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Abbreviations

ADB	–	Asian Development Bank
CACILM	–	Central Asian Countries Initiative for Land Management
CAREC	–	Central Asian Regional Cooperation
CCIP	–	climate change implementation plan
CDIA	–	Cities Development Initiative for Asia
CDM	–	Clean Development Mechanism
CIF	–	Climate Investment Funds
CMI	–	Carbon Market Initiative
CO ₂	–	carbon dioxide
DMC	–	developing member country
GDP	–	gross domestic product
GEF	–	Global Environment Facility
GMS	–	Greater Mekong Subregion
ICARDA	–	International Center for Agricultural Research in the Dry Areas
IFPRI	–	International Food and Policy Research Institute
IPCC	–	Intergovernmental Panel on Climate Change
JICA	–	Japan International Cooperation Agency
Lao PDR	–	Lao People's Democratic Republic
LCT	–	Low Carbon Technology
NAMA	–	nationally appropriate mitigation action
NAPA	–	national adaptation program of action
NCCP	–	National Climate Change Program
NGO	–	nongovernment organization
OECD	–	Organisation for Economic Co-operation and Development
PARD	–	Pacific Department
PPCR	–	Pilot Program on Climate Resilience
ppm	–	parts per million
PRC	–	People's Republic of China
REDD	–	reduced emissions from deforestation and degradation
SAARC	–	South Asian Association for Regional Cooperation
UNDP	–	United Nations Development Programme
UNFCCC	–	United Nations Framework Convention on Climate Change

"While the challenges are huge, I believe the crisis is also an opportunity-an opportunity for our region and the world to fundamentally restructure our approach to development and bring about a more sustainable global balance." Haruhiko Kuroda, President, Asian Development Bank.

Executive Summary

Climate change is a major threat to improving prosperity in Asia and the Pacific. To avoid the worst predicted impacts of climate change, institutions and individuals around the world must act now. In the Asia and Pacific region, while each country faces distinct challenges, coordinated responses are also critically important. Virtually every country has prepared a national strategy or plan for addressing climate change in an effort both to arrest further increases in greenhouse gas emissions and to cope with already inevitable adverse impacts of climate change.

The Asian Development Bank has an important role to play in helping to respond to these threats. ADB's *Strategy 2020* recognizes the urgent need to promote economic growth that is both locally and globally environmentally sustainable, positioning the economies of the region to be productive and competitive while continuing the pace of poverty reduction. Consistent with this goal, ADB is expanding its partnerships with governments, the private sector and civil society to aid the transition to low-carbon and climate-resilient economic development across the region.

To achieve this objective, ADB is working to better align its investments and associated policy and institutional support with the priorities of its developing member countries (DMCs) relating to climate and development. Each of ADB's five regional departments – covering Central and West Asia, the Pacific, South Asia, East Asia and Southeast Asia¹—has drafted a Climate Change Implementation Plan (CCIP) to serve as a guide for climate-related responses, both to mitigate greenhouse emissions and to adapt to climate change impacts. The results of these CCIPs are summarized in this report and will be periodically updated, as warranted. Priorities defined in the report will be incorporated into individual country investment plans. In carrying out its climate change program, ADB also will assess and adjust, as appropriate, its own financing modalities and staff capacities to ensure it is able to effectively deliver on this agenda.

Taken together, the subregional CCIPs indicated that ADB's efforts will be concentrated in several key areas of high demand in the region, all of which build on ADB's past efforts and comparative advantage as a development finance institution:

¹ ADB's Regions: Central and West Asia: Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, Uzbekistan. East Asia: Mongolia, People's Republic of China (PRC); Pacific: Cook Islands, Fiji Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu. South Asia: Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka. Southeast Asia: Cambodia, Indonesia, Peoples Democratic Republic of Lao, the Philippines, Thailand, Vietnam.

- Building institutional capacity of developing member countries to respond to climate change.
- Promoting the creation of policy incentives to enable low-carbon and climate-resilient growth.
- Promoting low-carbon energy, transport, rural and urban development, and speeding the transfer of environmentally sound technologies to developing member countries
- Dramatically scaling-up climate change adaptation efforts, including vulnerability analysis, climate proofing of investments and mainstreaming adaptation into development.
- Coordinating and harmonizing responses among multiple partners and encouraging regional cooperation to address climate challenges.
- Developing and disseminating associated knowledge products.

The responses of each subregion are summarized below. In sum, they show that ADB will build on its traditional strengths in the areas of infrastructure – for water management, transport, urban services, and rural development – by mainstreaming climate change responses into these sectors and related policy and institutional support. ADB's clean energy investments are expected to expand considerably, especially through even greater support for energy efficiency improvement and renewable energy development. A qualitative shift will be taken in ADB's transport sector work, moving away from past emphasis on road and highway construction towards greater emphasis on rail and public transport. Opportunities to help channel significant new financial resources for rural development derived from forest carbon sequestration services will be explored. The agriculture, health and water sectors will be heavily affected by climate change, and adaptation measures will be built such investments as needed.

In Central and West Asia, the natural environment includes high mountains, vast grasslands, and large internal water bodies—including the Indus, Amu Darya, and Syr Darya river basins and the Caspian and Aral seas—all of which are essential for food, trade, and energy production. Water scarcity is predicted to increase as a result of climate change in regions already subject to periodic drought, and ADB will respond by supporting strengthened policies and institutions for agricultural water management and hydropower at the national and regional levels. ADB will also invest in renewable energy and energy efficiency programs, leveraging carbon market financing to help modernize some of the most carbon-intensive economies in the world. Opportunities to invest in measures that generate combined mitigation and adaptation benefits will be explored, for example through the restoration of degraded lands under the Central Asian Countries Initiative for Land Management.

ADB's East Asia Region is made up of two vastly different countries – the People's Republic of China (PRC) and Mongolia – and has two corresponding sets of priorities for addressing climate change. In the PRC, ADB will scale-up its support for climate change adaptation, especially by focusing on ecosystem resilience and water resource management in dryland areas. Long-standing support for energy efficiency improvement and expansion of renewable energy will be scaled-up to help the PRC reduce its carbon footprint. In Mongolia, energy efficiency improvements will likewise be pursued, and land and livestock management will be a priority for both adaptation and mitigation. ADB will work to build capacity in both countries to support all climate-related investments, including improved efficiency of coal-fired power plants and sustainable forest management.

ADB's Pacific Region covers island countries which face serious risks from sea level-rise, increasing intensity of tropical storms, greater rainfall variability, as well as ocean warming and acidification. ADB investments will support improved marine and coastal management to increase the climate resilience of the Pacific's agriculture, fisheries, tourism, and water sectors. ADB will work closely with its development partners to align climate-related interventions with institutional capacity and with country and sector-specific climate vulnerability risk assessments, building on those produced as part of CCIP preparation. ADB will also support the integration of adaptation planning and disaster risk management in the subregion. While greenhouse gas emissions in the Pacific are not significant on a global scale, ADB will continue to invest in targeted energy efficiency and renewable energy interventions that also will promote improved energy security.

Representing roughly half of the world's absolute poor, the population of South Asia includes hundreds of millions of small farmers and coastal dwellers who are extremely vulnerable to climate change. ADB will work with the governments of South Asia to strengthen policies and build institutional capacity for national and local level responses to climate change. Among others, ADB's investments will respond to severe water-related risks by supporting irrigation system resilience, and coastal and flood protection. To reduce growing greenhouse gas emissions associated with economic expansion in the subregion, ADB will work closely with the private sector to enable further diffusion of clean technologies in three core sectors – energy, transport, and urban development.

Large and dense rural populations inhabiting long coastlines and islands are at high risk from climate change impacts in ADB's Southeast Asia Region. ADB's investments will protect critical infrastructure and resource-dependent industries – namely, agriculture, aquaculture, and tourism. A key element of mitigation efforts in the subregion will be promotion of improved policies and institutional capacities for land and forest management by piloting activities under the emerging Reduced Emissions from Deforestation and Degradation (REDD) approach, while contributing to higher rural incomes and associated benefits from biodiversity conservation. Support will also be provided for greater energy efficiency, renewable energy expansion, and better urban planning, including sustainable transport and waste management.

In keeping with the goals laid out in ADB's *Strategy 2020*, these efforts will help raise the share of ADB's support for environmentally sustainable economic growth, including responses to climate change, to at least 40% of investments by 2020. Measures to leverage financing from the private sector—through risk sharing, public private partnerships and clean development funds—will also be expanded.