

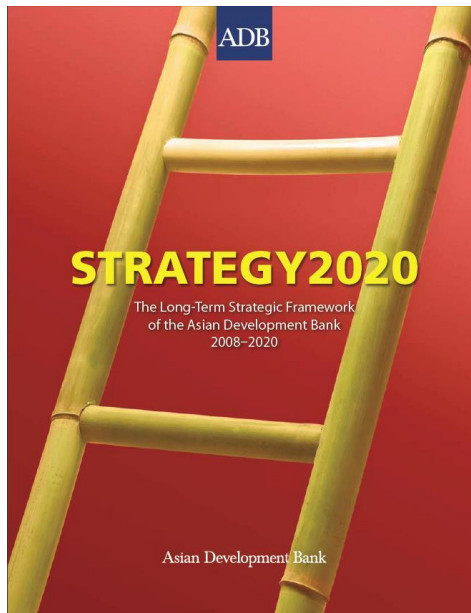
ADB Climate Change Program Overview

ADB Business Opportunities Fair
26 March 2015, Manila

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ADB's Long-term Strategic Framework (2008-2020)



- Inclusive Economic Growth
- Regional Integration
- Environmentally sustainable growth
 - Environment including **climate change**: one of the five core areas of operations

ADB Climate Change Strategic Priorities

Modalities

Priorities

Finance	Knowledge	Partnerships
Scaling-up Clean Energy		
Encouraging Sustainable Transport and Urban Development		
Managing Land Use and Forests for Carbon Sequestration		
Promoting Climate-resilient Development		
Strengthening Policies, Governance and Capacity		

Financing

ADB

\$140-\$175 billion	Annual mitigation costs in developing countries by 2030
\$40 billion	Annual adaptation costs in developing countries in Asia and the Pacific until 2050
80%	Private sector's stake
Urgency	Emissions need to peak in the next decade
\$3.1 billion	ADB climate finance in 2014



Mitigation Initiatives

Clean Energy

- > \$2 billion since 2011
- Asia Solar Energy Initiative: 3,000 MW new capacity by 2015
- Quantum Leap in Wind: 1 GW by 2016
- Energy for All Partnership: access for 100 million poor by 2015

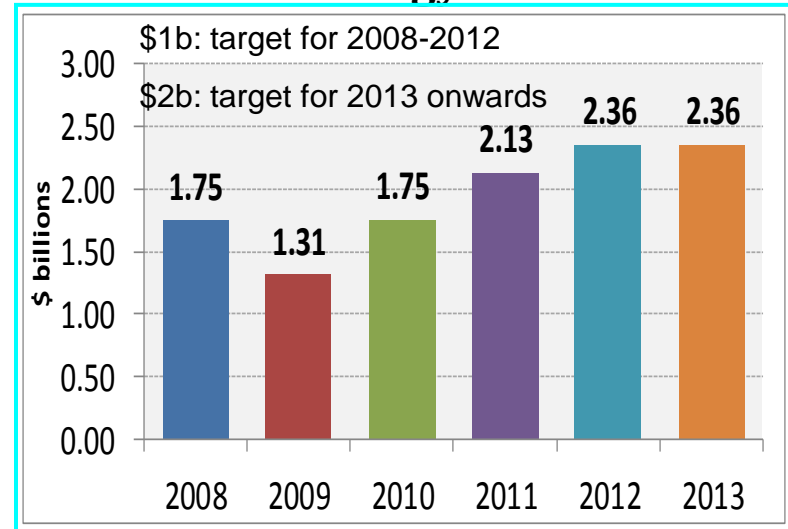
Sustainable Transport & Urban Devt

- Sustainable Transport Initiative
- Urban Operation Plan: Green, Inclusive, Competitive Cities
- Cities Development Initiative for Asia

Land Use and Forest Management

- Piloting REDD+/Forest Investment Program: Indonesia, Lao PDR, Mekong Region

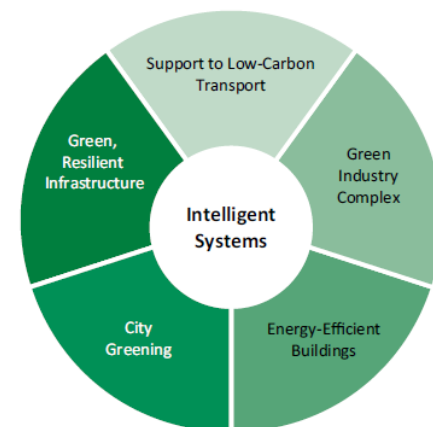
ADB Clean Energy Investments



Avoid unnecessary vehicle kilometers

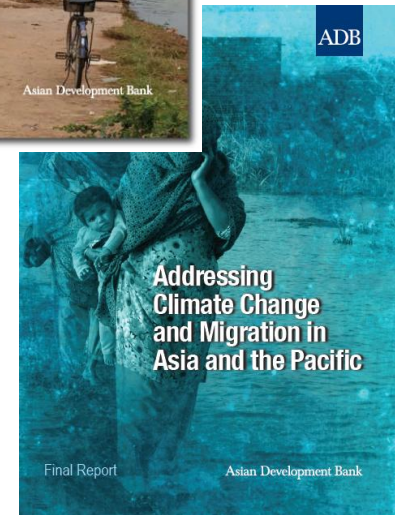
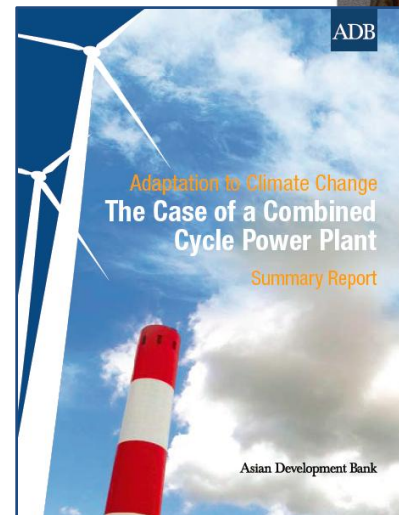
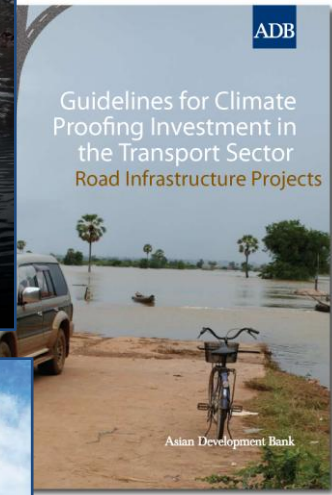
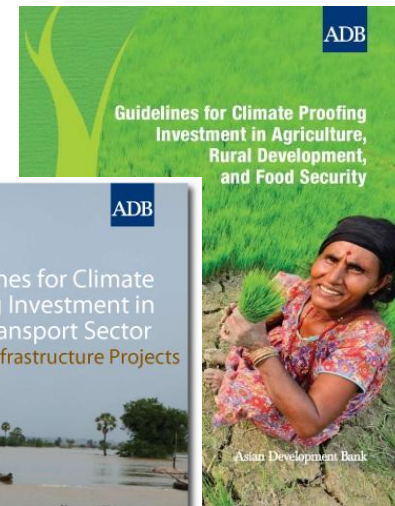
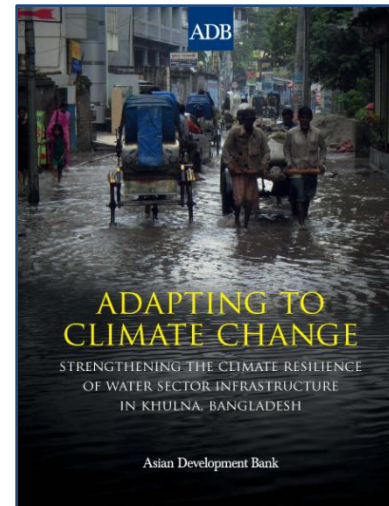
Shift to the lowest-emitting modes

Improve vehicle/fuel technology towards cleaner and more efficient options



Adaptation Initiatives

- **Mainstreaming climate resilience in core development planning**
 - Pilot Program on Climate Resilience for Bangladesh, Cambodia, Nepal, Papua New Guinea, Samoa, Tajikistan and the Pacific
- **Climate proofing vulnerable projects:** roads and bridges, ports, water supply and drainage
- **Knowledge support:** regional climate projections consortium data facility , guidance and tools
- **Addressing social dimensions :** migration, gender, health impacts
- **Greater emphasis on integration of adaptation and disaster risk reduction**



Knowledge and Partnerships

- **Partnerships**

- Climate Finance (with MDBs, others)
- Asia Pacific Adaptation Network (with UNEP, IGES, others)
- Asia Clean Energy Forum, Urban Forum, Transport Forum (with several partners)
- USAID Asia LEDS Partnership
- Asia leadership program on sustainable development and climate change

- **Studies, Tools**

- economics of climate change
- Agriculture, energy
- migration
- climate impacts on coastal megacities (with WB, JICA)
- climate risk assessment tools



JOINT MDB REPORT ON MITIGATION FINANCE 2011

A report by a group of Multilateral Development Banks (MDBs) comprising the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the World Bank (WB), and the International Finance Corporation (IFC)

December 2012

INTRODUCTION

The international community recognizes the need to join forces to avert dangerous climate change. This requires mobilizing financial resources from a wide range of sources, public and private, bilateral and multilateral, including alternative sources. It is increasingly important to track and report financial flows that support climate change mitigation and adaptation, to build trust and accountability with regard to climate finance commitments and monitor trends and progress in climate-related investment. Yet there is currently no precise internationally-agreed definition of climate finance and current efforts to track climate finance lack transparency, comparability and comprehensiveness.

This report is based on the joint MDB approach for mitigation finance reporting, developed by a group of MDBs to work towards better tracking of climate finance. It responds to the particular context of the activities that the MDBs carry out in developing and emerging economies and are built on the premise that climate mitigation and development are two sides of the same coin. A separate report on adaptation finance is being published in parallel to this report.

Each MDB's methodology for tracking mitigation finance¹ differs, but the joint MDB approach tries to find commonalities and is an attempt to jointly report on resources mobilized for a set of commonly-agreed mitigation activities (see below). The joint approach is also a work in progress aimed at assisting the MDBs, as well as other organizations that might want to join or more clearly understand their engagement in mitigation. This will lead to gradual convergence towards a harmonized approach for the tracking of climate change finance.

JOINT MDB APPROACH FOR MITIGATION FINANCE REPORTING

The joint MDB approach for mitigation finance reporting is based on the following principles or attributes:

- ◆ It is **activity-based**, namely, it focuses on the type of activity to be executed, and not on its purpose, the origin of the financial resources, or its actual results.
- ◆ The classification is **ex-ante** project implementation.
- ◆ An activity can be a project or a project component: the joint approach aims to report on mitigation activities disaggregated from non-mitigation activities through a reasonable level of data **granularity** by dissecting projects into main components. For example, a project with a total cost of \$100 million may have a \$10 million component for energy efficiency improvements – only the \$10 million would be reported.
- ◆ The joint approach measures **financial flows**, rather than greenhouse gas (GHG) emissions reduced by the investment.
- ◆ An activity can be labeled as contributing to climate change mitigation if it promotes "efforts to reduce or limit greenhouse gas (GHG) emissions or enhance GHG sequestration." In the absence of a commonly-agreed method for GHG analysis among MDBs, mitigation activities considered in this joint approach are assumed to lead to emission reductions, based on **past experience** and/or technical analysis. Ongoing efforts to harmonize GHG analysis among MDBs will bring more consistency regarding the identification of mitigation activities in the long term.
- ◆ The purpose of this joint approach is to enable **practical**, harmonized climate finance classification categories without having to resort to long, complex studies or highly specialized experts.
- ◆ The approach covers both **MDB's own resources** as well as external resources managed by the MDBs (such as funding from the Global Environment Facility, the Climate Investment Funds, or Carbon Funds). To prevent double counting (in particular as some external resources may already be covered in bilateral reporting), external resources managed by the MDBs are clearly separated from MDB's own resources.

¹ Such as the WB's climate finance tracking system (<http://bit.ly/wbclfs>) and the IFC's GHG Portfolio Accounting (<http://bit.ly/ifcghpa>).
OECD DAC Definition of the Rio Marker on climate change mitigation: <http://bit.ly/3h8m4p>

Looking Ahead

- **Continue support for clean energy investments, esp. energy efficiency**
- **Increase assistance for sustainable transport projects (e.g. urban mass transport, railways)**
- **Scale up support for climate adaptation esp. in low income countries and vulnerable sectors**
- **Strengthen integrated disaster risk management**
- **Promote natural resources management**
- **Strengthen policies and capacity**
- **Facilitate access to climate finance from various sources such as the Green Climate Fund and (enhance readiness, innovative approaches to mobilize private finance)**



Thank You