

Staff Training on Counting Climate Finance

20 September 2018, 09:00 am – 05:30 pm.

Auditoriums A and B, ADB Headquarters

DAY 1	
8:30 – 9:00	Registration
9:00 – 9:10	Welcome Remarks <ul style="list-style-type: none"> ◆ Bambang Susantono, Vice President, Knowledge Management and Sustainable Development
9:10 – 9:25	Session 1: Overview on Climate Change: The Politics and Finance <ul style="list-style-type: none"> ◆ Preety Bhandari, Director, Climate Change and Disaster Risk Management Division (SDCD) <p>The first session provides participants with a background of the overall climate financing architecture. It also provides insights into how climate considerations are being integrated into the Asian Development Bank (ADB) portfolio; reflecting the cross-sectoral dimensions of the issue. It will also present the strategic directions of ADB on this subject.</p>
9:25 – 10:15	Session 2: MDBs Approach and Methodology on Counting Climate Finance and the ADB Project Cycle <ul style="list-style-type: none"> ◆ Esmyra Javier, Climate Change Officer, SDCD <ul style="list-style-type: none"> ○ Introduction (history of the tracking system, current MDB work plans and approach after the Paris Agreement) ◆ David Elzinga, Senior Energy Specialist, SDSC-ENE <ul style="list-style-type: none"> ○ Mitigation finance (common principles, approach and typology) ◆ Xianfu Lu, Senior Climate Change Specialist, SDCD <ul style="list-style-type: none"> ○ Adaptation finance (common principles, eligible activities) <p>This session covers a brief history of the joint MDB approach, elaborates the principles underlying the approach and how ADB deploys the approach internally to assess and track climate finance activities and reports on the climate finance. This provides the foundation for more practical elements of counting climate finance to be covered during the ensuring parallel sessions.</p>
10:15 – 10:30	Coffee and Tea Break
10:30 – 12:00	Session 3: Sectoral/Thematic Approach to Climate Finance Tracking (Mitigation and Adaptation) <p>The parallel sessions will highlight sectoral and thematic specific context for ADB’s overall strategy on integrating climate considerations. Each session will elaborate the sector/theme specific contours of the joint MDB climate finance tracking approach and detail ADB’s implementation framework, providing practical and illustrative examples.</p>

	<p>Parallel sessions:</p> <p>Group A: Agriculture and Food Security Facilitated by: Nathan Rive, Climate Change Specialist, CWER</p> <p>Group B: Energy Facilitated by: David Elzinga, Senior Energy Specialist, SDSC-ENE Xianfu Lu, Senior Climate Change Specialist, SDCD</p> <p>Group C: Transport Facilitated by: Ki-Joon Kim, Principal Transport Specialist, SDSC-TRA Charles Rodgers, Adaptation Specialist (Consultant), SDCD</p> <p>Group D: Urban and Water Facilitated by: Virinder Sharma, Senior Urban Development Specialist, SDSC-URB</p>
12:00 – 1:30	Lunch
1:30 – 3:00	<p>Continuation of Session 3 How ADB does apply the joint MDB approach, practical examples and exercises</p>
3:00-3:15	Coffee and Tea Break
3:15-5:00	<p>Session 4: Group Case Study (Multisector Project) Reporting on Case Study (including lessons learned, challenges etc.)</p> <p>An interactive session with working groups composed of participants from different sectors. The interactive session will be designed to enable participants to explore a multisector case study: identifying climate finance components within a larger project concept and tracking climate finance. The tracking climate finance exercise will include determining the climate vulnerability, project activities, and how to calculate mitigation and/or adaptation finance.</p> <p>A representative from the break out groups will report on their climate finance estimations from the group exercises and provide a rationale for their estimations.</p>
5:00-5:30	<p>Closing and Certificate Ceremony</p> <ul style="list-style-type: none"> ◆ Chiara Bronchi, Deputy Director General concurrently Chief Thematic Officer, SDTC

Parallel Sessions Description

Each sectoral and thematic group are expected to cover the following discussions points/topics:

Group A: Agriculture and Food Security and Water

- Provide an overview of agriculture issues:
 - Include cross-sectoral issues including water, food security, natural resource management, etc.
 - ADB has shifted its strategic focus from agriculture to a comprehensive multi-sector food security engagement with the goal of curbing food insecurity, particularly among the poor and vulnerable.
 - How have these priorities fed into ADB's Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020?
- Elaborate on the application of the Joint MDB Approach with regards to the agriculture sector and relate this approach to ADB's internal approach and guidelines.
- Provide a List of Eligible (Agricultural) Activities, including activities with adaptation co-benefits; activities with mitigation co-benefits.
- Link to Counting Adaptation Finance
 - e.g. Estimated Costs of Climate Proofing Investment Projects in the agriculture
 - e.g. climate risk screening examples (draw on climate risk and vulnerability assessment conducted for investments in the thematic group). How does this relate to climate finance tracking?
- Link to Counting Mitigation Finance
 - e.g. Livestock projects that reduce methane or other GHG emissions (for example, manure management with biodigesters, and improved feeding practices to reduce methane emissions) or Reduction of non-CO2 GHG emissions from agricultural practices and technologies (for example, paddy rice production, reduction in fertilizer use)
- Monitoring and Reporting:
 - Outline the ADB approach for monitoring and reporting climate finance (components) within eligible agriculture activities.
 - Agriculture, Natural Resources, and Rural Development: Irrigation, agricultural drainage, rural flood protection, rural water supply services, rural sanitation, rural solid waste management, rural market infrastructure, agricultural production, livestock, agro-industry, marketing, and trade, agriculture research and application, fishery, forestry, land-based natural resources management, water-based natural resources management, agricultural policy, institutional and capacity development, and rural water policy, institutional and capacity development.
- Provide illustrative and practical example(s) of agriculture projects, counting and tracking climate finance.

Group B: Energy

- An overview of energy issues.
 - e.g. energy demand is projected to almost double in the Asia and Pacific region by 2030. There is an urgent need for innovative ways to generate power in a socially, economically, and environmentally sustainable manner.
 - What energy issues and trends have identified as priorities in developing Asia and the Pacific in order to achieve access to clean energy for all?
 - How have these priorities fed into ADB's energy sector strategy and activities, including the Clean Energy Program.

- Also provide a brief overview of ADB's Energy Policy (2009) and the 3 pillars.
- Elaborate on the application of the Joint MDB Approach in the energy sector and relate this approach to ADB's internal approach and guidelines, specifically the energy sector guidance notes on counting climate finance issued in 2016.
- Provide a List of Eligible (Energy) Mitigation Activities:
 - RE; Lower carbon and efficient energy generation; energy efficiency; Waste to energy; renewable energy/energy efficiency technologies along power and heat generation; Transmission/distribution; Usage; Low carbon technologies; Cross-cutting issues.
 - Definition of greenfield and brownfield investments.
 - Include sub-categories and examples; mitigating activities (energy-specific); and mitigation finance.
- Climate mitigation finance is the base cost of all mitigating outputs or elements plus the project support cost (contingencies, financing charges, etc.) prorated to support cost allocation per mitigating output (or to base cost, if allocation is unknown). For renewable energy and energy efficiency outputs, 100% of investment is counted as climate mitigation finance. This is also true for most of the other eligible elements except in some transmission and distribution (T&D) and energy efficiency projects.
 - Briefly outline T&D projects and how they differ (and why).
- Provide an overview of adaptation options/activities (energy sector)
 - Reference can be made to the publication "Climate Risk and Adaptation in the Electric Power Sector", and Guidance Note on Counting Climate Finance in the Energy Sector, Section 4 and Appendix 5.
- Monitoring and Reporting:
 - Outline the ADB approach for monitoring and reporting climate finance (components) within eligible energy activities.
 - The roles of The Energy Sector Group; the Climate Change and Disaster Risk Management Division (SDCD); and other key divisions/departments.

Provide illustrative and practical example(s) of energy projects, counting and tracking climate finance.

Group C: Transport

- Provide an overview of transport issues and how have these priorities feed into ADB's Sustainable Transport Initiative?
- Elaborate on the application of the Joint MDB Approach in the transport sector and relate this approach to ADB's internal approach and guidelines.
- Provide List of Eligible (Transport) Activities
 - e.g. activities with adaptation co-benefits; activities with mitigation co-benefits
 - Are there design standards in place?
 - Identify differences between constructing new infrastructure and upgrading existing infrastructure.
- Link to Counting Adaptation Finance:
 - e.g. Estimated Costs of Climate Proofing Investment Projects in the Transport Sector.
 - e.g. climate risk screening examples (draw on climate risk and vulnerability assessment conducted for investments in the transport sector). How does this relate to climate finance tracking?
- Link to Counting Mitigation Finance:
 - e.g. the modal shift to low-carbon modes of transport.

- Draw cross-sectoral links: e.g. transport with ecosystem-based adaptation, or urban development.
- Monitoring and Reporting:
 - Outline the ADB approach for monitoring and reporting climate finance (components) within eligible transport activities and investments.
- Provide illustrative and practical example(s) of transport projects, counting and tracking climate finance.

Group D: Urban and Water

- Provide an overview of urban and water issues.
 - Outline priorities from ADB's Urban Sector Strategy (1999) and Urban Operational Plan 2012-2020.
 - Include green growth: Will identify the key environmental issues of a city and prioritise investments to address them in an integrated way across infrastructure sectors to achieve a green city.
 - How have urban and water priorities fed into ADB's Livable cities vision and approach to urban development?
- Elaborate on the application of the Joint MDB Approach in the urban and water sector and relate this approach to ADB's internal approach and guidelines, specifically the urban and water sector guidance notes on counting climate finance issued in 2015.
- Provide a List of Eligible (Urban and Water) Adaptation Activities:
 - (1) those associated with climate-proofing (managing climate risks). These account for most ADB-financed adaptation activities; (2) activities predicted solely on the need to address climate change risks.
 - Provide information on how this relates to the Urban and Water sectors.
- Link to Counting Adaptation Finance:
 - Estimated Costs of Climate Proofing Investment Projects; costs of improved solid water management and collection for increased risk of flooding;
 - For financial intermediary (FI) loans or policy-based loans, for which it is not possible to estimate incremental cost of climate proofing, a proportion of the loan corresponding to the adaptation activities may be used to represent the incremental amount;
 - Incorporating climate resilient design standards in new buildings;
 - Supporting local governments in urban planning.
- Provide a List of Eligible (Urban and Water) Mitigation Activities:
 - e.g. Wind or solar-driven pumping systems or similar applications; Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net emission reductions can be demonstrated); Waste management and waste-to-energy projects that demonstrably reduce methane emissions and/or generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion); Demand-side energy efficiency projects; Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource if net emission reductions can be demonstrated; and Retrofit of existing industrial, commercial and residential infrastructure to switch to a cooling agent with lower global warming potential.
- Link to Counting Mitigation Finance:

- The financing for an activity included in the list above can be counted towards climate finance as the activity (and not the whole project) in its entirety supports reduction of GHG emissions.
- A case study on the modal shift to low-carbon modes of urban transport development (link to transport sector Session 6).
- Estimating and Tracking Climate Finance:
 - Water and Other Urban Infrastructure and Services: urban water supply, urban sewerage, urban sanitation, urban flood protection, urban solid waste management, urban hazardous waste management, urban housing, urban slum development, renovation and protection of cultural heritage, other urban services, and urban policy, institutional and capacity development.
- Draw cross-sectoral links: e.g. urban services (water, energy, and transport); RE/EE technologies.
- Monitoring and Reporting:
 - Outline the ADB approach for monitoring and reporting climate finance (components) within eligible urban and water activities and investments.
 - E.g. the role of the Secretariat of the Urban and Water Sector Groups.
- Provide illustrative and practical example(s) of urban and water projects, counting and tracking climate finance.