private sector, with strong representation from local government, and NGOs and community-based organisations working at the community-level. Information flow must be ensured so that the full range of stakeholders at different levels is informed of the scope and funding potential from the GCF.

### **Parallel 'out-of-the-box' session 10: Experiential Lobbying and Dialogue**

#### **Facilitators**

Bettina Koelle, Red Cross/Red Crescent Climate Centre  
Peter With, Southern Voices  
Vositha Wijenayake, CANSA

#### **Session details**

This was an interactive learning session aiming to explore ideas and possible avenues for effective dialoguing while also demonstrating that experiential and participatory learning can

allow us to think more 'out of the box' and come to more innovative solutions to complex challenges.

Session participants played a negotiation game, which demonstrated the challenges faced when we need to negotiate while having access to scarce resources. Props were used: simple furry wire brushes of various lengths to split all 33 participants into three groups. Splitting the participants into groups in this way allowed them to better understand the seven steps of lobbying, which are:

- 1) Defining the issue
- 2) Identifying decision points
- 3) Identifying decision makers
- 4) Identifying tools and actions
- 5) Choosing points of dialogue
- 6) Identifying skills needed
- 7) Implementing your plan, monitoring and adjusting

In order to critically explore and experience these steps, the game played was based on a community developing a lobbying strategy to ensure continuous access to safe drinking water throughout the year for everyone in the village. Active lobbying and dialoguing began in the sub-groups. It soon became apparent that dialogue amongst a resource poor community can be challenging.

The game identified the complexities of sound communication and dialoguing – in this case to access local level adaptation funding. In the reflection session that followed participants appreciated the willingness to listen and collaborate as a strength, while noting that different power structures within each community potentially limited broad community participation. Progressive strategies around responding to the complex challenges were developed and collaboration blossomed. However, some communities were suspicious of 'outsiders' and sometimes 'ambassadors' were literally side-lined from the discussion, their voices not being heard. Others realised the power of combining community resources, because ultimately each community was after the same end goal: a secure fresh water supply.

The session also highlighted the importance of culture and the need to choose culturally sensitive forms of dialogue and communication. When seeking external support - financial, technical or even a media presence to highlight their vulnerability - communities often didn't understand how to effectively use available channels to promote their interests and make their voices heard.

How does this translate into the real world, where simulations like this can, if communication falters, cost lives? Well, again, the same themes are highly visible: trust, culture, communication and perspective. If you can't get these right it is hard to lobby your case effectively to those with the power to help.

#### **Key advocacy messages emerging from session**

- We must critically interrogate our assumptions for local level adaptation so that we avoid maladaptation.

## Parallel session 11: Accounting for Natural Capital in CBA

### Facilitator

Hannah Reid, IIED

### Session Presenters

- Judy Oglethorpe, Hariyo Ban programme, Nepal / WWF
- Fonda Lewis, Institute of Natural Resources, South Africa
- Dharam Uprety, Multi Stakeholder Forestry Programme (MSFP)
- Monica Pearce, Rare, US
- Muanpong Juntopas, Asia Foundation – Thailand
- Ajaya Dixit, ISET-Nepal
- Oscar Guevara, WWF

Hannah Reid outlined some of the key issues at the start of this session. Poor people are disproportionately reliant on natural resources such as timber, fish, grazing and wild medicines for their subsistence, well-being and livelihoods. Ecosystem-based approaches to adaptation (EbA) involve the use of biodiversity and ecosystem services to help these and other people adapt to the adverse effects of climate change. This can involve the use of genetic diversity and traditional knowledge about native species to adapt to climate variability and change. Well-managed, stable, diverse ecosystems are also providing adaptation benefits. For example, coastal mangroves provide protection against cyclone damage and storms, wetlands act as floodwater reservoirs, and well-vegetated hillsides reduce risks from erosion, landslides and downstream flooding when rain comes in heavy bursts. But ecosystems are also vulnerable to climate change and other stresses. They have limits beyond which they cannot adapt and hence support human adaptation. Like CBA, EbA should also be a community-led process, based on communities' priorities, needs, knowledge and capacities, which should empower people to plan for and cope with the impacts of climate change.

There is some evidence to suggest that EbA can be a cost-effective approach to adaptation and considerable evidence to suggest that it can generate a multitude of social, economic and environmental co-benefits. But quantifying these benefits is difficult and strong evidence about the benefits (and costs) of EbA is lacking. This and the lack of clarity about how to finance EbA can dissuade policy makers from choosing such approaches over alternative adaptation options. This session therefore addresses the issue of how we can better account for and incorporate the value of natural capital in adaptation planning.

Judy Oglethorpe introduced the concept of EbA and the challenges of accounting for the value that ecosystems and ecosystem services can provide in the context of adaptation. She described Lessons from Community-Based Natural Resource Management initiatives and schemes involving Payments for Environmental Services, along with more recent lessons from the Hariyo Ban Programme in Nepal.

Ecosystems play a central role in helping people adapt to the effects of climate change. Within this context, Judy Oglethorpe emphasised the need to “embrace EbA and CBA, integrate both approaches and work with the communities.” At the moment EbA and CBA approaches have not yet fully converged. She emphasised that what is missing from EbA and CBA approaches is the glue. Once found this will bridge these two schools of thought. To address the gap between EbA and CBA, Judy Oglethorpe called for a deeper understanding of existing and likely future changes to ecosystems that communities depend on, whether directly or indirectly.

As a consequence of global environmental change and climate change, the world is no longer 'static' and conditions within the biosphere are changing. Tipping points are gradually being reached, the downside of which is that as soon as one is crossed, ecosystems stop functioning and in worst case scenarios they can collapse. Judy Oglethorpe explained that enhancing forest resilience is one way to stop such devastating tipping points being reached. This could be achieved by restoring forests, but such approaches can potentially lead to maladaptation. Interventions must not exacerbate ecosystem vulnerability. We need to build the resilience of ecosystems and ensure they can provide their services for as long as possible.

A key challenge for EbA remains access to finance, or rather making it attractive for investment. At the moment successes have only really been achieved where there has been a market for ecosystem services such as timber and fish. Whilst there are some products that can easily be sold in the market place, there remain plenty that are still undervalued and for which no formal market exists, such as medicinal plants.

Judy Oglethorpe listed further examples of the benefits of ecosystem services for communities in the global South alongside the pro-poor benefits realised from ecosystem protection, such as insurance for poor communities. Whilst understanding the key role that ecosystem services play is important, Judy Oglethorpe highlighted a number of lessons that have already been learnt in the field of EbA, for instance:

- Empowering local communities is crucial.
- Management plans need to be climate smart for ecosystems.
- Marginalised people must have access to resources.
- Promoting transparency, which helps build confidence, is crucial if communities are to receive additional climate finance.
- Specific mechanisms that are available include funds for community forests, revolving funds, and payments for ecosystem services. These should lead to better resource management and allow for adaptation payments at different scales. Hopefully by following these approaches maladaptation will be avoided.

Challenges still remain, however, such as the need to find ways to pay for adaptation at the local level.

Opening the facilitated discussion that followed Judy Oglethorpe's presentation, Hannah Reid asked Fonda Lewis why we should look to harness the potential of natural capital and ecosystem services in CBA more. Fonda Lewis reiterated the local level focus of EbA approaches and the need for local communities to manage their ecosystems better. This can be achieved using an ecosystem services approach. Her work in the Lesotho highlands was used to demonstrate this. People here live in an important water catchment, but presently many cannot make the connection between source and end-user. Projects should therefore link people together within the entire water catchment using an ecosystem services approach. Projects and programmes also tend to target the 'easiest' ecosystem services such as firewood and agriculture.

Fonda Lewis emphasised that EbA and CBA are not just about rural people. Rather, EbA and CBA interventions should target urban landscapes as well. Practitioners are increasingly realising the importance of rural / urban links, with some beginning to address these gaps.

Dharam Uprety was then asked to share some examples of what EbA has done for forest dependent communities in Nepal. He described the co-benefits of good forest management and how this can improve downstream water quality. To facilitate project resilience, Local Adaptation Plans (LAPs) adopted two approaches to rebuilding forest ecosystems: mitigation and adaptation. Dharam Uprety then returned to the perceived gap between EbA and CBA

approaches discussed earlier, saying that social ecological resilience was key and that the capacity of forests and local people to adapt is hard to separate at the local level.

Muanpong Juntopas was then asked to describe an example of what happens when there is no planning for adaptation at an ecosystem scale. She described the effects of the 2011 floods that devastated Thailand. These showed that river management doesn't respect provincial borders, and that it is only when a crisis hits that people know they are vulnerable. Not every disaster can be attributed to climate change, however, and the impacts of human mismanagement can exacerbate the impact of disaster events.

Ajaya Dixit was then asked about the importance of understanding the impacts that climate change can have on ecosystems themselves. Ecosystems have limits beyond which they can no longer support human adaptation, but evidence of this in the scientific literature is in short supply. He described his work in Nepal looking at ecosystem vulnerability, and identified three related challenges. Firstly, there are knowledge gaps about climate not related to the effects of climate change. Secondly, it is difficult to attribute local changes to global climate change. Lastly, we need to understand the vulnerabilities of ecosystem services, how to manage ecosystems and how to build their adaptive capacity to absorb any shocks better. Ajaya Dixit explained how his research was important for trying to assess and incorporate the value of natural capital in CBA planning because it disaggregated issues and brought specific ecosystem impacts to the fore.

Under community-based natural resource management initiatives, the short-term provision of direct and visible incentives for sustainable natural resource management was apparent in the form of income secured from wildlife concessions. For EbA and CBA, however, it is less clear where these incentives could come from because in most cases, international and national systems for financing local adaptation are absent or in their infancy.

Nevertheless, a number of financial instruments exist that can capture the value of natural capital and ecosystem services and deliver climate change adaptation to local communities. Fonda Lewis described approaches in the Lesotho highlands that clustered a range of funding sources to pay for different aspects of adaptation. She emphasised that finance must be performance based, however, and that monitoring and evaluation programmes must be established to feed information from projects back into planning.

Monica Pearce described RARE schemes involving payments for watershed services that have lessons for the potential delivery of finance for CBA. Under these schemes, downstream water using communities make payments to upstream landowners and managers such as farmers and ranchers in order to support sustainable upstream land and water management and to make related land uses more competitive against other potential land uses such as clear cutting for agriculture. These RARE schemes provide finance and respond to both short- and long-term challenges using Reciprocal Watershed Agreements, which are locally designed, financed and managed. Success depends on three core elements:

1. A permanent financial mechanism that secures financial resources from the water users to ensure long-term investment in watershed protection. This is typically decided upon by the community and usually comes in the form of a tax.
2. A local institution to establish the financial mechanism, implement the contracts and ensure long-term commitment.
3. Long-term reciprocal agreements that are signed between local institutions and land owners through a one-on-one negotiation where the commitments of both sides are clearly established.

When asked about how differing local conditions affected these RARE schemes, Monica Pearce explained that the three elements described above are central to the success of any payment for watershed services scheme, and necessary if work is to be scaled up and applied in different locations, contexts, cultures etc. Such schemes can be applied in a number of different scenarios where a community is dependent upon a depleting or degraded environmental service. Other examples include forest restoration projects in China and wildlife conservation in Africa. The Reciprocal Watershed Agreements model is special because it can be adapted to local situations and because it is locally designed and financed. In RARE's 22 sites you will see finance coming from different sources ranging from taxes to government subsidies to long-term grants. Upstream landowners also determine their own incentives for watershed conservation, with payments from downstream communities supporting a range of activities including buying fencing to protect the water from livestock or bee boxes for honey production. These materials and activities are all selected through consensus by the land owners. The ability of these schemes to adapt to differing local conditions means the communities themselves have higher adaptive capacity, and site resilience to climate change will be higher.

Securing and channelling finance for CBA or EbA requires a strong institutional and governance framework that can address challenges at an ecosystem level. Insufficient attention has been given to this in EbA initiatives to date. Muanpong Juntopas commented on the importance of institutions and governance following the mega flood of 2011 in Thailand. Government took action after the flood, but civil society was strong in its criticism of the government response as it felt actions taken exacerbated the problems faced by ecosystems. Government also proposed new legislation and took steps to feed community experiences into the post-disaster response.

Another key emerging issue in EbA is how to move from standalone projects to implementing actions at scale. The main way to do this is through mainstreaming into existing national development and climate change planning. Oscar Guevara shared some of WWF's experiences of mainstreaming at the institutional level in Colombia. Here, communities decide what they want for the future and the price that they are willing to pay. Production systems are acknowledged as part of the ecosystem and they identify and value the ecosystem services on which they depend. This is even true for protected areas, which he argued should be treated as 'supermarkets of ecosystem services' instead of 'cathedrals / museums of biodiversity'.

Dharam Uprety then described how the Multi Stakeholder Forestry Programme (MSFP) in Nepal has been able to operate at scale and reach many thousands of people by mainstreaming activities into state and non-state planning processes. Successes centred on integrating CBA at different scales into the Local Adaptation Programme of Action (LAPA) planning process.

Questions and comments from the floor were varied. The need to consider the role of EbA in urban areas, in particular in south Asia, was stressed, and also links with disaster risk reduction work. Policy makers are often afraid to look at these issues simultaneously, so potential efficiency gains and benefits from mainstreaming are lost. Considering both also means that individual projects and programmes can save money when financing adaptation. Several comments focused on the need to avoid treating CBA and EbA differently. Both involve people and both will benefit ecosystems and communities. Approaches integrating the two are the best way forward.

#### **Key advocacy messages emerging from session**

- Ecosystems provide a wide range of ecosystem services to help vulnerable people to adapt to climate change as well as playing an important role in climate change mitigation. Building resilience of ecosystems to climate change is very important so that they continue to provide services for as long as possible, including food, clean water,

shelter and income for communities. Taking action now is likely to be much less costly than delaying until later.

- Care must be taken so that disaster risk reduction efforts, done in haste, do not undermine the long-term sustainability of ecosystems on which all life (urban and rural) depends.

## Parallel session 12: Financing Adaptation in the LDCs

### Facilitators

Prakash Mathema, Joint Secretary of the Ministry of Science, Technology and Environment, Nepal; Chair of the LDC Group of Negotiators in the UNFCCC Process  
Krishna Chandra Paudel, Secretary, Ministry of Science, Technology and Environment

### Session Presenters

- Batu Uprety, Chair, LDC Expert Group
- Nanki Kaur, IIED
- Arif Faisal, Asian Development Bank
- Allan Dauchi, Senior Environmental Management Officer, Ministry of Lands, Natural Resources and Environmental Protection, Government of Zambia

Prakash Mathema opened the session with an overview of two key issues for financing adaptation in the Least Developed Countries (LDCs): ensuring that funds are properly allocated and that the level of resources is commensurate with needs. The keynote presentation was given by Krishna Chandra Paudel, who highlighted some of the challenges of financing adaptation in LDCs, including reaching the most vulnerable communities, scaling up successful programmes and policies, creating an enabling environment and building capacity. To access and utilize adaptation finance effectively, good governance and multi-stakeholder approaches are necessary. He also suggested that low-cost strategies could also be explored further and processes for accessing funds could be simplified. Finally, Krishna Chandra Paudel stressed the importance of tracking adaptation finance to determine if it is meeting needs.

Following the keynote presentation, Batu Uprety provided an overview of Nepal's climate change budget core, through which the government is dedicating funds toward climate change activities, which include strengthening institutional capacity to address climate change. The aim of the climate change budget core is to ensure that climate finance is transparent and accountable and to establish a clear mandate for monitoring, regulating and managing the funds. Eighty percent of the funds are dedicated to supporting activities at the local level.

Nanki Kaur began her presentation by stressing that most of the funding for activities to address climate change is for mitigation and remains in countries of origin rather than flowing to LDCs. However, instead of waiting for funds many LDCs are putting in place national financial mechanisms and designing financial planning systems to finance climate change adaptation activities. For example, Rwanda has developed the Environment and Climate Change Fund (FONERWA) and Ethiopia has created the Climate Resilient Green Economy (GRGE) Facility.

Arif Faisal described some initiatives underway in Bangladesh, including mainstreaming climate change resilience into development planning, the Pilot Program for Climate Resilience (PPCR) from international climate finance, and the establishment of the Bangladesh Climate Change

Trust Fund (BCCTF), a national government initiative. He maintained that larger funds can run into delays in processes as well as start-up delays and that unless there is good operational knowledge, implementation can be difficult. In addition, he suggested that government and civil society could work in a more harmonized manner and that more flexible funding mechanisms could expedite and enhance access to global climate funds.

Allan Dauchi said that the PPCR is also working in Zambia where it is supporting infrastructure development and helping to build resilience to climate change. Zambia is also developing a climate change policy framework to coordinate both resources and activities to address climate change. However, many sectors are not yet budgeting for climate change activities, which makes leveraging resources challenging.

Other initiatives in developing countries were highlighted during the session discussions. For example, Kenya has developed tools to leverage private sector investments and is also encouraging dialogue between the public and private sectors to raise awareness of private sector investment. Small and medium size enterprises are finding it difficult, however, to access finance from private sources because of a preference for short-term projects with high returns. In Cambodia, civil society organizations have successfully lobbied the Asian Development Bank to provide four million USD for community-based activities. In addition, the Ministry of Environment has established a Climate Change Trust Fund under which three national and three international NGOs can obtain funding. Other countries have also ensured that NGOs can access national climate funds. In Bangladesh, the BCCTF has a window through which NGOs can access funds although it has been found that few have the capacity to do so. In addition it is difficult to track the budgets of NGOs and INGOs.

During the discussions several participants highlighted the importance of tracking adaptation funding from international commitments to what actual arrives in countries and how far it goes towards addressing needs on the ground. The importance of ensuring that processes are fair and equitable was also stressed. However, it was also suggested that the expectations of LDCs could be more realistic.

Before closing the session, the co-chair Krishna Chandra Paudel summed up the session, asserting that although some countries have mobilized funds from national budgets there are still significant gaps between the funding that is available and the level of resources needed to address LDC adaptation needs. In addition, the capacity of national governments will need to be built and institutions developed and harmonized to implement new initiatives. Although there are many challenges, the implementation of innovative financing mechanisms should be seen as iterative processes, and the lessons learnt in one developing country can be applied to others.

#### **Key advocacy messages emerging from session**

- There have been a lot of initiatives in LDCs to finance adaptation. However, there remains a significant gap between the financial resources that have been accessed and those that are needed to facilitate adaptation in LDCs. This needs to be addressed.

## Parallel 'out-of-the-box' session 13: Microfinance for Adaptation: Rethinking Insurance as a Key to Unlock CBA

### Facilitator

Pablo Suarez, Boston University

### Session details

This was an innovative and participatory games session on the theme of microinsurance and climate change. It built upon the 'R4' programme for risk management in Ethiopia led by the UN World Food Programme and Oxfam America. The purpose of the session was to learn through a game experience how microinsurance can, as part of a package of solutions, help communities manage the risks posed by a changing climate. Additionally, the session aimed to inform participants about the complexity of decision making about future risks.

Games provide an innovative way of accelerating learning and dialogue amongst different stakeholders and exploring different management options. Such approaches are invaluable in a world where the past increasingly no longer reveals what the future holds.

At the start of the session, participants were asked to write on cards words they associated with microinsurance. This task was then repeated at the end of the session to see how people felt about microinsurance had changed through the use of a game experience.

The words that participants associated with microinsurance were derived from their knowledge of microinsurance but also their own personal experiences with insurance. Consequently it was no surprise that participants highlighted negative associations such as 'complex', 'small print', and 'late payment'.

The positive associations that participants had with microinsurance were that it offers guarantee safety, and assurance. However, the majority of associations that participants made were conceptual, perhaps reflecting that awareness amongst many regarding the potential role that microinsurance can have in combating the negative impacts of climate change still rests at this level.

Participants then started the game in which they took on the role of marginalised farmers suffering from both the effects of poverty and climate change impacts. With limited information, they confronted choices about how to allocate their limited time and resources. The game involved a series of stages in which increasing complexity was introduced and the associated need for them to work as a community, making individual decisions with collective consequences. Choices included farming, 'food for work', and 'insurance for work' (an innovative approach pioneered by the R4 pilot, whereby farmers contribute their labour for resilience-building endeavours, and external partners monetize that labour to pay the insurance premium). Participants confronted the trade-offs between guaranteed income (through 'food for work') and improved risk management through insurance instruments.

The ability to learn through an interactive game as opposed to the numerous presentations and panel discussions that were the norm for the conference was well appreciated by session participants. The decisions that participants had to make during the course of the game involved decisions with realistic outcomes, just like risk management measures have in the real world.

At the end of the session, participants were asked to repeat the word association task. There was a clear trend towards more positive associations such as 'long term resilience', 'innovative financing', 'security', 'less risk' and 'less disaster'. Despite the increase in positive associations, some participants clearly remained wary of insurance due to its association with the private sector. The most common words that were associated with microinsurance after the game was finished were 'investment', 'community', 'security', and 'transfer'.

## Plenary session 14: Financing Local Adaptation in Urban Centres

### Facilitator

Diane Archer, IIED

### Session Presenters

- David Dodman, IIED
- Le Dieu Anh, Association of Cities of Vietnam
- Trinh Thi Hong, Community representative from Da Nang, Vietnam
- Lajana Manandhar, Lumanti Support NGO for Shelter, Nepal
- Kamlesh Yagnik, Surat Climate Change Trust, India
- Nidhi Mittal, Ricardo-AEA
- Bhushan Tuladhar, PM's Climate Change Council Nepal / UN Habitat
- Cristina Rumbaitis Del Rio, Rockefeller Foundation

Although previously relatively neglected, recognition that adaptation initiatives and traditional development activities should look towards the urban landscape, and address the multiple issues facing them, is growing. There is also growing acknowledgment of the importance of local decision-making and local action for building resilience in low-income informal settlements in towns and cities. Yet existing global climate change funds are not well suited for this purpose: they are insufficient to address the scale of the problem, inaccessible to local organizations and local governments, and unaccountable to the residents whose wellbeing they are meant to improve. This session explored alternative approaches for financing local adaptation in urban centres in Asia. These can be based on locally generated and managed funds, city-level structures, and global financing mechanisms aimed explicitly at urban centres. Taken together, these opportunities provide significant potential to mobilise larger amounts of finance, the ability to make this more accessible to local actors, and the prospect for greater responsiveness to the needs of urban residents.

David Dodman highlighted existing patterns of funding for urban resilience and their inadequacies, and raised the following four questions:

1. Why is local adaptation necessary in town and cities?
2. To what extent can local action contribute to resilience?
3. What are the barriers to financing local adaptation in urban centres?
4. How can these barriers be overcome?

The need to focus on urban areas is because of the increasing numbers of people living in them; especially in Africa and Asia. However, to date, a large part of the focus on climate change adaptation has been on rural areas. In effect, marginalised, vulnerable urban people have largely been neglected, yet in urban areas vulnerabilities will be exacerbated due to a whole plethora of issues including underlying gaps in basic service provision and infrastructure.

There are many ways to develop the resilience of cities and towns. Finance is one of many factors that will facilitate resilience-building. It is also important to address knowledge, stakeholders, policies and planning, at the scale of the municipality and at the local community level.

In urban institutions there is a need for information-sharing and decision-making. Prior knowledge, resourcefulness and the capacity to modify behaviour can increase resilience. At the same time there is an urgent need to make urban infrastructure more resilient, for example, through better planning, building and maintaining systems, or putting new systems in place.

The issue of climate finance was then addressed. In the context of facilitating urban resilience, urban finance can be categorised as:

- Insufficient – unlikely to meet the deficits in housing, and other gaps in provision of basic services that shape urban resilience.
- Unaccountable – in that decisions to allocate funding are made outside vulnerable urban communities, either by global institutions or national governments.
- Inaccessible – sub-sovereign or non-state actors are unable to access funds; city actors are limited by the lack of grant application and fiscal management skills.

There are, however, alternative sources of funding for municipal governments. For example, at the local level there are public, private and public-private funds such as: local taxes, user charges, commercial loans and municipal bonds. Increasing the spatial scale to the national level there are the same sources of funding but the instruments change. Revenue transfers from central or regional government and bonds raised through national financial markets become available. And finally, at the international level, there are market-based instruments, grants and loans from multilateral and bilateral donors and philanthropic grants.

David Dodman then presented a number of case studies, ranging from locally controlled funds in Myanmar (post cyclone Nargis in 2008), to Uganda, Vietnam and its community development fund (CDF), and community based finance mechanisms in Nepal. In all of these examples the communities had demonstrated their ability to effectively manage money and mobilise themselves. David Dodman stressed that the current gap between top-down and bottom-up financing must be closed.

Le Dieu Anh and Trinh Thi Hong spoke about the possibilities that arose when communities are enablers and key actors. For example, in Vietnam, there are community savings networks which have grown over time, and participation by community members in savings groups has increased, providing opportunities for livelihood development and environmental activities. This included the Mekong recycling and saving fund, as well as a disaster risk reduction team which was comprised of volunteering youth.

Lajana Manandhar drew on the activities of urban poor community groups in Nepal, and highlighted the need for community presence, as well as participation: a vital requirement for sustainable development. She described how giving women access to credit facilities, including managing these mechanisms, had greatly enhanced their resilience. The importance of having funds that are accountable to local communities whereby they are able to demonstrate their ability to successfully manage them was again emphasised.

The session then moved on to the first round of comments, questions and inputs from the floor. One question centred on the context of each country being different and the potential for replication of this community-led model. Panellists explained that community savings groups are registered formally and are accountable to their members. At the level of local government,

awareness and sensitivity about the needs of the urban poor is growing, but more needs to, and can, be done. Harjeet Singh then challenged the panel on two fronts. He commented that the programmes presented sounded more like development programmes without much emphasis on adaptation. Second, most of the money being managed by the community in the projects presented is sourced at the community level. Largely it is their money. So where is the systemic linking of financing from local to sub national to national level and beyond?

The key to building urban resilience to climate change involves addressing the underlying drivers of vulnerability, such as a lack of basic sanitation, which puts people at risk of disease during flood incidents, and low incomes, which mean that extreme events can trap people in cycles of poverty. Initiatives which address these underlying drivers of vulnerability and close development gaps will contribute to overall household resilience to future climatic shocks. Community groups are currently demonstrating their ability to manage funds to address these gaps, and thus, rather than re-inventing the wheel, their activities could be scaled-up through partnerships with municipalities and other stakeholders to achieve broader-based impacts. These community-level funds can be a stepping stone to securing larger funds and working collaboratively with other urban actors to build resilience.

The discussion then returned to key issues relating to financing local development in urban areas from the perspective of city governments, international organizations, the private sector and international foundations. Kamlesh Yagnik emphasised that in the upcoming Indian elections there was no mention of climate change let alone urban issues. There are net inflows of migrants to urban areas, but despite burgeoning populations, municipalities still cannot generate sufficient funds by themselves. Instead, they have to rely on the government tax base, and this in turn reduces the quality of services that they can provide. In Surat, a public private partnership is trying to address this financial deficit and push forward the urban resilience agenda. A Trust has been created, which can access funds directly but is managed with multi-stakeholder representation.

Bhushan Tuladhar discussed the benefits that local culture and rituals linked to over 1400 years of water resources management can bring. Linking cultural traditions to mainstreaming and sustainable urban development can lead to good adaptation. Nidhi Mittal spoke about the barriers to aid effectiveness. For policies to be effective there needs to be better communication at the local level, translating existing evidence and knowledge for policy makers thus empowering municipal governments. Cristina Rumbaitis Del Rio argued that CBA will not be appropriate for every urban context, for example CBA was not going to build the Thames Barrier in London, so there needs to be a connection between top-down and local-level infrastructure investments. To help municipalities become more resilient the Urban Climate Resilience Partnership has been set up at the Asian Development Bank. This acts as a fund to support investment for resilient infrastructure. She described how international scale funds are often heavily top-down, project orientated, lacking participatory processes and not embedded in the local context.

When asked about the success he had had in accessing some of the funds described in David Dodman's keynote presentation, Kamlesh Yagnik explained how they have their own wish-list. They would like an early warning system, which has a price tag of US\$1 million but would be worth it in order to mitigate disaster losses. They have already been able to set up an urban health resources centre.

The importance of gender power structures was raised, with Cristina Rumbaitis Del Rio reminding everyone that there are "informal power structures dominated by 'muscle men' with vested interests".

To close, all panellists were asked to provide parting advocacy messages. David Dodman's centred on the capacity of local institutions, the need for local institutions to be recognised and for local government capacity to be strengthened. Both panellists from Vietnam emphasised that capacity is there at the local level as has been demonstrated by community groups. Lajana Manandhar reminded everyone that there should be a focus on women as key local actors, and also to ensure that informal settlements and slums are upgraded. Kamlesh Yagnik chose the words of the famous Indian, Gandhi, as his advocacy message: "Be the change that you want to see". Bhushan Tuladhar reiterated the need for urban issues to be more widely recognised and for interventions to be scaled up. Nidhi Mittal emphasised the need for barriers to be turned into enablers, and the need for transformative governance to ensure this occurs. Cristina Rumbaitis Del Rio stressed the need for new funds that can be accessed by urban areas.

### **Key advocacy messages emerging from session**

- Recognise the need to address urban resilience.
- Support urban windows for financing resilience so that municipalities can access finance directly.
- Recognise the capacities of local communities to plan, manage and implement activities, and to manage finances for resilience building activities.

## **CBA Short Films**

### **Facilitators**

Alexander Stubbings  
Helena Wright, Imperial College, London

### **Session details**

CBA participants presented the following short films:

- Omar Tankari / Emma Bowa (CARE) presented 'Kenya Learning Route'
- Treichel, Pia (Plan International) presented 'When children are filmmakers: Participatory video process'
- Saskia Daggett (Oxfam / ACCRA) presented 'What communities want and need from decision makers at all levels, on climate change'
- Helena Wright (Imperial College) presented 'On the Frontlines'
- Gernot Laganda (IFAD) presented two films on channelling climate finance to smallholder farmers: 1) Nicaragua: Adapting to Changing Markets and the Effects of Climate Change Project (NICADAPTA). 2) Adaptation for Smallholder Agriculture Programme (ASAP)

## **Plenary session 15: Poster market place**

### **Facilitators**

Hannah Reid, IIED  
Adrian Fenton, ICCCAD

## Session Presenters

- Eshrat Sharmen Akand, Christian Aid
- Mihir Bhatt, All India Disaster Mitigation Institute
- Amanda Bourne, Conservation South Africa
- Abrar Chaudhury, LEAD Pakistan
- Nicole Clot, HELVETAS Swiss Intercooperation
- Hyacinth Douglas, UNDP/GEF Small Grants Programme Jamaica
- Richard Ewbank, Christian Aid
- Chris Henderson, Practical Action
- Lisa Junghans, Germanwatch
- Cornelio Ase, Caritas, Timor-Leste
- Bala Ram Kandel, Technical Assistance for Leasehold Forestry and Livestock Programme, FAO Nepal
- Krishna Khadka, Hariyo Ban Programme - FECOFUN
- Dil Raj Khanal, Federation of Community Forestry Users Nepal (FECOFUN)
- Patrick Kirkby, University of Tasmania
- Shirley Laban, Oxfam Australia / Amos Kalo, Save the Children Vanuatu
- Munish Kaushik, Red Cross/Red Crescent Climate Centre
- Fonda Lewis, Institute of Natural Resources
- Wubua Mekonnen, UNDP
- Sandra Modh, Umeå University, Sweden
- Unnikrishnan Divakaran Nair, GIZ India
- Michael Okoti, Kenya Agricultural Research Institute (KARI)
- SVRK Prabhakar, Institute for Global Environmental Strategies
- Govinda Prasad Kharel, Pilot Program for Climate Resilience / Ministry of Science, Technology and Environment (MoSTE) Nepal
- Bikram Rana Tharu, HELVETAS Swiss Intercooperation, Nepal
- Mohammad Harun Rashid, CARE Bangladesh
- Gernot Laganda, IFAD
- Donnapat Tamornsuwan, Raks Thai Foundation
- Pia Treichel, Plan International Australia
- Katrin von der Dellen, CARE Deutschland-Luxemburg
- Peter With, CARE Danmark
- Kamlesh Kumar Yadav, FAO Nepal
- Anam Zeb, LEAD Pakistan

Participants who had brought a poster gave short presentations to try and persuade conference participants to visit their poster, discuss their work and ask questions later in the day.

## Parallel session 16: Financing Disaster Risk Reduction and CBA: what synergies?

### Facilitators

David Dodman, IIED

Colin McQuistan, Practical Action

## Session Presenters

- Richard Ewbank, Christian Aid
- Harjeet Singh, ActionAid International
- Edward Boydell, CARE Australia
- Overtoun Mgemzulu, UNICEF
- Mihir Bhatt, All-India Disaster Mitigation Institute (AIDMI)
- Abdul Qayyum Mohammad, Comprehensive Disaster Management Programme (CDMP), Bangladesh

Colin McQuistan set the scene by describing a key challenge: climate change and disaster risk reduction (DRR) funding is currently separated operationally and institutionally. This is wasteful and redundant. He asked whether CBA and DRR funding needed to be more coordinated, and if so what needed to change to make this happen. He asked how to ensure funds reach those most affected and vulnerable to disasters, and what the best way forward is.

Richard Ewbank stressed the need to build on strong local knowledge then bring current scientific knowledge into this framework. This is true for local farmers, floods and early warning systems, but also to feed back into climate models, maize, bean and rice growing models, and to be used for long-term adaptation. A key issue is how to get this information to farmers. Mobile phones and SMS messages can help but not everyone can access mobile phones (particularly the most vulnerable) so 'old school' approaches like resource centres with information on a board are important.

Understanding complex risk is important too, and to do this we have to engage with local planning processes and build risk profiles using bottom-up community mapping and participatory risk planning processes with equal gender integration. Women comprise 15% of agricultural workers and receive 5% of adaptation messages. The best assistance could be working as facilitators (rather than trainers) in resilience networks, linking networks to climate scientists, information and support. This is not a five-year project, but rather a 50-year programme.

Richard Ewbank explained the need for both horizontal and vertical integration. Local plans can integrate local and international strategies into grassroots-based work. One must maximize lead-time and spend as little time as possible in the emergency stages. This means identifying and securing essential buffers and building up assets and capacity.

Audience members commented on the need to learn from experience: you can't do DRR or make early warning systems effective without engaging with governance issues. Urban issues must also not be neglected. Financing urban DRR and climate change adaptation - formal and informal - could be considered.

Harjeet Singh explained how the concept of resilience is evolving and that everyone is trying to define / redefine it in their own way and integrate it in their work. ActionAid has developed its own resilience framework based on a human rights approach. The key factors that make people vulnerable are: social exclusion, a lack of assets and skills, and a lack of access to natural resources. Unjust governments and unjust social attitudes are also important, as is the need to work with a larger group of people. This is what solidarity is about all over the world: people getting together to change the rules of the game. It is the foundation of advocacy and campaigning. Ecological sustainability is also important.

More power analysis must be done to assess inequality in society, for example between ActionAid and communities, and between ActionAid and donors. We should consider allowing

community institutions to take the lead more. We may fear losing control and failure, but in the context of climate change we don't have a choice: we must take a leap of faith and allow experiments to take place at the community level. We must support learning through doing. Empowerment has to be seen both as a means to an end as well as an indicator of success.

Edward Boydell argued that we don't talk enough about mainstreaming DRR and CBA within our own organizations. He provided a number of observations from more than five years of integrating adaptation and DRR work into CARE Australia's programming:

1. Tools and frameworks have been important for resource mobilisation, but can only take us so far.
2. Coherent approaches to integration within programme work are essential.
3. Explicit project focus and flexible finance for integration have a role in driving change.
4. We need to look to scale-up in our own organisations.
5. Donor leadership helps.

One challenge is that climate change is a sector rather than cutting across all programme activities. It has its traditional 'homes' in CARE. Tracking and assessing baselines for integrated CBA/DRR programmes has also been challenging. Explicit funding is needed to demonstrate and document the lessons learnt from integrating climate change and DRR work. CARE has used CBA and DRR funding for this, and has looked more closely at linkages between humanitarian and development work in the CBA / climate change and DRR realms. Scaling up is now needed.

Overtoun Mgemzulu described how CBA interventions at grassroots level often don't differ much from DRR projects. Successful integration of the two depends upon community involvement. The lack of integration at policy level, however, undermines effective use of resources.

Mihir Bhatt explained how micro-insurance provides a practical way of financing CBA. Climate change adaptation and DRR should not be seen as separate strategies, at least at the local level. In Odisha, AIDMI has established a disaster insurance product (providing life and non-life coverage) which protected livelihoods and incomes when cyclone Phailin struck in 2013. Some 112 clients from 950 pilot projects received a claim settlement amount ranging from US\$33 to US\$283 against yearly premium of around US\$3. Investments must be made to upscale and replicate such efforts. They must also be made more accessible to the most vulnerable, who are generally excluded.

Abdul Qayyum Mohammad explained how Bangladesh is the most vulnerable country to climate change in the world and how all actors, sectors and levels must manage climate change in some way. CDMP focuses on the most vulnerable sub-districts and local communities. It engages with communities first and subsequently local authorities working on projects. It is now changing the minds of those implementing projects and involving both government and civil society in design, planning and implementation of activities. Engaging with local governance systems can be a way to bring in financing and reduce risk. Ongoing NGO projects are also complimented and community perceptions are being altered. Bringing in volunteers brings high social value / recognition.

Comments from the audience included the need to understand the science of risk better. NGOs are struggling to integrate DRR and CBA and find they have to sacrifice DRR for less expensive CBA interventions due to budget shortfalls and cuts. DRR and CBA should not be seen as separate strategies, however, especially at the local level. In Nepal, for example, local disaster risk management plans are prepared by local committees, and then separate committees prepare local CBA plans of action. These committees compete for resources and work in the same communities. This creates confusion, competition and conflicts, and wastes resources.

Mihir Bhatt agreed that CBA and DRR were difficult to separate in practice but explained that institutes have certain foci to their work and that government ministries have different functions and often struggle to work together. He argued for starting at the local community level and letting the national level catch up. Harjeet Singh added, however, that CBA is not always the same as DRR, but that the intention / commitment to bring them together is often there.

Richard Ewbank emphasized the importance of not allowing short-term responses that could create long-term maladaptation. Resilience building must also be based on risk profiles. For example, he recalled a group in El Salvador that was to receive funding for a cyclone early warning system, but what they really wanted to talk about was drought risk. Donors sometimes have bizarre funding processes which lack flexibility. Overtoun Mgemzulu commented that his experiences of community level implementation in Nepal did not suffer the barriers noted at policy and funding levels. It was still possible to move ahead / operate.

Edward Boydell described work integrating CBA and DRR at national, community and policy levels in Vanuatu in the Pacific. Here, many international NGOs work together to ensure harmonization at multiple levels, and to bridge the divide between adaptation and DRR. This does not happen in every country, however.

Two questions from the floor related to vulnerability and exclusion. Disaster response and disaster risk management work across South Asia is characterised by widespread social exclusion, and it is very likely we will do the same with climate change adaptation. Let us try not to make the same mistakes again and ensure the right to be included is secured by design and not by chance.

Harjeet Singh urged the private sector be more responsive and go beyond Corporate Social Responsibility to look hard at issues and be a partner, bringing their expertise and experience to the table. Abdul Qayyum Mohammad added that engagement with the private sector could include new business modalities integrating DRR and CBA, but that communities would still need additional funding in order to fully participate in and control programme design. Richard Ewbank argued that small-scale renewable energy provides a fantastic opportunity for private sector engagement. This is about leapfrogging fossil fuel dependence in Africa and Asia, just as mobile phones have leapfrogged landlines.

Edward Boydell suggested we look at how broader development work is preparing for disaster risks and supporting broader climate smart development, and how climate finance for adaptation can be matched to larger development priorities. This needs budget flexibility.

Richard Ewbank argued for a move from 'needs assessments' – which currently bombard local people – to a real risk-based approach. People say this is expensive but it will be more costly if we don't. We need a massive upscaling of available climate services, but we must not just replicate climate stations (we need to do more than measuring rainfall), we need to build facilitation skills and ensure interaction between people, providing resource centres when needed.

#### **Key advocacy messages emerging from session**

- DRR and CBA programmes and funding streams need to be aligned more effectively, with identification of overlaps, similarities and opportunities.
- Micro-insurance strategies / systems used in DRR lend themselves very well to CBA strategies.

- Practitioners must promote and propose projects that integrate DRR and CBA, and work collaboratively with communities and other agencies to avoid redundancy or competing activities. Donors must also promote and fund integrated CBA and DRR projects.
- Practitioners, communities and donors must hold a flexible long-term 50-year vision under which shorter five-year project proposals are supported.
- Donors and DRR / CBA practitioners must adopt active and applied, creative and untested 'learn as we do' approaches to cope with entirely new changes and challenges ahead. Room for failure needs to be created as failure can be one of the most valuable learning tools and open the door to innovation.
- CBA-DRR research should be a funding priority. This will be most valuable if it is co-produced with CBA partners.
- There is a need to support, strengthen and leverage local / traditional knowledge systems for integrated DRR / CBA activities, and to build relationships for exchanging knowledge between climate scientists and local CBA actors.

## Parallel session 17: Ensuring Accountability and Transparency when Financing Local Adaptation

### Facilitators

Heather McGray, World Resources Institute  
Annaka Carvalho, Oxfam

### Session Panellists

- Adrian Fitzgerald, Irish Aid, Department of Foreign Affairs and Trade
- Allan Dauchi, Ministry of Lands, Natural Resources and Environmental Protection, Government of Zambia
- Red Constantino, Institute for Climate and Sustainable Cities, the Philippines
- Anthony Wolimba, Climate Action Network, Uganda

Heather McGray provided an overview of the importance of ensuring that funding gets to where it is needed and is accountable in that it is used for its intended purpose. Annaka Carvalho introduced the Adaptation Finance Accountability Initiative, which brings civil society organizations together in an effort to understand how much adaptation finance is available, how it is used and how effective it is at addressing the needs of local communities. Adaptation and adaptation finance are both complex endeavours and it can therefore be difficult to determine how much money is coming into a country, where it is going and how it is being used. The aim of the Adaptation Finance Accountability Initiative is to look at adaptation finance from the perspective of being accountable to local communities and to ultimately contribute to resilience building efforts at the local level.

Red Constantino introduced another instrument for tracking adaptation finance. [www.adapttracker.org](http://www.adapttracker.org) is a website developed and based on the premise that transparency is fundamental for the effective delivery of adaptation finance for developing countries. He also emphasized the important role that information plays in resilience building efforts. Anthony Wolimba highlighted some of the issues with adaptation finance in Uganda. He said that although a lot of money is coming into the country it isn't necessarily marked as adaptation finance. In addition, he stressed that there are a lot of gaps between what is committed to and what is actually dispersed and although some best practices and lessons learnt have emerged on

adaptation finance in Uganda there is still a prevailing lack of information. He concluded that while it is important to disperse money, communities should be empowered and provided with tools to utilize the funds effectively and that adaptation should ultimately be demand driven. In response to a question from Heather McGray about what mechanisms donors and funders are using to ensure that funding gets to the local level, Adrian Fitzgerald maintained that it is important to start with a framework and develop policies that link climate change to development activities. When designing programmes it is important to ensure that they are contextualized and in accordance with needs, and that communities are provided with assistance to interface with available resources. Finally he highlighted the role of the private sector which plays an important brokering role in carbon credit systems.

In response to a question from Heather McGray about the best ways of improving accountability in adaptation finance, Adrian Fitzgerald provided an overview of two main streams of work that are needed: strengthening national systems and monitoring and evaluating expenditures to see where the finance goes and how it is used. He also said that social protection and cash transfers are important for building resilience. Anthony Wolimba maintained that in Uganda the focus has been on building the capacity of sub-national governments and raising the awareness of beneficiary communities to make citizens aware of their rights so they demand more. Red Constantino provided some examples of lessons for improving accountability from his own work, including the need for informed communication. He also said that transparency is a shared responsibility and as such it is important to move away from a focus on what is missing to one of building on the processes and mechanisms that are already available.

Several key issues emerged during a brief period of questions that followed the introductory remarks from panellists. Several participants raised the importance of creating mechanisms to facilitate participation, as well as the need for transparency to be built into financial mechanisms from the start. While some argue that direct access to adaptation finance is too rigorous others contend that it is rigorous enough. Balance is key here, and while resources should not be put at risk it is important to check back to the community level to ensure that needs are being met. Adaptation finance is fraught with challenges. It is important to build flexibility into the design of funds and other financial mechanisms. Ensuring that community needs are met ultimately matters most.

Break out groups were then formed focusing on key issues related to accessibility, accountability and transparency. The groups looking at accessibility were asked to discuss what good practices exist to channel adaptation finance to local stakeholders and what capabilities need to be built so that the needs of the vulnerable are effectively addressed. Key messages from one group included the need to enhance direct access for community-based organizations (CBOs) and to involve CBOs in the implementation of adaptation activities. Discussions in the second group highlighted the importance of learning from the experience of other sectors in financing activities at the local level, the importance of ensuring that budgeting processes are participatory and that fund allocation is geographically balanced, the role of information communication technology for channelling adaptation finance to local stakeholders and the need to add a climate dimension to existing institutions and programmes.

The groups focusing on accountability were asked to discuss what donors, civil society and governments could do to be more accountable in building the resilience of vulnerable people. Key messages from the first breakout group included the need to make information available to all actors through all means possible and the need to continuously build capacity, enhance participation and ensure that community priorities are incorporated into wider agendas. Key messages highlighted by the second group included the need to align donor priorities with needs at national and sub-national levels and the need for NGOs to capitalize on synergies with other organizations and to make use of multi-media. Through the consolidation of discussions from both groups, a set of roles were outlined for donors, civil society and governments. It was

determined that donors should invest in capacity building to improve project readiness and management, ensure that evaluation reports are shared with others, develop monitoring frameworks that include both national and sub-national systems and ensure that funding is aligned with national and sub-national priorities. Civil society should improve operational accountability in their partnerships with communities, establish social accountability mechanisms to strengthen the delivery of adaptation finance, collect information on the needs of communities and ensure that it reaches national and international levels, and help communities understand what resources are available. Governments should invest in capacity building to strengthen accountability at the local level, enhance participation, ensure that monitoring and evaluation systems are in place and improve accountability mechanisms through activities that include the promotion of public auditing.

The group focusing on transparency was asked to discuss what adaptation information stakeholders need greater access to and what needs to be done to improve the transparency of adaptation finance. Key messages from the first group included the importance of understanding community needs and for communities to understand how to access adaptation finance. There is also a need to have more sustainable and permanent processes and systems rather than project-based processes. The second group identified the need to ensure that information is available and translated for those who need it. This group also discussed the importance of ensuring that processes are participatory and there is a two-way flow of information.

#### **Key advocacy message emerging from session**

- Accountability is a shared responsibility amongst all stakeholders, with specific roles to be assigned to the key actors involved (international community, governments and civil society). It requires multi-directional flows of information; clear, regular systems for decision-making and financial allocations; and responsiveness of governments and the international community to communities' articulated needs and requests. Transparency requires not only the release of information, but its simplification into community-friendly formats, and the development of communities' capacities to understand and use the information. Good practices around making finance accessible to communities involve clear channels direct from the national level, in alignment with national/sectorial plans; formal involvement of community groups (forest user groups, irrigation groups, farmer groups); and capacity building for communities to programme and use finance effectively.

### **Parallel 'out-of-the-box' session 18: Game Design Session Part I**

#### **Facilitators**

Carina Bachofen, Red Cross/Red Crescent Climate Centre  
Pablo Suarez, Red Cross/Red Crescent Climate Centre  
Bettina Koelle, Red Cross/Red Crescent Climate Centre

#### **Session details**

In this two-part participatory session, those attending became game designers. Through six simple steps, they designed basic games that modelled real world complex systems and mimicked plausible decisions and their consequences. Game topics ranged from financing

adaptation at the local level to the impacts of climate change on value chain supplies, to protecting local communities from wildfires.

Bettina Koelle began by facilitating a quick, simple and energizing card game, which tested players' ability to think about a complex situation. Carina Bachofen then provided a brief overview of the Climate Centre's experience in over 40 countries designing and facilitating participatory games that model complex systems and stimulate learning and dialogue about a diverse array of topics ranging from forecast-based decision making, dengue fever prevention, community level contingency planning, the gender dimensions of climate change and more. To encourage players to begin to think about complex systems, she facilitated a ten-minute experiential learning exercise, in which players silently chose two other players as reference points, and moved around the room trying to position themselves so they would be standing equidistant from their two reference points at the end of a countdown. The difficulty of achieving this seemingly simple objective was evident as players scrambled around the room, each person's movement affecting another's positioning and decision to move. During the post-play discussion, participants drew parallels between the exercise and the real world expressing emotions they felt - 'frustrated!' 'energized!' - and the insights gained (the types of systems that this short activity modelled, complex relationships amongst players, how this could be related to concepts such as vulnerability, finance and climate change).

The game design methodology consists of six steps:

1. Define a communication challenge.
2. Define key elements that should be represented in the game.
3. Define emotional triggers of the game narrative. What feelings should the game process elicit: anxiety, tension, triumph?
4. Refine the game's dynamics.
5. Develop rules.
6. Play!

To begin, players identified broad topics for which they wished to design a game. Based on these ideas, six groups were formed to design a game around six different topics: value chains; bottom-up financing of CBA; the importance of indigenous and local knowledge in climate change adaptation; understanding vulnerability is socially differentiated; challenges in identifying local-level adaptation measures; and inciting youth action for disaster preparedness. Topics were broad and the facilitators emphasised the need to specify the communication challenge as much as possible.

#### 1. Identifying the communication challenge

In all games players may begin with a 'Huh?' moment and through gameplay they eventually arrive at an 'A-Ha!' moment where the communication challenge has been addressed and they gain clarity on a specific topic. Participants were asked to define what type of decision-making strategies should emerge during game play and what conversation the game play should elicit. This resulted in six defined challenges, including flood response and early warning systems, in which people would be encouraged to take the right action after receiving an alert; community adaptation actions, focusing on the impact of climate change on community land and livelihoods; financing and mainstreaming CBA, to help consider how to convince governments to allocate funds for CBA and involve the community in related planning activities; communicating complex scientific climate change concepts in a simple way; recognising climate risks in value chains and who is bearing them; and making complex choices in planting types of seed and improving related decision making.

#### 2. Define key elements

In game design, key elements refer to, for example: Who should play? Who makes decisions? What actions should be taken by players? What shocks or trends should be experienced in the game? And what trade-offs (long-term versus short-term, now versus later, me versus them, etc.) might have to be made? Group feedback saw a variety of roles identified, including children, government, villagers, youth and farmer groups. Actions identified included investing, responding, running, searching, staying, taking, planting and harvesting. Shocks and trends were identified, including fires, floods, loss of resources, loss of family and lack of time. Finally, some of the trade-offs identified included profitable versus constrained options, and investment options versus a lack of options.

### 3. Define emotional triggers to be elicited during gameplay

Participants were asked to generate a 'narrative context' to form this story. They were asked to define decision options given scarce assets and to identify the 'win states' as well as the 'lose states' of their players. They were asked to identify trade-offs and establish thresholds as a part of this.

### 4. Refine game dynamics

In this step, groups were invited to present their game narratives through a two-minute theatrical performance. After the six groups had performed, players voted on the three game topics they favoured for elaboration in Part II of the game co-design session.

### 5. Develop rules

During the lunch break between Part I and Part II of the game design sessions, the Climate Centre facilitator team came up with basic rules to fit the three selected game narratives. After lunch, the facilitators taught the game rules to the small groups and discussed ways to improve the prototypes.

### 6. Play!

One game prototype involved four players or teams challenged to make harvesting and trading decisions in the context of changing climate scenarios. These decisions determined their annual profit, and hence whether they were able to pay a survival fee that allowed them to continue into the next year (play the next round). Much work remained in order to make this a playable game, but the prototype offered potential to promote discussion about the value of diversifying crops and investing in new seed varieties, and trade-offs between planting and needing to negotiate for seeds.

A second game consisted of four people taking on the roles of actors in an agricultural supply value chain: several farmers, one processor and one trader. The winner of the game was loosely determined to be the player who had harvested the most crops and invested the most in his or her children's education. The farmers were required to roll the die to determine how many seeds they would harvest each season. Rolling a one meant drought and no harvest, rolling two to six meant favourable rains for harvesting. Farmers could sell harvested crops to the processor to pay for either their children's education or to buy drought insurance. The processor would then have the option of selling crops to the trader for profit or investing gains in their children's education. They could also offer loans to the farmers in case their crops failed or they could not afford to continue farming. One participant indicated that the value chain element of this game could help highlight the dynamics between actors involved in CBA.

The third game was based on four players making collective decisions to protect the community from fires. As a group, the players had the opportunity to invest in a fire line, a fire patrol or a fire brigade, each of which provided different levels of protection, reflected in the cost of each option. A die was used to show the varied and unpredictable weather experienced, which determined the extent of the fire hazard. For example, a particularly hot year would increase drought and as such increase the risk of fire. It was argued that more risk needed to be introduced into this game as initial results suggested it was too easy for players to be safe.

Given the limited time available to design these games at CBA8, it was impressive what was achieved using the compressed version of the Red Cross/Red Crescent Climate Centre's participatory design process for devising educational games. Feedback from participants reflected the value of such approaches. Participants found the sessions fun, creative, engaging and exciting. They elicited enthusiasm, interaction and consideration of a multitude of learning possibilities. The facilitators reiterated the value of using games to tap into players' emotions in order to ensure a memorable and fun learning experience. They also noted how participants' emotions had changed throughout the design process. Participants left feeling inspired and with a foundation on which they could create games suitable for their CBA objectives. The Climate Centre offered advice and feedback to those interested in designing their own games for CBA in the future.

Using games for CBA can provide a fun interactive approach to lesson learning and thinking about critical and complex issues. Moreover, the design process itself can help participants become more aware of their own assumptions, recognise how they prioritise, and consider issues from an alternative perspective. When technical experts engage in game design, a better game can be created as they complement those most familiar with the context who can ensure key elements are captured by the game. Such participatory learning processes can generate greater ownership and enthusiasm, and perhaps most excitingly, better insights amongst the participants regarding the dynamics of the systems that any given game will mimic.

## Parallel session 19: Evidence of Effectiveness

### Facilitators

Susannah Fisher, IIED  
Fakri Karim, UNCDF

### Session Presenters

- Chhun Bunnara, Ministry of Interior, Cambodia
- Tahir Rasheed, LEAD Pakistan
- Susannah Fisher, IIED
- Fiona Percy, CARE International
- SVRK Prabhakar, Institute for Global Environmental Strategies, Japan
- Dinesh Chandra Devkota, Integrated Development Society (IDS) Nepal
- UnniKrishnan Divakaran Nair, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Dave Steinbach, Ricardo-AEA

Chhun Bunnara spoke about Performance Based Climate Resilient Grant (PBCR) projects being implemented in Cambodia funded by the UNCDF. These work to empower local communities by building local capacity to climate change. Chhun Bunnara explained that people in the

community do the prioritisation, as well as local monitoring and evaluation. The project involves climate resilient infrastructure, including roads, irrigation and ponds. Following the presentation, Susanne Fisher encouraged the audience to think about longer term impacts beyond the immediate term.

Tahir Rasheed then spoke about the need for transparency, accountability and effectiveness. In one project in Pakistan, logframes were used in addition to innovative ways to monitor progress. A meeting with government and other stakeholders sensitised them on the effectiveness of the project and what it means. Different specific indicators were devised and framed in consultation with stakeholders, partners, communities and the government. Processes and systems were thereby established through consultation. Innovations included the use of mobile phones and text messages to collect data after implementation, as well as internet systems at the council level to track project effectiveness. A Geographical Information Systems (GIS) tool is now being introduced to track the project in real time.

Tahir Rasheed explained how the project established vibrant project management and project advisory committees at local, district and national levels to ensure accountability, transparency and value for money. These can be applied to other areas, and LEAD has discussed the need for transparency with their 41 partners so that money will flow. The project has now mobilised US\$1.3 million from the Government of Pakistan, which happened because of its demonstrable transparency and effectiveness.

Fiona Percy presented evidence generated by a recent new economics foundation study on the social cost benefit analysis of CARE's adaptation projects in Kenya and Niger. Social, economic and environmental values were used to show what kinds of investments are needed for successful CBA. The studies were done looking backwards over three years in Niger and forecasting forwards to 2030 under a range of climate scenarios (which were often contradictory) so it was not specific to a type of intervention. It looked at planned adaptation compared to business-as-usual scenarios. Results showed that there were positive cost-benefit ratios across all scenarios even up to high discount rates. For every dollar invested in the project there were four dollars in return. Fiona Percy explained that even looking only at economic benefits, the return was more than two dollars, demonstrating the benefits of adaptive capacity building and strengthening.

She described how the CARE Adaptation Learning Programme (ALP) involved improving access to information, climate information services, and adaptation planning at community and local levels, taking into account uncertainties and risks. ALP mixed soft skills together with hardware, productive activities and risk reduction. Strategic choices were determined at the local level. Plans were co-produced, combining local and external knowledge.

The biggest message emerged around flexibility and dynamic planning because climate impacts change over time. Looking to the future, Fiona Percy explained that the costs of adaptation will reduce over time if people are able to adapt as they go along, and communication and information systems improve. The further you look into the future and the worse the scenarios get, the higher the value for money from these investments. She concluded by stressing the need for a guide to help with budgeting and planning.

SVRK Prabhakar described his research on the monitoring and evaluation of adaptation in the Indo-Gangetic Basin. This involved consultation meetings with stakeholders at national and regional levels. These were used to develop a questionnaire that was implemented with local communities. Once indicators had been identified, a local adaptation index was developed. SVRK Prabhakar explained that this type of approach can be used to analyse the effectiveness of adaptation, but it was a time-consuming and resource-intensive process, and data was not always available. Communities suggested indicators for adaptation like increases in crop yields,

water availability, access to water, and number of crops. Community stakeholders wanted the benefits to be easily visible, and easy to communicate and understand. Applying these indicators led to beneficial adaptation interventions including water harvesting, ground water pumping, green manure, better fertiliser management and better pest management.

Dinesh Chandra Devkota explained how bodies operating in Nepal, such as the Pilot Program for Climate Resilience (PPCR) and others, tend to have their own monitoring systems. Every institution has different indicators and monitoring tools, and indicators are different for different hazards. He argued for the need to develop indicators linked to adaptation projects. Indicators are needed at local, household, community or village levels, as well as at district and national policy levels. IDS is working with IIED to develop a scorecard to evaluate adaptation, and a framework with indicators at household and policy levels.

UnniKrishnan Divakaran Nair described how the GIZ project in India comprised 6% grant money for technical support from GIZ and 94% loan finance. The key question was how to ensure project effectiveness in developing enterprises on the ground. The innovative nature of the project in this regard suggests the need to consider loans as well as grants for developing countries.

Dave Steinbach spoke about his work on adaptation planning and monitoring, including working with the UK Department for International Development's Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) programme. This programme operates across 15 different countries, and consultants are developing indicators for use at the local level. Dave Steinbach also described another related project in South Africa, which is developing monitoring and evaluation systems for adaptation and mitigation programmes.

Following the presentations, the audience posed questions relating to cost-benefit analysis, social return on investment, barriers to effectiveness and the need to include women. Fiona Percy spoke about the need for a mix of interventions to build adaptation investment returns, including integrating local disaster risk reduction planning with climate information. Such decision making tools bring returns, and because livelihood choices are completely context-specific they allow for the right choices to be made. She highlighted that there is no 'magic bullet' in adaptation.

Tahir Rasheed argued that barriers to effectiveness can be dealt with if donors pool their resources and reduce the duplication of effort. SVRK Prabhakar highlighted his recent paper which compared adaptation decision-making frameworks being used by different stakeholders. On the issue of resource duplication, Dave Steinbach highlighted that a good national level monitoring and evaluation framework can help address the problem. In South Africa, adaptation is cross-sectorial and working with different sectors is important. He argued that data availability and transparency, and timeliness in reporting are all important.

Discussants highlighted the need for resources as well as information, because without these, implementation will not be effective. UnniKrishnan Divakaran Nair argued that there are issues with temperature and rainfall data. Since we do not have proper data for the past, uncertainty regarding what climate change holds is greater. Fiona Percy described how the weather is getting more unpredictable and that we must accept there is no 'normal' anymore; uncertainty is here to stay. CARE's seasonal forecasts in Africa therefore combine local knowledge with MET services. Finally, Chhun Bunnara highlighted the need to integrate climate change into investment programmes. Cambodia is mainstreaming climate change because a project-based approach will not be sustainable.

Session participants then split into groups to discuss key questions surrounding CBA effectiveness:

- What evidence do we have on CBA effectiveness and what tools do we have for assessing it?
- How do these address key climate change challenges such as long time frames, value for money, accountability and uncertainty?
- How can different types of evidence be used by key stakeholders?
- What institutional channels are needed for iterative learning?
- Can we also learn from evidence of non-effectiveness and if so how?

Group one participants noted that water and food security are important for resilience. For example, agriculture must be climate smart, and habitats and ecosystems have to be made resilient. Group two participants argued that a learning process must be encouraged within the community right at the beginning of any project. While not all indicators will fit all stakeholders, harmonisation and searching for synergies between indicators can help with monitoring. Group three participants noted the importance of tools and processes for decision-making under uncertainty. It is important to manage uncertainty, face it upfront, and help communities do likewise. We must also pay attention to the difference between short- and long-term planning.

Group four participants highlighted that not all tools satisfy all criteria. There is no silver bullet so using a combination of tools is best. The group agreed that participatory processes could potentially ensure all criteria are addressed. Lastly, there are sometimes trade-offs between different criteria, for example between long-term time frames and value for money. Group five identified the need to develop specific indicators for sustainability and policy formulation. The group agreed there was a need for evidence-based scientific data over the short- and long-term, for planning, monitoring and ensuring best practice. Group six highlighted the need to challenge what effectiveness is and how effective we are in delivering adaptation. Looking at the tools available, we need them to be more context-specific for different regions, and more long-term.

#### **Key advocacy messages emerging from session**

- Institutions use different indicators and monitoring tools, but donors and governments should pool their resources and reduce duplication of effort to maximise efficiency gains. Not all indicators will fit all stakeholders, but harmonisation and searching for synergies between indicators can help.
- Tools to specifically assess CBA effectiveness need to look at longer term impacts beyond the immediate term. They must assess transparency, accountability and value for money. They must look beyond economic benefits to ensure all social and environmental costs and benefits relating to resilience are addressed.
- Indicators are needed at local levels, as well as at district and national policy levels.
- Co-producing monitoring and evaluation systems and processes with local communities and combining local and scientific knowledge is time-consuming and resource-intensive but effective.
- Uncertainty is here to stay so tools and processes for decision-making and measuring effectiveness must be flexible and dynamic enough to be relevant under an uncertain future.

## Parallel session 20: Civil Society Advocacy on Financing CBA

### Facilitators

Saskia Daggett, Africa Climate Change Resilience Alliance (ACCRA)  
Peter With, Southern Voices on Climate Change, CARE Danmark

### Session Presenters

- Tania Guillén Bolaños, Southern Voices Latin America, SUSWATCH Centro Alexander Humboldt, Nicaragua
- Judy Ndichu, Transparency International, Kenya
- Miguel Coulier, CARE International, Vietnam

Saskia Daggett explained how the session would bring forward audience experiences with a view to providing input and demands from civil society to decision-makers regarding financing CBA. The session aimed to draw out reflections, learning and experience from participants to contribute to the Kathmandu Declaration. Peter With then introduced the three speakers, who provided examples of how civil society actors in different continents have advocated for improved finance for adaptation, ensuring support reached those who needed it most and those who were most vulnerable to climate change.

Tania Guillén Bolaños presented the approach taken by the Southern Voices on Climate Change programme to pilot a set of Joint Principles for pro-poor adaptation to climate change. These principles have been informed by the experiences of civil society actors in Africa, Asia and Latin America, and are meant to serve as a benchmark for good adaptation policies. The recommendations are directed mainly towards national governments, but those related to finance also have implications for international donors. For example principle B reads “public funds for adaptation are utilized efficiently and managed transparently with integrity”. To assess the principles, criteria have been developed such as B1: “Implementation and financing of plans is periodically monitored by a body on which civil society is represented” and B2: “Adaptation funding is made available through a transparent process of allocation” etc. The principles will be tested as a tool for advocacy and dialogue between civil society and governments in ten to twelve countries during 2014/15. For more information visit [www.southernvoices.net](http://www.southernvoices.net)

Judy Ndichu explained how Transparency International has been lobbying parliamentarians to provide more transparency and information on funding for climate change adaptation in Kenya. It has been hard work and requires a lot of expertise so specialists have been engaged to trawl through government budgets. It is often difficult to compare one year to another as budget codes change. When it is difficult for civil society to access correct information, one trick is to publish whatever incomplete information it has been able to gather, then government often responds by providing more accurate figures. The conclusion is that it pays for civil society to invest in building capacity to follow the money, and to push for more transparency in government and donor spending.

Miguel Coulier presented experiences from Vietnam where civil society opened a dialogue with the government on climate finance in order to promote their recommendations on providing more finance for adaptation, and finding mechanisms to reach the most vulnerable groups. CARE and OXFAM first conducted a study on the various sources of climate finance in Vietnam, and found an amazingly complex picture. The study was summarised in a discussion paper *Who is counting? Issues and options for climate finance in Vietnam* with some clear recommendations

including that poverty reduction and gender equality must be at the core of adaptation investments, and that accountability must be to beneficiaries as much as to donors.

Saskia Daggett then introduced a methodology for power analysis to be conducted in breakout groups. Participants were divided into four groups who were each given time to conduct an analysis of key power-holders at their level, with a view to developing recommendations.

Groups for power analysis were:

- Household and community
- Local and national
- Regional and sub-regional
- Global and international

The point of departure was the common objective of ensuring sufficient and adequate finance to enable local families / individuals / communities affected by climate change to adapt and develop in an equitable way. Tasks for each group were:

- Analyse finance and power holders
- Identify allies and opponents
- Identify gender issues and dimensions
- What influences decision-makers / hidden agendas
- Define asks and recommendations – and put on cards

Group recommendations were written-up on cards and pasted on a large flip chart with concentric circles on it with the household / local community in the middle. This provided a forceful visual presentation of the session advocacy recommendations to inform the Kathmandu declaration.

### **Key advocacy messages emerging from session**

Recommendations at each level were as follows:

Household and community:

- Strengthen accountable and transparent mechanisms
- Climate social justice
- Inclusive and participatory decision making
- Mainstreaming participatory decision making
- Mainstreaming gender in climate change adaptation

Local and national:

- Governance of climate finance should be transparent, accessible and less bureaucratic
- Inclusion of the most vulnerable groups at all levels of decision making
- Need finance for climate change adaptation implementation to go beyond plans
- More friendly processes for community-based groups to apply for finance

Regional and sub-regional:

- Longer term financing
- Increase transparency and accountability
- Risk management linked to markets
- Stronger links to funding on disaster risk reduction and humanitarian work
- Connection between CBA and ecosystem-based approaches to adaptation

- More flexible funding to respond better to community priorities

Global and international:

- Donor governments need to provide adequate new and additional finance, prioritising vulnerable countries and populations

## Parallel 'out-of-the-box' session 21: Game Design Session Part II

### Facilitators

Carina Bachofen, Red Cross/Red Crescent Climate Centre  
Pablo Suarez, Red Cross/Red Crescent Climate Centre  
Bettina Koelle, Red Cross/Red Crescent Climate Centre

### Session details

This was the second part of a two-part participatory session in which those attending became game designers. For full details see the write-up under parallel 'out-of-the-box' session 18: Game Design Session Part I.

## Plenary session 22: Poster market place

### Facilitators

Hannah Reid, IIED  
Adrian Fenton, ICCCAD

### Session details

This session started with a short award ceremony for the winning CBA8 posters. Prizes were awarded by Thomas Loster, Chairman of the Munich Re Foundation.

The winner of the poster competition was Govinda Prasad Kharel, Pilot Program for Climate Resilience / Ministry of Science, Technology and Environment (MoSTE) Nepal.

# Mainstreaming Climate Change Risk Management in Development - Pilot Program for Climate Resilience

Community adaptation priorities financed through decentralized budget planning cycle

Climate resilience financed through sector plans and infrastructure projects

## CLIMATE RESILIENT DEVELOPMENT PLANNING IN NEPAL



Local Development Planning

- Step 5** Adaptation measures are integrated into district plans and budgets.
- Step 4** Adaptation measures are prioritized by the community.
- Step 3** Community-based vulnerability assessment.
- Step 2** New skills applied in village planning consultations -one step in the government's decentralized budget planning cycle.
- Step 1** Local government planners are trained to facilitate Community-based Vulnerability Assessment and Adaptation.



- Step 4** District case study adaptation plans guide reforms in sector design standard, policies and practices at district and national.
- Step 3** Sector specialists analyze results and prepare adaptation plans in eight case study districts. Sectors are water supply and sanitation, irrigation, roads and bridges, urban development, flood protection.
- Step 2** Climate scientists prepare climate threat profiles for eight case study districts.
- Step 1** Sector Specialists - for example Road Engineers - analyze climate risks and vulnerability of key infrastructure with local government officials.



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The second prize was awarded to SVRK Prabhakar, of the Institute for Global Environmental Strategies. The third prize was shared jointly between Mihir Bhatt, of the All India Disaster Mitigation Institute, and Hyacinth Douglas, of the UNDP/GEF Small Grants Programme in Jamaica.

Following the award ceremony, conference participants circulated freely amongst the posters, asking questions and discussing poster contents with those who had presented

## CBA Short Films

### Facilitators

Alexander Stubbings  
Helena Wright, Imperial College, London

### Session details

CBA participants presented the following short films:

- Alvin Chandra (Oxfam Australia) presented 'Weathering Climate Change in Timor Leste – Reducing the Impacts of Climate Change on Communities'
- Arif Abdullah Khan (WaterAid) presented 'Endless Hurdles'
- Amanda Bourne (Conservation South Africa) presented 'It's Africa's Time: Building resilience to climate change in Namaqualand'
- Monica Pearce (RARE) presented 'Water for Life is Ecuador'
- Dinanath Bhandari (Practical Action) presented 'Flood early warning knowledge increased'
- Donnapat Tamornsuwan (BCRCC) presented 'Coastal Community Preparedness and Adaptation to Climate Change'

## Plenary session 23: Moving the Agenda Forward

### Facilitator

Saleemul Huq, IIED / ICCCAD

### Session details

Following a presentation by Akio Takemoto, Asia-Pacific Network for Global Change Research (APN), Saleemul Huq chaired two separate discussions in this session. Firstly on the conference itself, what people enjoyed, and what they wished to see managed differently at CBA9 in 2015. Secondly on the *Kathmandu Declaration on Financing Local Adaptation to Climate Change*, formulated in collaboration with all conference participants, and released at the close of the CBA8. This declaration calls for a radical shift in flows of finance to ensure the most vulnerable communities can adapt to climate change. Its key recommendations include:

- Funding must reach local communities and target the most vulnerable. Financing local adaptation can only succeed if it is led by the most vulnerable and disadvantaged countries and communities, tailoring approaches to context-specific needs, and capitalising on communities' values and strengths.
- The needs and priorities of the most vulnerable and disadvantaged communities and groups, including the poor, women, children, youth, indigenous people, landless people, persons with disabilities, whose capacity should be strengthened to access resources for adaptation should be programmatically prioritised.
- Stakeholders must be able to access information about availability, deployment and utilisation of adaptation funding to ensure mutual accountability and transparency, including tracking financial flows at all stages.
- There is a need to guard against maladaptation. Strong environmental and social safeguards and robust multi-stakeholder consultation processes are required to ensure

that adaptation interventions do not increase the vulnerability both within and across national borders, and limit the wellbeing and choices of future generations.

The declaration includes further recommendations for strengthening international and national finance for local adaptation, and for promoting private sector investments in community-based adaptation.

Saleemul Huq asked everyone to take a look at the Kathmandu Declaration, take it to heart, take it to the appropriate people and demand that funding for adaptation is increased, that the funding that is available is allocated to the most vulnerable, and that at least 50 per cent of adaptation funds go to the most vulnerable countries and people.

#### Key advocacy messages emerging from session

- The *Kathmandu Declaration on Financing Local Adaptation to Climate Change* contains full details of the advocacy messages emerging from discussions held at CBA8. See: <http://pubs.iied.org/G03787.html>

### Plenary session 24: Conference Closing Session

#### Chair

Dr Krishna Chandra Paudel, Secretary, Ministry of Science, Technology and Environment

#### Session Presenters

- Dr Saleemul Huq, Senior fellow, International Institute for Environment and Development; Director, International Centre for Climate Change and Development
- Hon. Prakash Man Singh (Deputy Prime Minister, Government of Nepal)
- Dr Camilla Toulmin, Director, International Institute for Environment and Development
- Dr Atiq Rahman, Director, Bangladesh Centre for Advanced Studies
- Christiana Figueres, Executive Secretary, UNFCCC
- Sunil Acharya, Programme Director, CEN

Saleemul Huq opened the session with reflections on CBA8 and applauded the adaptation efforts showcased by local communities throughout the three-day conference field visit programme. He highlighted the conference's efforts to be inclusive and participatory, bringing together global voices from a range of public, civil society, private, local, regional and international agencies, and both governmental and non-governmental organisations. He also discussed efforts to involve those who could not make it to the conference, or who could not afford to come, through the Virtual Internet Participant (VIP) platform, and through social media. He mentioned the 'National Youth Conference on Climate Change' event being run in parallel to CBA8, and opportunities for youth to participate in the development of the Kathmandu Declaration.

Saleemul Huq stated that perhaps the most important outcome of CBA8 was "friendship building", and called for a collaborative and multi-stakeholder effort to pave the way forward for the CBA movement. He discussed the conference outputs, which include the formal proceedings and video-logs, as well as the *Kathmandu Declaration on Financing Local Adaptation to Climate Change*. He highlighted that the Kathmandu Declaration would not be

formally endorsed, rather it would represent a collective summary of key perspectives from the CBA8 constituency. He stated that the messages from the Declaration were that the global community should enhance the level of funding available for CBA; that decision-makers at the national and sub-national level should pay special attention to, and direct funds to, the poorest and most vulnerable; and that these funds should be monitored and evaluated following best practice in terms of accountability and transparency. He argued for at least 50% of adaptation funds to be directed to the most vulnerable communities, and commended the efforts of the Government of Nepal to direct 80% of adaptation funding towards local communities. He also discussed the pledges made by many CBA participants to utilise the principles of the Kathmandu Declaration as a negotiation tool with governments in their home countries.

Saleemul Huq announced that CBA9 would be held in Nairobi, Kenya, in April 2015, with the theme 'CBA effectiveness'. He noted that CBA needs to provide more evidence on what does and does not work, through learning from our mistakes, and ensuring accountability and transparency through robust monitoring and evaluation processes. He also announced that a book would be produced in the future based on the lessons learnt from CBA mistakes and failures.

Hon. Prakash Man Singh outlined the critical impacts of climate change in Nepal, and the implications for the most vulnerable communities. He argued for urgent climate action, including the need for binding agreements around emissions reductions. He outlined the imperative of climate justice, and that it is the poorest and most vulnerable who are often the most severely affected. He noted that early CBA can be an effective and low-cost option, and can empower the voices of local peoples.

Hon. Prakash Man Singh noted the current deficiencies in adaptation funding, and that more than two thirds of international climate financing is currently allocated to mitigation. He called for due diligence and cooperation between policymakers, government and non-governmental organisations. He praised the CBA conference as a practical and scientific platform to share lessons learnt, and encourage these lessons to be shared with the wider community.

Camilla Toulmin noted the local knowledge and intrinsic capacities of individuals and local communities around the world. She asserted that national, sub-national and local governments can make a big difference by building upon local capacities. She called for a continuation of sharing of lessons learnt through local-level adaptation efforts.

Camilla Toulmin reflected on local and personal experiences of the extreme storm event that hit the UK in early 2014, which gave insights into the severity of potential impacts and implications of climate change-induced extreme weather. She discussed the emerging realization of the importance of community solidarity to adapt and cope with climatic challenges, and the limitations of government support. She noted that although the private sector is said to play a vital role in providing resources and developing solutions, it did not 'magically appear' following the UK floods. Rather, it was the public sector, and publicly funded tax revenue that helped rebuild the damage, with the government imposing a levy on all insurance contracts. She urged participants to keep these direct and personal experiences in their minds when moving forward with the intergovernmental negotiation processes in 2015.

Camilla Toulmin called for a "global powershift", a "reversing of power and decision-making", and increased recognition of the untapped skills, knowledge and capacity of local peoples. She noted that CBA needs to continue to build upon evidence that it works, and that it is not just the amount of finances available that is important, but how they are managed and delivered. She stated that the Kathmandu Declaration is an effective tool to take the CBA agenda forward, and noted that 2014 is a key year for developing a strong workable agreement in Paris in 2015.

Atiq Rahman summarised the findings of the Intergovernmental Panel on Climate Change (IPCC) 5th assessment report, and the imperative of urgent mitigation and adaptation action. He noted that deficiencies in mitigation efforts are resulting in increased adaptation costs, and re-iterated the key message from the Kathmandu Declaration – that 50% of climate finance for adaptation must go to the poorest and most vulnerable. He called for climate justice, noting that local people are already paying through their own labour, money and resources. He discussed the critical issue of environmental displacement, and that no mechanism exists yet to accommodate climate migrants.

Christiana Figueres thanked all those contributing to the CBA movement, most especially Saleemul Huq and Atiq Rahman for their longstanding and strategic efforts to focus policy, and direct financing towards CBA. She discussed the significance of CBA, especially its cost-effectiveness in terms of delivering adaptation and welfare outputs. She praised the CBA modality for its capacity to share bottom-up insights from those on the community frontlines. She also acknowledged Nepal's leadership on CBA, through the development of National and Local Adaptation Plans of Action (NAPAs and LAPAs), and through directing 80% of climate finances towards the local level.

Christiana Figueres noted that local-level adaptation funding remains “pathetically insufficient”, and highlighted the urgency by which existing funds should be delivered to the local level. She stated that CBA must ensure quick, effective and transparent delivery of funds, with robust monitoring and evaluation processes to provide evidence of accountability. She noted that lessons learnt through this process can inform the Green Climate Fund on how to deliver funds more effectively on a ‘bigger and better’ scale. She stated that the estimated US\$800 billion worth of fossil fuel subsidies could also liberate funds for adaptation while cutting greenhouse gas emissions.

Christiana Figueres urged the CBA constituency to focus contemporaneously on not just adaptation, but also mitigation, noting that continued deficiencies in mitigation efforts are resulting in exponential increases in the costs of adaptation to the point “where adaptation is not only extremely difficult, but also moving into impossible”. She declared that global emissions need to peak in the next 10 years, and realise carbon neutrality in the second half of the century. She further noted the unprecedented responsibility of our generation to take action on climate change, and that we must not fail the next generation and those in less developed countries. She described how we must make our movement strong to influence the intergovernmental negotiation process in Lima, Peru in 2015.

Sunil Acharya called for increased acknowledgement of the inherent capacities, knowledge and skills of individuals and communities. He praised the CBA platform for its capacity to emphasise these concerns and issues, and share lessons learnt at national, regional and international levels. He also noted the necessity for multi-level and private-public cooperation and partnership. He argued that we do not have time to wait for the outcome of the UN negotiations, and called for immediate climate action.

Krishna Chandra Paudel concluded the session by thanking the constituency for their hard work, energy and efforts. He re-iterated the key challenges in reaching the most vulnerable communities, and called for immediate action, cooperation and commitment.

#### **Key advocacy messages emerging from session**

- The global community must enhance the level of funding available for CBA.
- At least 50% of adaptation funds should be directed towards the poorest and most vulnerable communities.

- The CBA constituency should work to ensure quick, effective and transparent delivery of funds, with robust monitoring and evaluation processes to provide evidence of accountability, transparency and effectiveness.
- The CBA constituency needs to provide better evidence on what does and does not work. Documenting and learning from mistakes and failures is part of this.
- The CBA constituency must focus on both adaptation and mitigation, because continued deficiencies in mitigation efforts are resulting in exponential increases in the costs of adaptation.
- The billions directed to fossil fuel subsidies could be re-directed to adaptation while cutting greenhouse gas emissions.
- We must continue to build on the local knowledge and intrinsic capacities and skills of individuals and local communities. A shift in power and a reversal in decision-making processes is needed.

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