

OECD Policy Guidance on Integrating Climate Change Adaptation into Development Co-operation

Remy Paris

OECD Development Co-operation Directorate

Presentation Outline

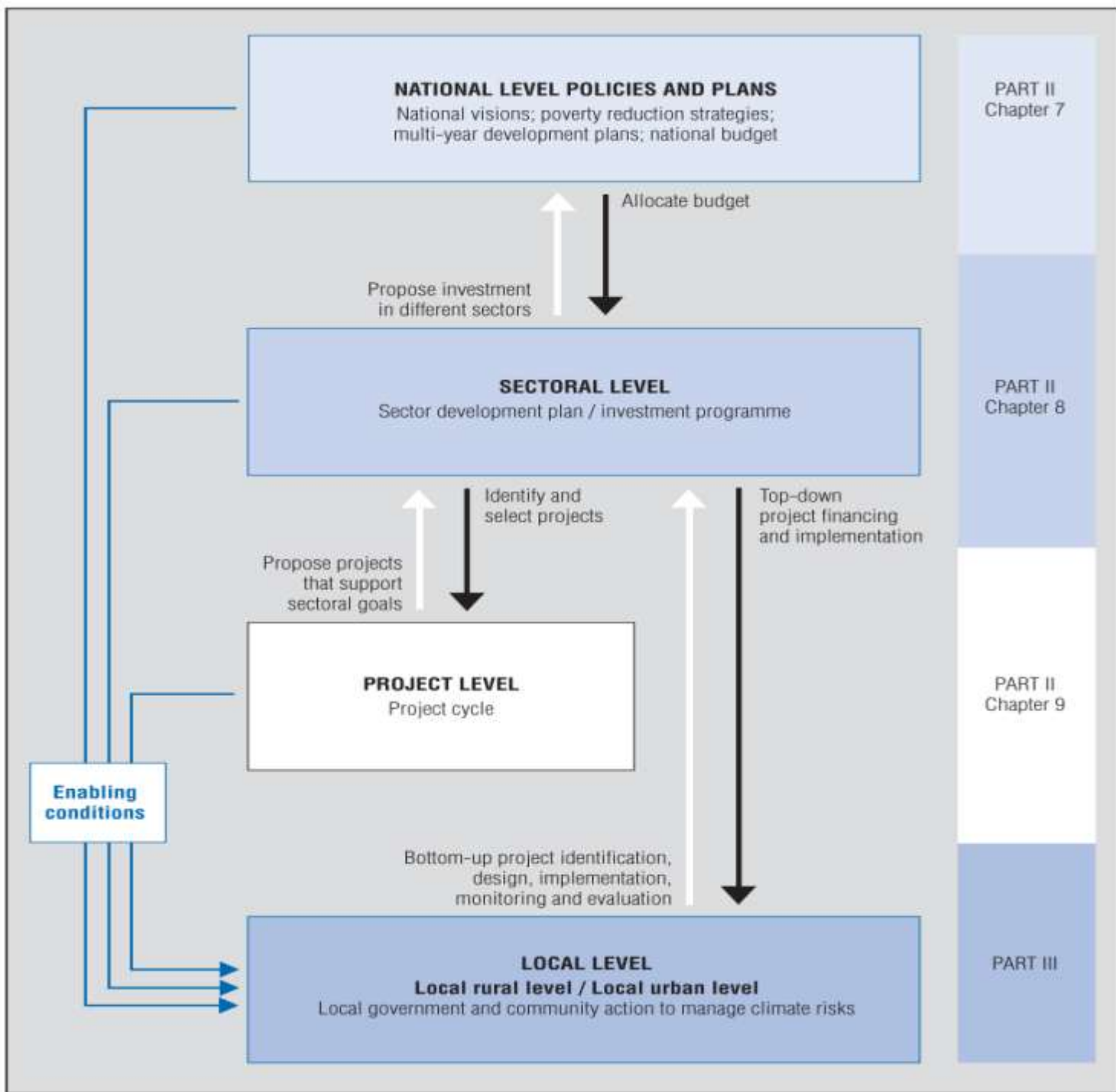
- Climate change and development
- Policy Guidance approach
- Key concepts
- National level
- Sectoral level
- Project level
- Local level

Climate Change and Development

- People living in poverty and poor countries are particularly vulnerable to the impacts of climate change.
- Core development priorities risk being undermined.
- The achievement of the Millennium Development Goals (MDG) are compromised.
- Climate change impacts go beyond 2015 with increasing risks and challenges for development.

Context and Approach

- The OECD Policy Guidance represents joint work between Environment & Development Cooperation Directorates at the OECD.
- Formally targeted at policy makers and practitioners in both donor countries and developing countries.
- In line with *Paris Declaration on Aid Effectiveness*, the Policy Guidance seeks to align donor support with the strategies, institutions & procedures of partner countries.
- *Whole of government approach to integrating adaptation*, structured around hierarchy of existing decision processes in partner countries at national, sectoral, project & local levels.



Climate Change Adaptation

- *Adaptation* is the adjustments in human and natural systems, in response to actual or expected climate stimuli or their effects, that moderate harm or exploit beneficial opportunities.
- Adaptation involves both targeted policies and the integration (“mainstreaming”) of adaptation measures into existing development processes and activities.
- Many development activities lead to adaptation benefits, while some may contribute to maladaptation.

Adaptation: An Ongoing Process

- **Step 1:** Identify current and future vulnerabilities and climate risks.
- **Step 2:** Identify adaptation measures.
- **Step 3:** Evaluate and select adaptation options.
- **Step 4:** Evaluate “success” of adaptation.

Key Concepts

- **“Entry points”**: points within policy cycle where climate change risks need to be considered & adaptation can be integrated

- **Applying a “climate lens” (national and sectoral levels)**:
The extent to which:
 1. A measure could be vulnerable to climate risks.
 2. Climate change risks have been considered in formulating the measure.
 3. The measure could lead to increased vulnerability & maladaptation.
 4. Pre-existing strategies and policies being revised need to be amended in order to address climate risks and opportunities.

Addressing Adaptation at the National Level

- Improving access to national level climate information
 - Variety of resources available, but variable quality & depth
- Identifying & engaging key national actors
 - Ministry of Finance, Ministry of Planning, Coordinating bodies...
- Organising government structures to better address adaptation
 - Coordination of adaptation from centres of power in national government
- Building upon & reinforcing existing national mechanisms for DRR
- Modifying regulations & standards to reflect current & anticipated climate risks
- Enhance links between multilateral/regional commitments & adaptation

Policy formulation

National long-term visions



National short- to medium-term policies, e.g. PRSPs

- Include recognition of climate risks
- Apply a climate lens

Planning

Multi-year development plan

- Apply a climate lens
- Include adaptation-specific programmes / projects

Resource allocation

National budget

- Reallocate funding to more vulnerable sectors/regions

Horizontal fund for adaptation

- Allocate funding for adaptation-specific activities

Programming / Implementation

Sector-level development plan
Sector budget envelope

SECTOR X

Sector-level development plan
Sector budget envelope

SECTOR Y

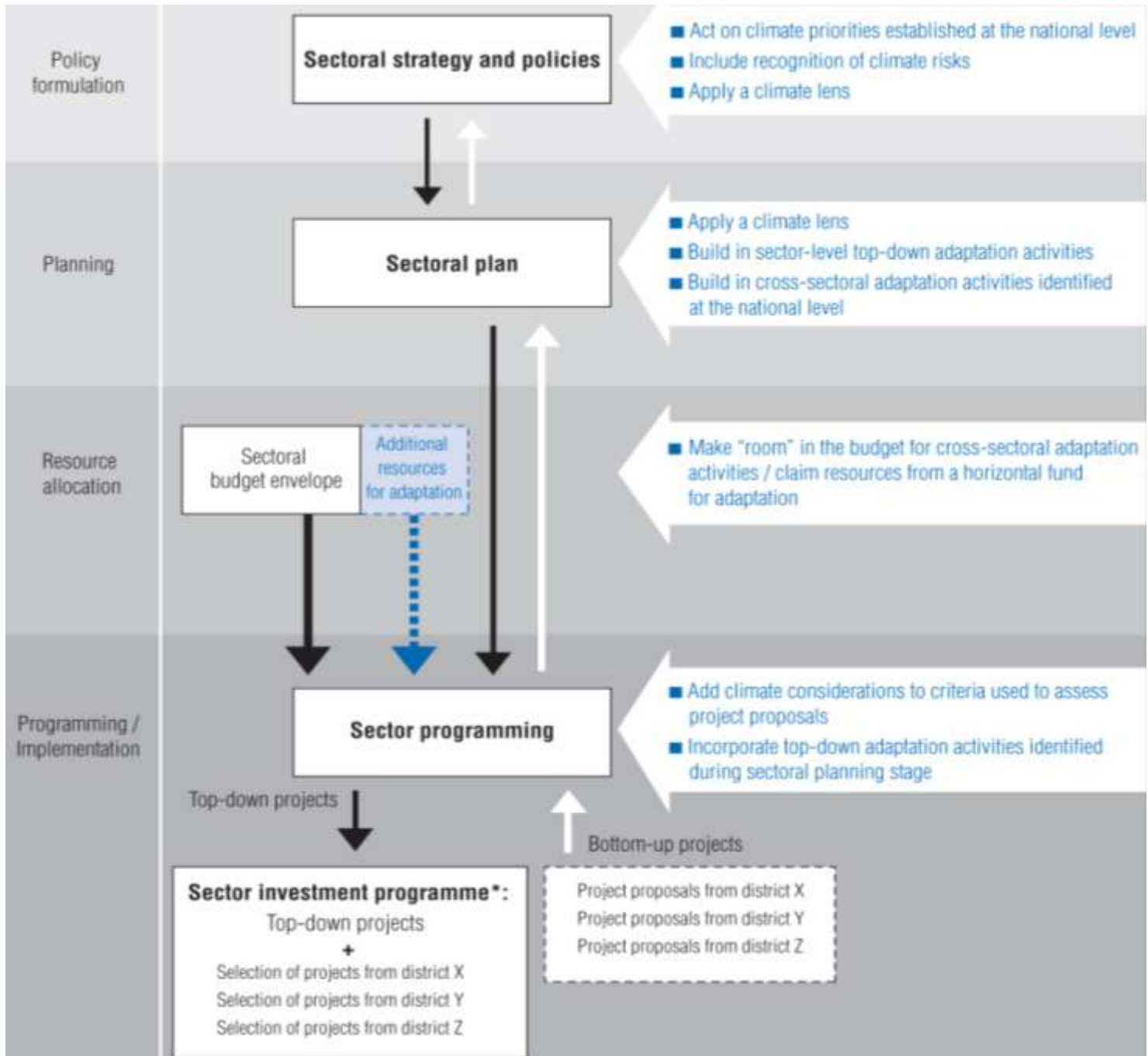
Sector Level

What do we mean by Sector Level?

- Bodies with policy & planning authority and functions within a given sector at the level of an entire nation

Importance of Sector Level?

- Vulnerability & response options highly sector-specific
- Adaptation tools & methods vary significantly between sectors
- Key economic sectors sensitive to climate: agriculture, health, energy, water, infrastructure, etc.



* This figure is not drawn to scale: the sector investment programme cannot exceed the sectoral budget envelope.

Integrating Adaptation at Project & Local Levels

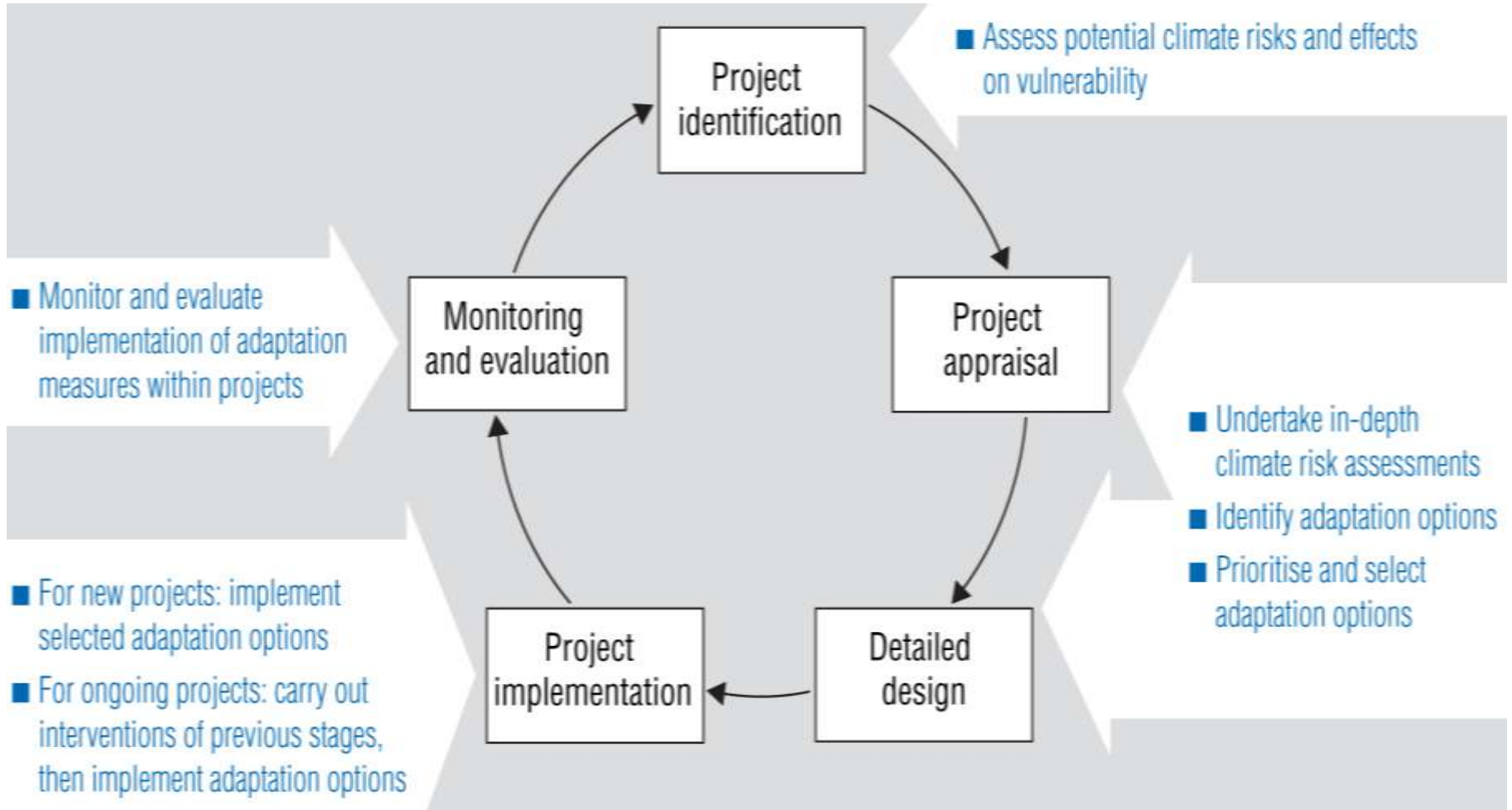
Project Level:

- Complete project cycle approach
- Integration of adaptation in each step of cycle

Local Level:

- 3 reasons why local-level measures matter for adaptation:
 - Climate change impacts manifested locally
 - Vulnerability & adaptive capacity realised locally
 - Adaptation action best observed at local levels
- Integrating adaptation in urban & rural contexts:
 - Within rural & city development plans
 - Adjusting local regulatory, financial & service provision frameworks
 - Private sector & civil society processes

The Project Cycle



Decide on thematic focus

- Which sectors or areas are vulnerable to climate risk?

Analyse stakeholder problems, needs, interests

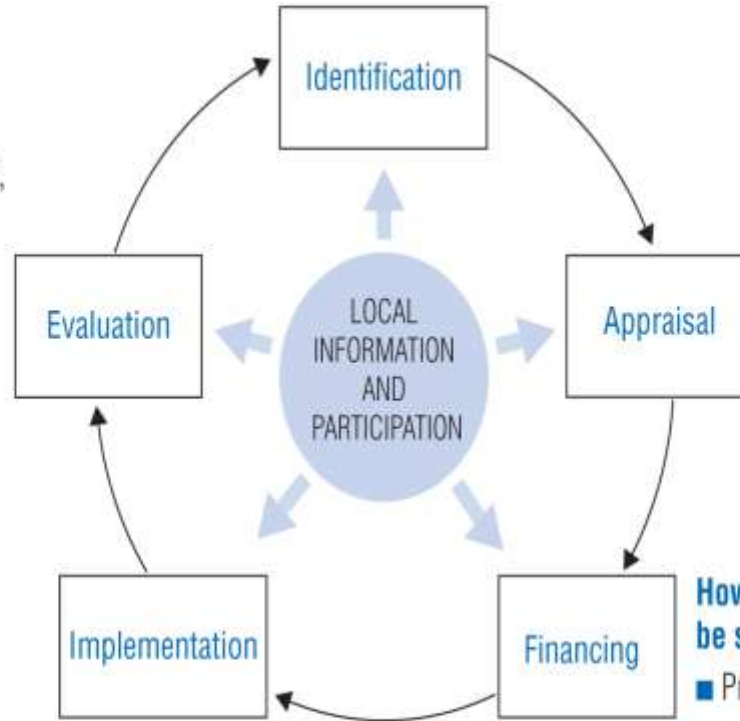
- Which development priorities are linked to climate risk?
- Which coping strategies are effective in managing risk?
- Vulnerability baseline...?

**Did we succeed?
Do we continue?**

- Which climate stressors occurred during the project, what were the impacts?
- People better able to deal with climate risks?
- Any unforeseen adverse or positive impacts?

To proceed or not?

- Are project resources exposed to climate risk?
- Will the project make people more vulnerable?
- Are the necessary resources and measures in place to address the above?



How will resources be secured and allocated?

- Prioritisation...?
- Flexibility / disbursement of funding to account for climate risks

Monitoring – How are we doing?

- Are current vulnerabilities being reduced / capabilities increased?
- Are activities / results sustainable in face of longer-term climate change?

Local Level Challenges

- Awareness of climate risks
- Information
- Capacity of local governments and organisations
- Competing local (and national) needs
- Institutional structures that inhibit adaptation

URL & Contacts

www.oecd.org/env/cc/adaptation/guidance

Development Co-operation Directorate:

Remy Paris: remy.paris@oecd.org

Environment Directorate:

Shardul Agrawala: shardul.agrawala@oecd.org