



Climate Financing Mechanisms

Sustainable Land Management and Ecosystem-based Adaptation for the Green Climate Fund

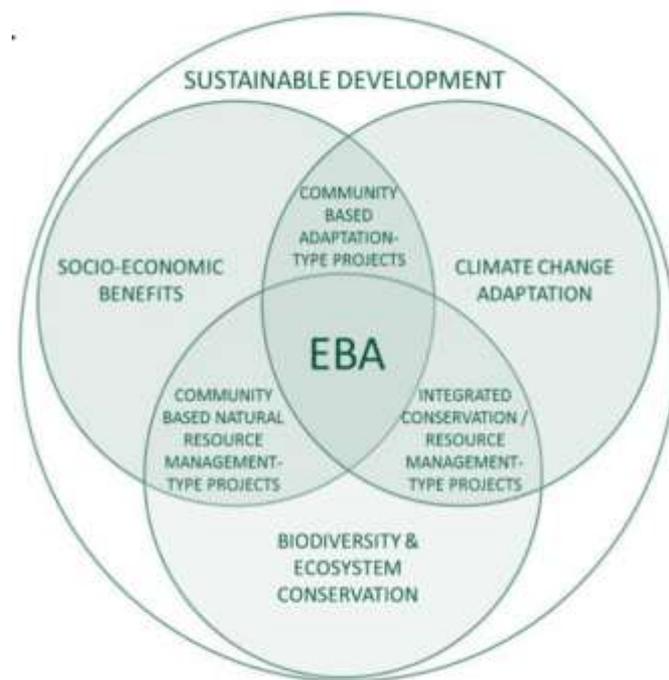
Timm Tennigkeit, Dushanbe, 09.04.2015



“**Ecosystem-based approaches to adaptation** involve the services that biodiversity and ecosystems provide to help people adapt to the adverse effects of climate change. The underlying principle is that **healthy ecosystems can play a vital role in maintaining and increasing resilience to climate change and in reducing climate-related risk and vulnerability.**” – UNFCCC/SBSTA/2011/INF.8

- Concept of EBA has important linkages between the UNFCCC, CBD and UNCCD
- Concept first introduced into the UNFCCC in 2008 at COP 14 → in 2011 the concept was discussed by the SBSTA
 - *EBA definition, overview of approaches & creation of EBA database*

Diverse actors involved in developing EBA projects (e.g. WB, GEF, IUCN, WWF, GIZ, Governments)



Source: Midgley et al. 2012 in UNEP 2013

EBA in Mountain Ecosystems

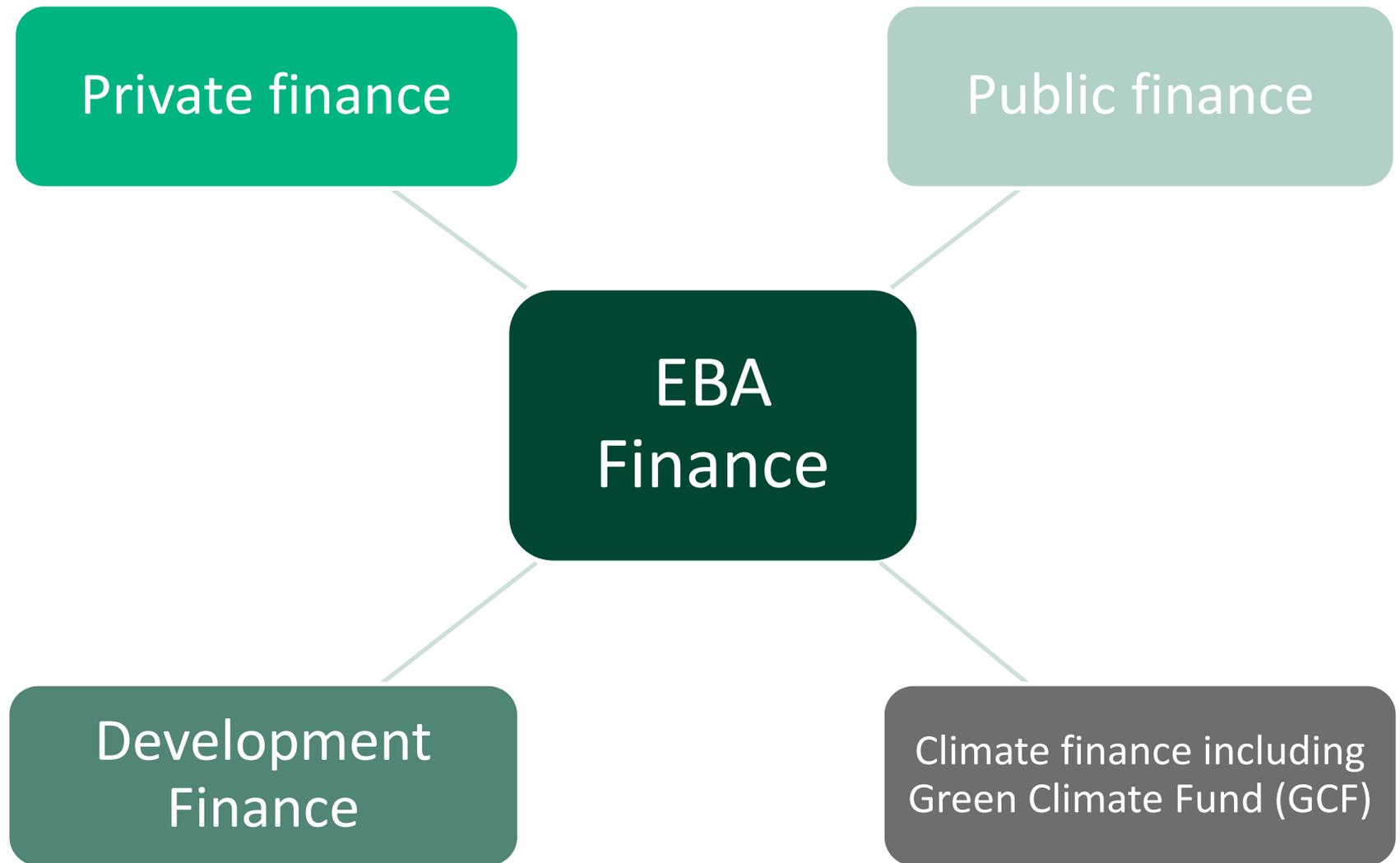
Why? Climate induced stress e.g. on water resources: The melting of glaciers can lead to floods, and eventual water shortages with major implications on agriculture, food security & livelihoods, land degradation, risk of natural disasters, and energy generation (hydropower).

- *6% of Tajikistan is covered by glaciers, 95% of Tajikistan's electricity is generated by hydropower, 64% of total employment within the agricultural sector (21% of GDP)*

EBA approaches have been implemented in mountainous ecosystems including in Peru, Bolivia and Nepal.

EBA approaches:

- Watershed maintenance & restoration
- Climate-smart agriculture (e.g. improved irrigation)
- Conservation of agro-biodiversity
- Reforestation & restoration of forested lands
- Conservation of biodiversity
- Restoration of wetland ecosystems
- Increasing awareness and enhancing local capacities to adapt to climate change
- Improved grassland & pasture management



Need to mainstream climate change into national development planning as a cross-cutting issue in the new National Development Strategy (post-2015)

- While many sectoral plans acknowledge the potential impacts from climate change – they do not provide a strategy for dealing with existing climate change stresses, nor do they address increased severity and frequency of extreme climatic events → **need to integrate climate risk and resilience!**
- **National Action Plan on Climate Change Mitigation** is the only plan explicitly discussing climate change strategies

Public policies and finance need to be used and strategically positioned to leverage international development and climate finance (ODA, Private Sector & GCF)

- Provide incentives and encourage the adoption of EBA approaches
- Support the development of National Adaptation Plans (NAPs)
- Begin climate proofing relevant sector strategies (including the agriculture and energy sectors) which will further position the country strategically to attract climate finance and engage the private sector

Current Projects & Programs:

Projects may directly focus on adaptation, have adaptation as a co-benefit, focus on enhancing capacities, or have climate change as a cross-cutting topic

- The Pilot Program for Climate Resilience (PPCR) is the largest climate change related program in Tajikistan
- Several bi-lateral and multi-lateral projects and programs in place
- **There remains a need to directly address climate change risks in climate-sensitive sectors such as agriculture, water management and infrastructure**

As a pre-condition to access international climate finance, countries should **integrate climate change adaptation and mitigation into national and sectorial development strategies**

Other main international climate change adaptation funds beside the PPCR (that are operational) include the Adaptation Fund, the Least Developed Countries Fund, the Special Climate Change Fund, and the Adaptation for Smallholder Agriculture Program.

**Pilot Program for
Climate Resilience**

USD 1.148 billion

*World Bank – Strategic
Climate Fund (within
Climate Investment
Funds Framework)*

**Least Developed
Countries Fund**

USD 914.5 million

UNFCCC/GEF

Adaptation Fund

USD 482.9 million

*UNFCCC & Kyoto
Protocol*

**Adaptation for
Smallholder
Agriculture Program**

USD 352.9 million

*International Fund for
Agricultural
Development (IFAD)*

**Special Climate
Change Fund (SCCF)**

USD 347.3 million

UNFCCC/ GEF

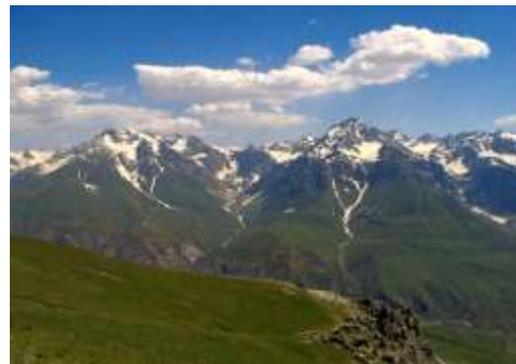
Adapted from: Climate Funds Update 2012

Opportunities for the private sector include:

- I. Emerging & expanding market opportunities
- II. Climate proofing the supply chain and promoting climate-smart goods, technologies and services
- III. Risk reduction
- IV. Corporate Social Responsibility

Private sector investment in Tajikistan is currently at a very low level which limits economic growth and job creation

- Most investments are funded by the government and development partners (private investment just represent 4% of the GDP in 2012) (ADB 2013)
- There needs to be increasing projects by the Government and ODA implementing agencies in **building-up capacity within the private sector, and engaging them in EBA approaches**



Green Climate Fund (GCF) aims to promote a “paradigm shift **towards low-emission** and climate-resilient development pathways **by providing support to developing countries to limit or reduce their greenhouse gas emissions** and to **adapt to the impacts of climate change.**” – *GCF 2015*

- Main instrument to channel climate finance to developing countries and support projects and programs in developing countries
- **Equal emphasis on allocating resources for reducing emissions and strengthening resilience (adaptation and mitigation), with a focus on most vulnerable countries**
- Initial Resource Mobilization for GCF (End of 2014): **USD 10.14 billion**

Fund-level impacts related to adaptation (GCF 2015):

- Increased resilience & enhanced livelihoods of the most vulnerable people, communities and regions;
- Increased resilience of health and well-being, and food and water security;
- Improved resilience of ecosystems and ecosystem services.

Tajikistan has yet to appoint a National Designated Authority (NDA) & Nat. Implementing Agencies for the GCF

- **EBA is intrinsically connected to livelihoods**, and as such programs need to be developed in such a way that they also incorporate sustainable land use and income generating activities while enhancing climate change resilience and ecosystem restoration
- Given the need to enhance local livelihoods, and the limited public sector funding available – **the private sector is a key actor for investing in EBA approaches & activities**
- **ODA and public finance** can enable and enhance the participation of the private sector to become involved in EBA



Source: Midgley et al. 2012 in UNEP 2013

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