

**ADB's Response:
Mainstream Climate Change into Core
Development Operations**

Jun Tian
Asian Development Bank
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**ADB's Strategy 2020
and Climate Change**

- Inclusive Economic Growth
- Regional Integration
- Environmentally sustainable growth
 - Environment including climate change: one of the five core areas of operations
 - Aims to scale up support for projects that address climate change

Core Elements:
Climate Change Mitigation

Help build low-carbon economies by:

- Advancing energy efficiency and low-carbon energy sources (e.g. renewables)
- Enabling sustainable transport policies and applying efficient systems
- Promoting improved urban sanitation and reduction of fugitive methane emissions (e.g. landfills)
- Promoting sustainable land use and forestry

Core Elements:
Climate Change Adaptation

Help build climate-resilient economies by:

- Addressing vulnerability risks in national development strategies and actions
- Increasing climate resilience of vulnerable sectors (e.g. water, agriculture)
- Climate proofing projects
- Addressing social dimensions (e.g. gender, migration)

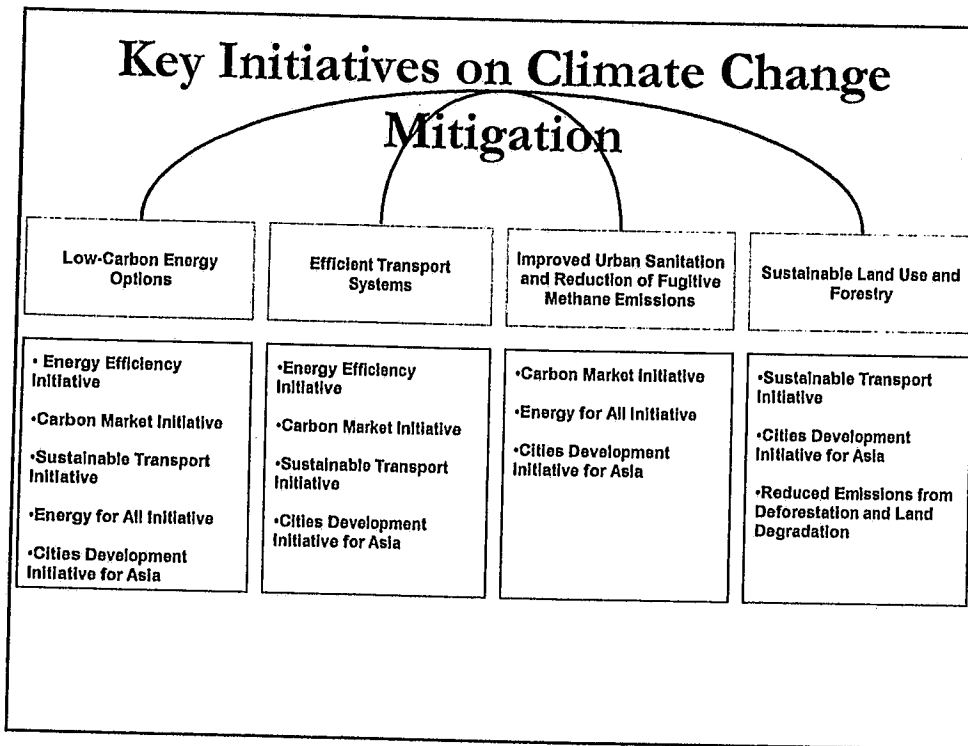
Financing Tools: Mitigation and Adaptation

Help make climate change mitigation and adaptation actions affordable and more competitive to DMCs through:

- Mobilizing concessionary resources
- Catalyzing private capital
- Maximizing the use of market-based mechanisms (e.g. carbon and insurance markets)

ADB's Climate Change Program: Mainstreaming Climate Change in Core Operations

| | | | |
|---------------------------------|---|-----------------------------------|-------------------------------------|
| Financing Tools | Mobilizing Concessionary Resources | Catalyzing Private Capital | Maximizing Market Mechanisms |
| | Advancing Energy Efficiency and Use of Low-Carbon Energy Sources | | |
| | Enabling Sustainable Transport Policies and Applying Efficient Systems | | |
| Mitigation Core Elements | Promoting Improved Urban Sanitation and Reduction of Fugitive Methane Emissions | | |
| | Promoting Sustainable Land Use and Forestry | | |
| Adaptation Core Elements | Addressing Vulnerability Risks in National Development Strategies and Actions | | |
| | Increasing Climate Resilience of Vulnerable Sectors | | |
| | Climate Proofing Projects | | |
| | Addressing Social Dimensions | | |



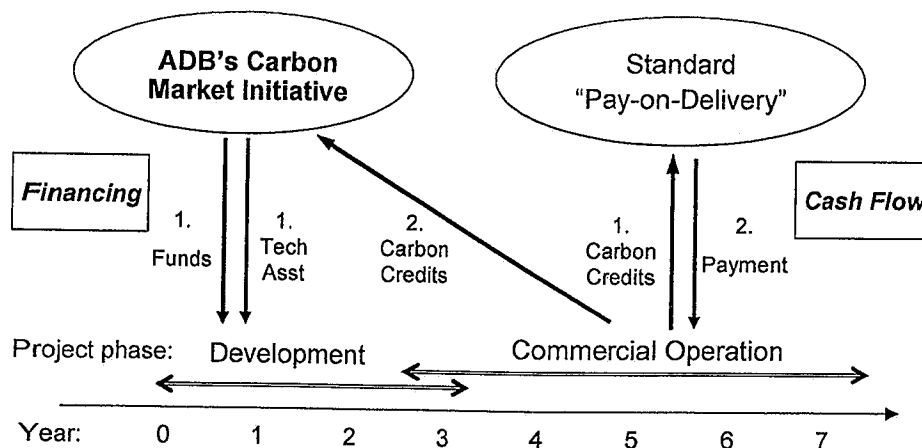
Clean Energy Investments (2003-2008)

| Year | Clean Energy Component (in \$ millions) |
|------|--|
| 2003 | 226 |
| 2004 | 306 |
| 2005 | 757 |
| 2006 | 657 |
| 2007 | 668 |
| 2008 | 1,699 |

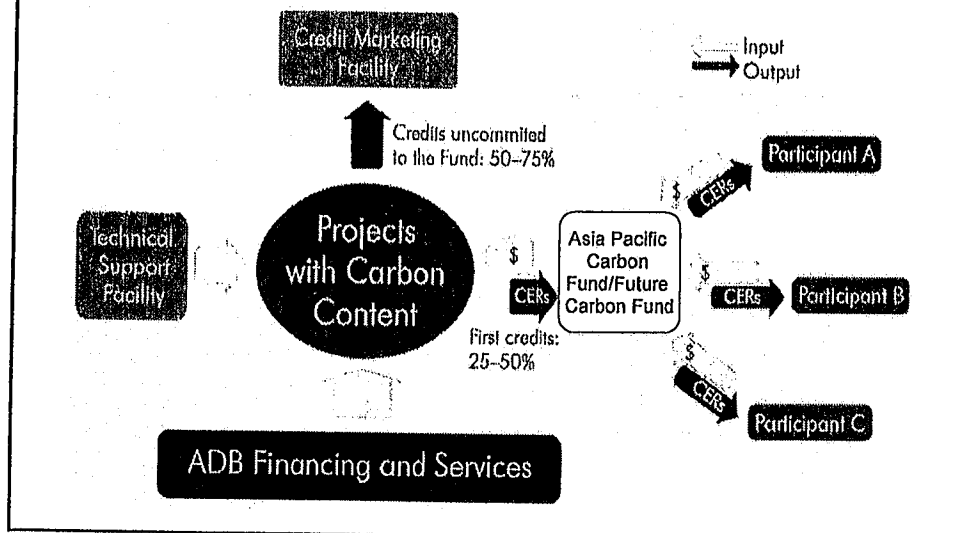
EEI Project Examples

- Guangdong Energy Efficiency and Environment Improvement Program (PRC)
- Nagpur Water Supply Project, with energy efficiency improvement (IND)
- Public-Private Infrastructure Development Facility (solar projects) (BAN)
- DSM for Municipal Street lighting (SRI)
- Renewable Energy for Remote Island and Mountain Communes (VIE)

Carbon Market Initiative



Mechanisms (Carbon Market Initiative)



CMI Project Examples

- Guangdong Energy Efficiency and Environment Improvement Program (PRC)
- New Bong Escape Hydropower (PAK)
- Kerala Sustainable Urban Development Project (solid waste management) (IND)
- Efficient Utilization of Agricultural Wastes (PRC)
- Baoding Geothermal (PRC)
- Wind Power Project in Sindh Province (PAK)

ADB's Adaptation Actions

- Portfolio at Risk Assessment
- Development of Project Screening Tool
- Country/Sector Assessments (e.g., PAL, NEP, BAN)
- Climate Proofing
- Knowledge Products
- Capacity Development
- Partnerships

Adaptation – Example Activities

- Climate Change Adaptation (CCA) in the Coral Triangle
- Community-based Vulnerability Assessment, Risk Mapping and Adaptation Planning in Nepal
- CCA in Asian Coastal Mega Cities: The Ho Chi Minh City (HCMC) Case Study
- Crops research (ICRISAT)- Vulnerability to Climate Change: Adaptation Strategies and Layers of Resilience
- Infrastructure Development Project in the Cook Islands
- Jiangxi Sustainable Forest Ecosystem Development Project in PRC
- Preparing the Central Asia South Asia Regional Electricity Market Project

Climate Change-Related Funds

| | Mitigation | Adaptation | Both |
|--------------------------|--|---|--|
| INTERNAL - DMICS | Clean Energy Financing Partnership Facility (\$90m) | Small Grants for Promoting Climate Change Adaptation (\$1.2m) | Climate Change Fund (\$40 m) |
| | Carbon Market Initiative Funds ▪ Asia-Pacific Carbon Fund (\$151m for up to 2012) ▪ Future Carbon Fund (target \$100m for post 2012) | Water Financing Partnership Facility (\$43m, including adaptation) Poverty and Environment Fund (\$3.6m, including adaptation) | |
| EXTERNAL - GLOBAL | Global Environment Facility (GEF) Climate Change Focal Area (\$250m/ year) | Least Developed Countries Fund (GEF as administrator) (\$189m - \$58m committed) | Special Climate Change Fund (GEF as administrator) (adaptation priority, \$80m - \$87m committed; mitigation, target \$15m) |
| | Clean Technology Fund of the Climate Investment Funds (WB as Trustee) (target \$5b for 2009-2012) | Strategic Priority on Adaptation (part of GEF Trust Fund) (\$50m - now fully committed) | Strategic Climate Fund of the Climate Investment Funds (WB Trustee) Target: - Pilot Program for Climate Resilience \$500m - Forest Investment Prog. \$500m - Greening Energy Access \$500m |
| | | Adaptation Fund (GEF as administrator in cooperation with UNFCCC Secretariat) (\$100m by 2009) | |

Knowledge Development

- Flagship studies
 - Climate Change and Energy
 - Building Climate Resilience in the Agriculture Sector
 - Climate Change and Migration
 - Southeast Asia Economics of Climate Change
- Knowledge-sharing events, e.g.:
 - Clean Energy Forum (annual)
 - Transport Forum (Sept. 2008, 2009)
 - Better Air Quality Workshop (biennial)
 - High-level Dialogue on Climate Change, June 2009 (w/ TERI)

Collaboration with Development Partners

- Other MDBs
 - Clean Energy Investment Framework (CEIF)
 - Climate Investment Funds (CIF)
- Bilateral partners, others
 - Cities Development Initiative for Asia (GTZ, Sweden)
 - Study on Climate Change Impact on Coastal Cities (JICA, WB)
 - Coral Triangle Initiative (Australia, US, GEF, NGOs)
- Knowledge Institutions
 - The Energy and Resources Institute (TERI), India: on clean energy
 - Tsinghua University, PRC: on climate change
 - Institute for Global Environmental Strategies (IGES), Japan: on 3R
 - National Hydraulic Research Institute of Malaysia (NARIM): on water and climate change adaptation in the Asia Pacific
 - PUB Waterhub, Singapore: on urban water management

Climate Investment Funds (CIF)

- A portfolio of funds established jointly by ADB, AfDB, EBRD, IDB, and the World Bank
- To provide scaled up assistance to developing countries for climate change mitigation and adaptation until 2012
- Consists of 2 funds:
 - Clean Technology Fund (CTF)
demonstration, deployment, and transfer of low-carbon technologies
 - Strategic Climate Fund (SCF)
innovative approaches or scale up activities for targeted actions (e.g. national level actions for climate resilience, forest investment program)

THANK YOU

Jun Tian
Advisor, Department of
Regional and Sustainable Development
Asian Development Bank
jtian@adb.org