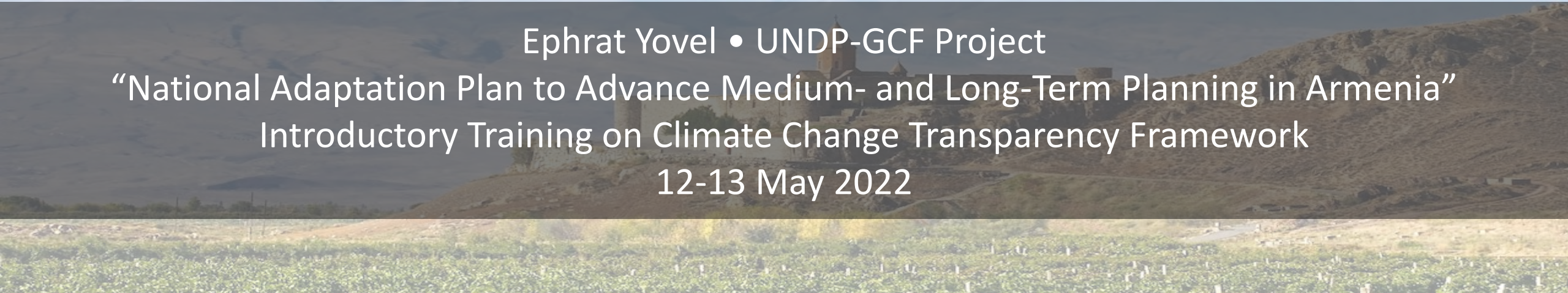


# NATIONAL ADAPTATION PLANNING PROCESS



Ephrat Yovel • UNDP-GCF Project  
“National Adaptation Plan to Advance Medium- and Long-Term Planning in Armenia”  
Introductory Training on Climate Change Transparency Framework  
12-13 May 2022



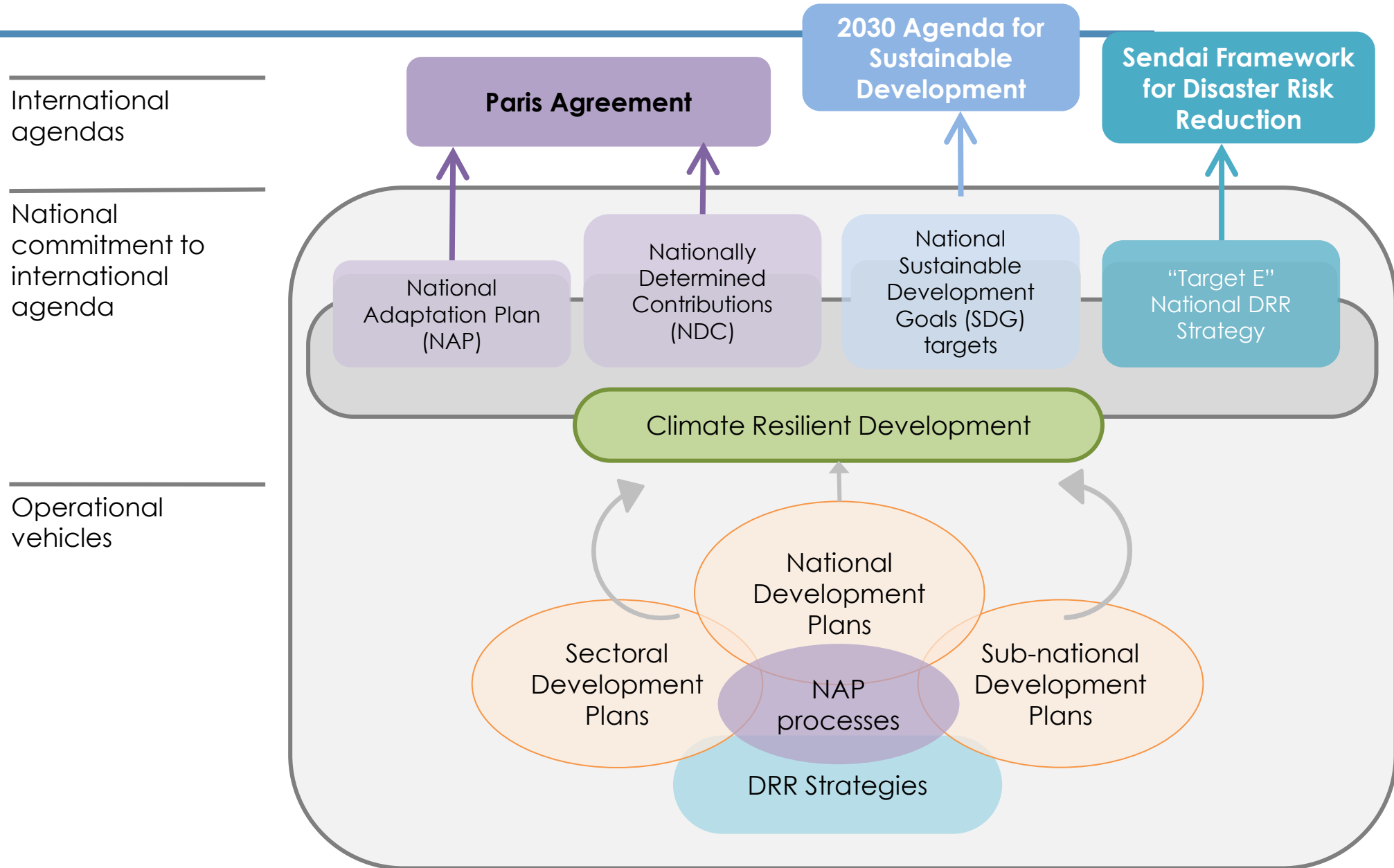
# TOPICS

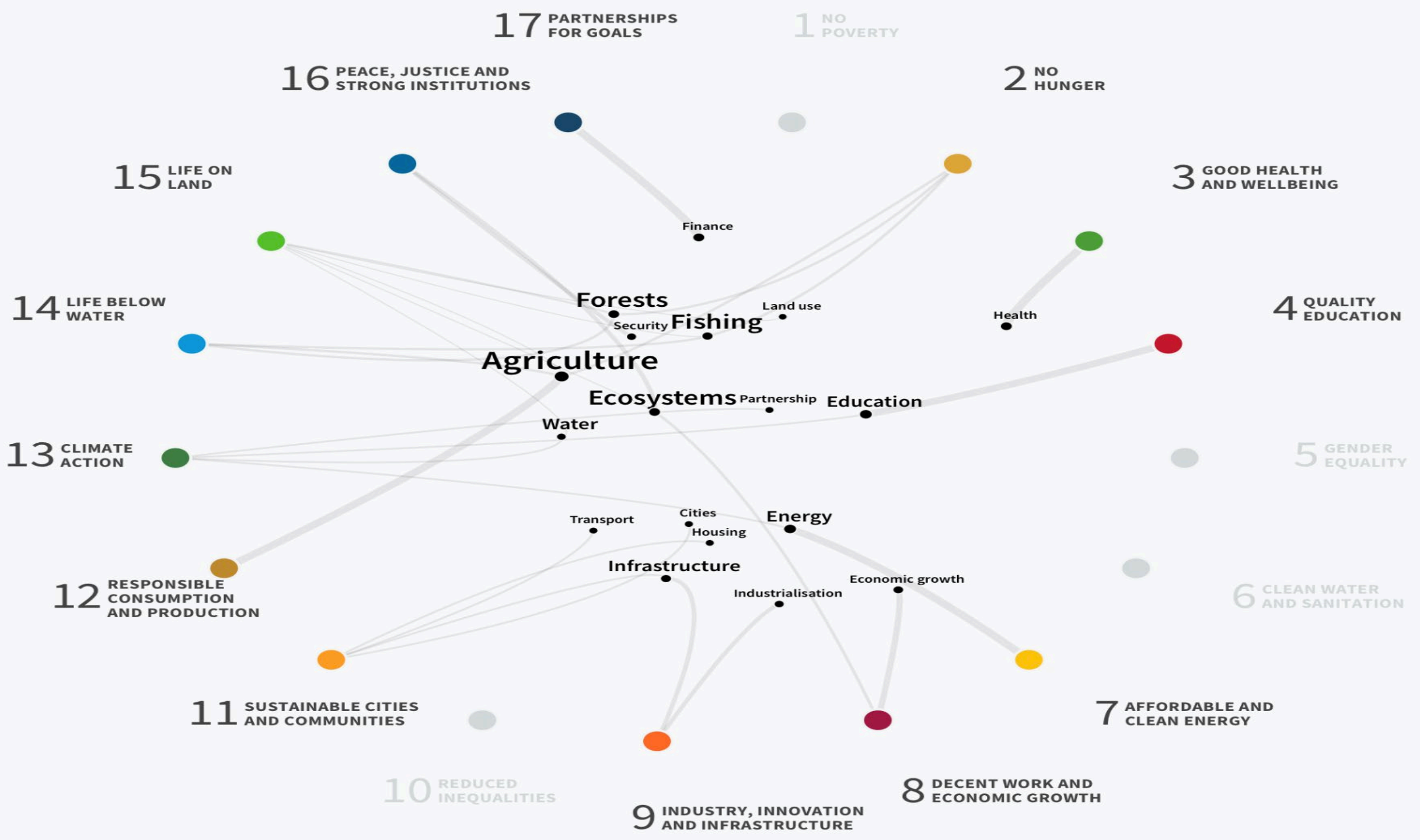
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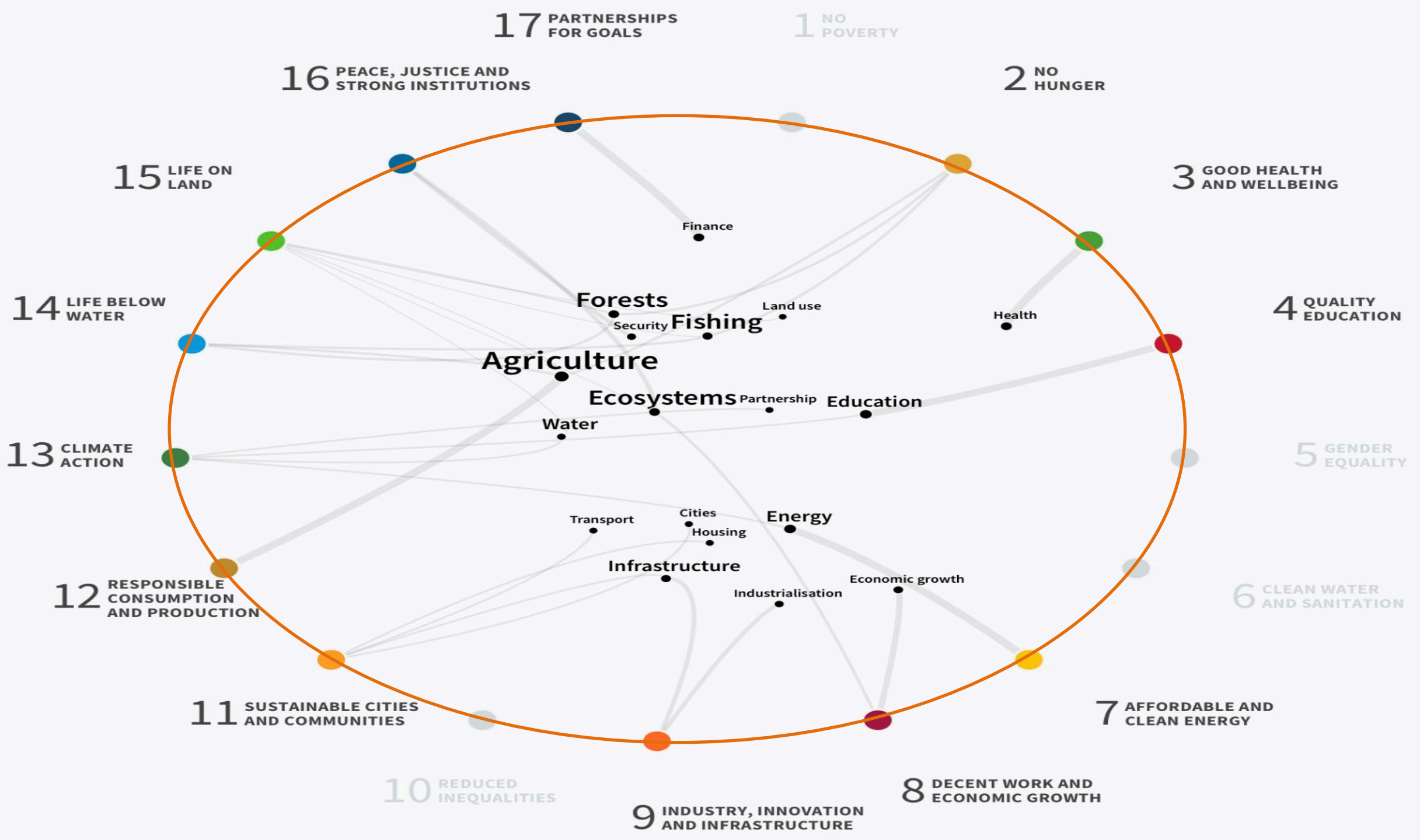
- NAP in Armenian context
  - International agendas and national mandate
  - Direction of Armenia's NAP
- Climate adaptation finance
  - The case for investing in adaptation
  - Climate finance – some context

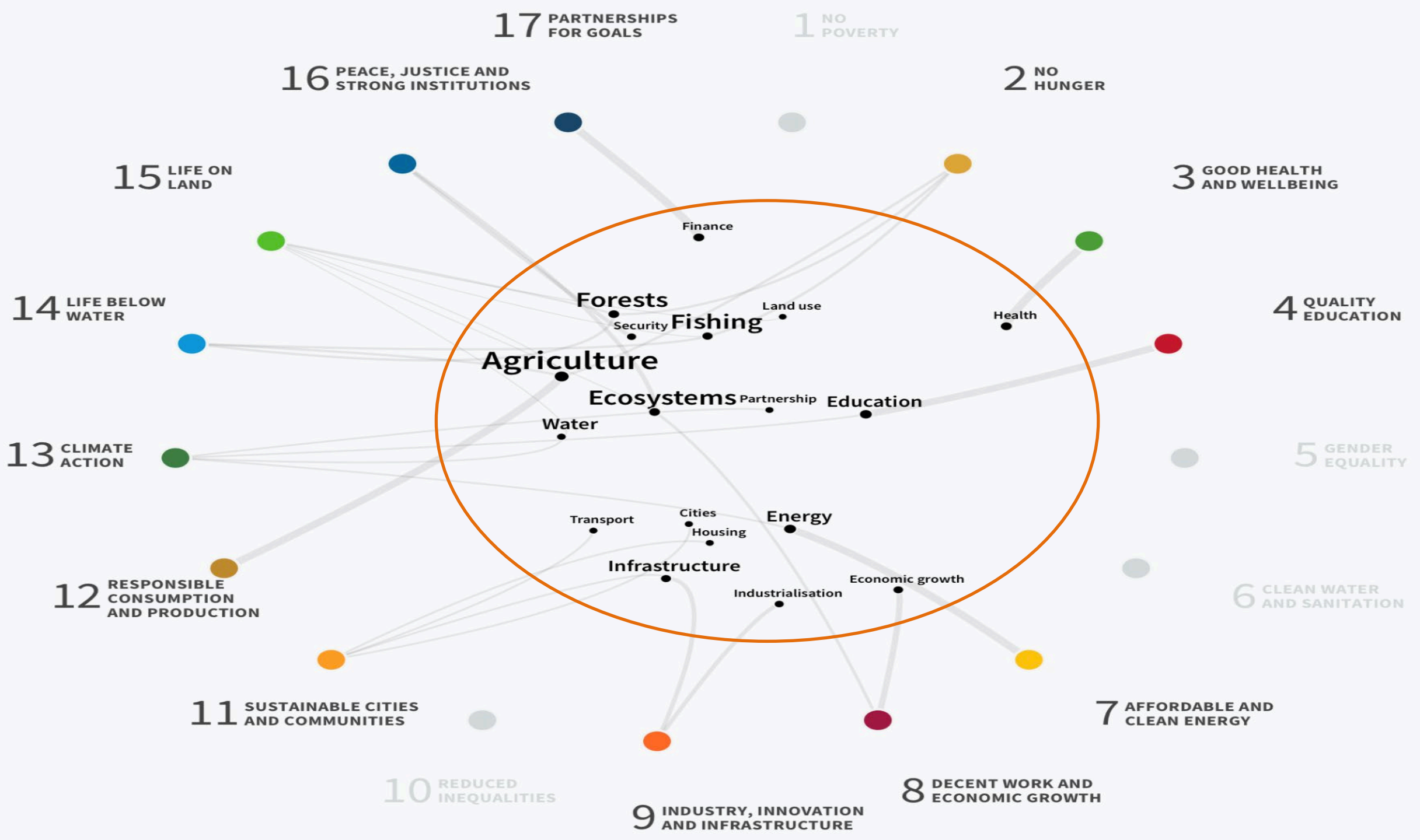
# THE NAP PROCESS IN INTERNATIONAL CONTEXT

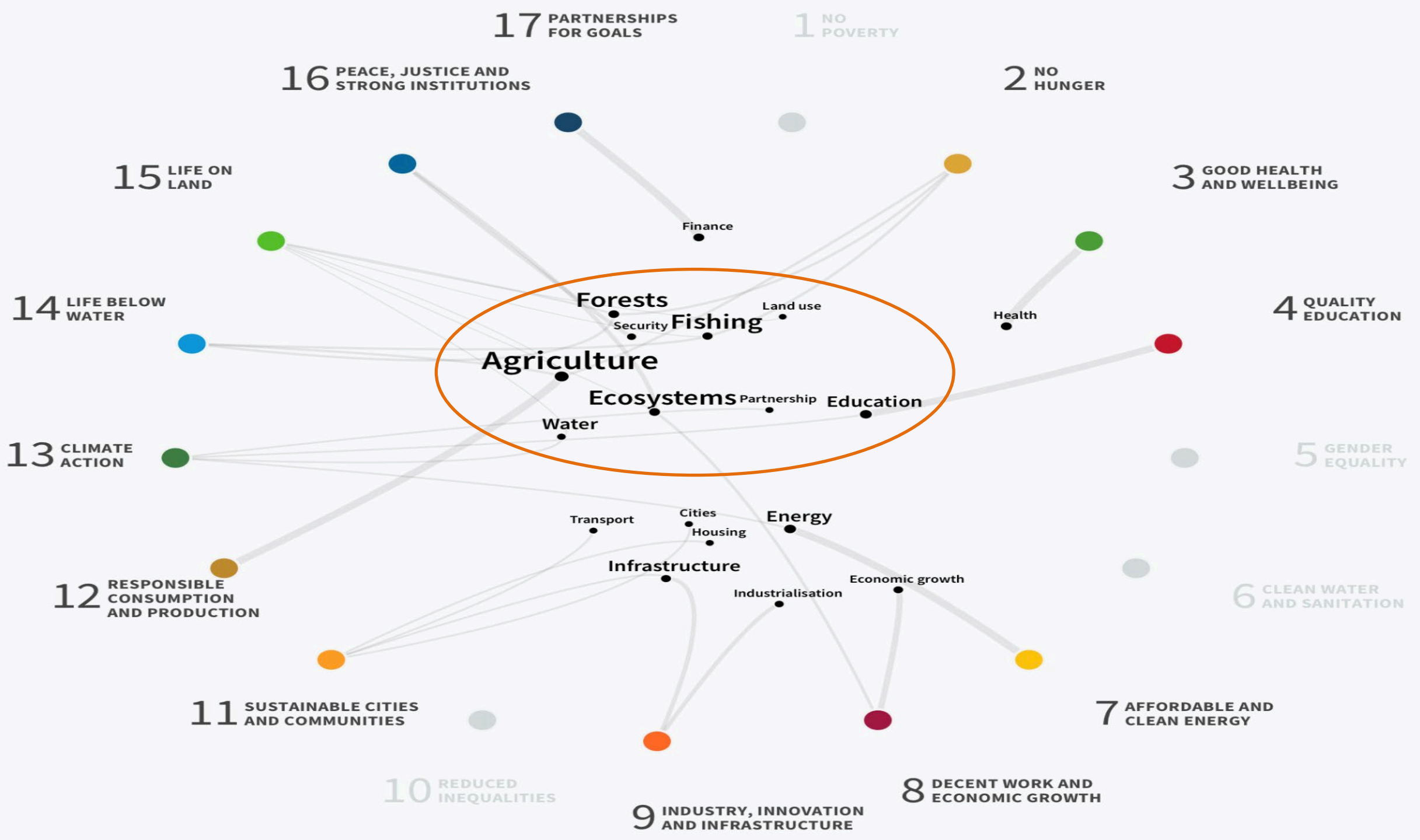
# ALIGNMENT OF INTERNATIONAL AGENDAS



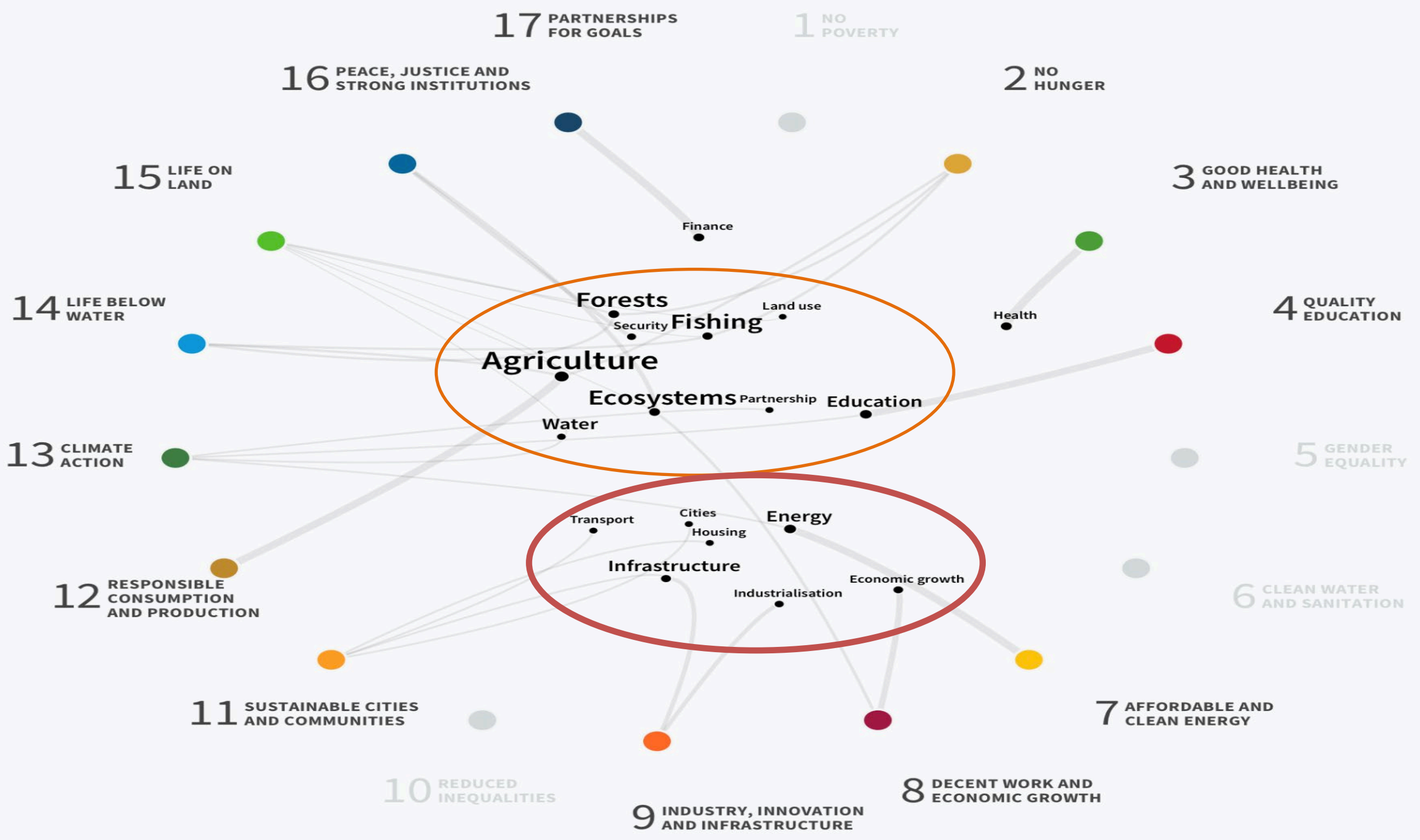


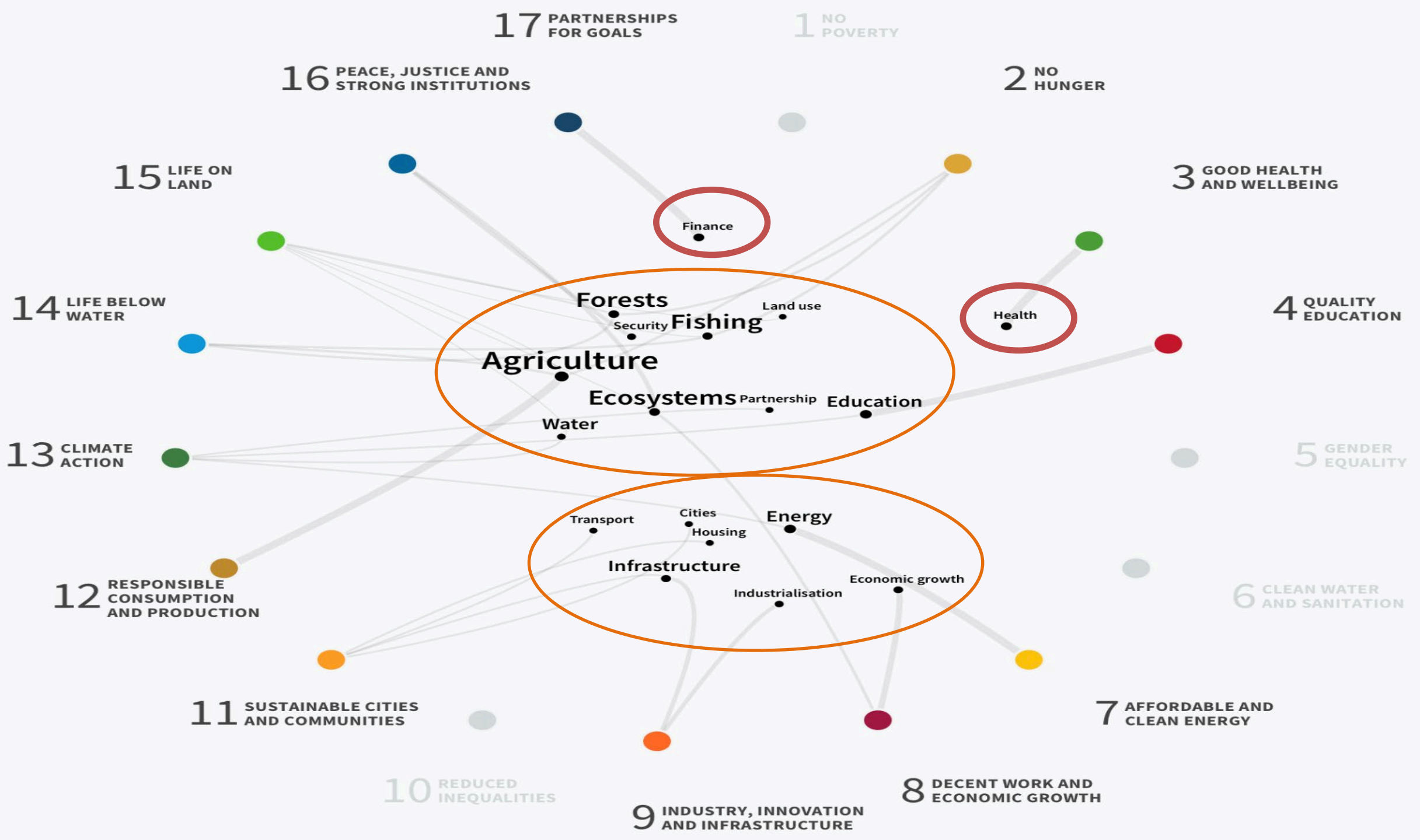












# UNFCCC NATIONAL ADAPTATION PLAN PROCESS

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- Objectives
  - Increase resilience, reduce risk and vulnerability
  - Integrate climate change adaptation into new and existing development planning processes, within all relevant sectors and levels
- Requirements
  - Coordination mechanism for adaptation
  - Establish adaptation baseline for monitoring of progress
  - Define strategies and objectives for adaptation interventions
  - International reporting requirements

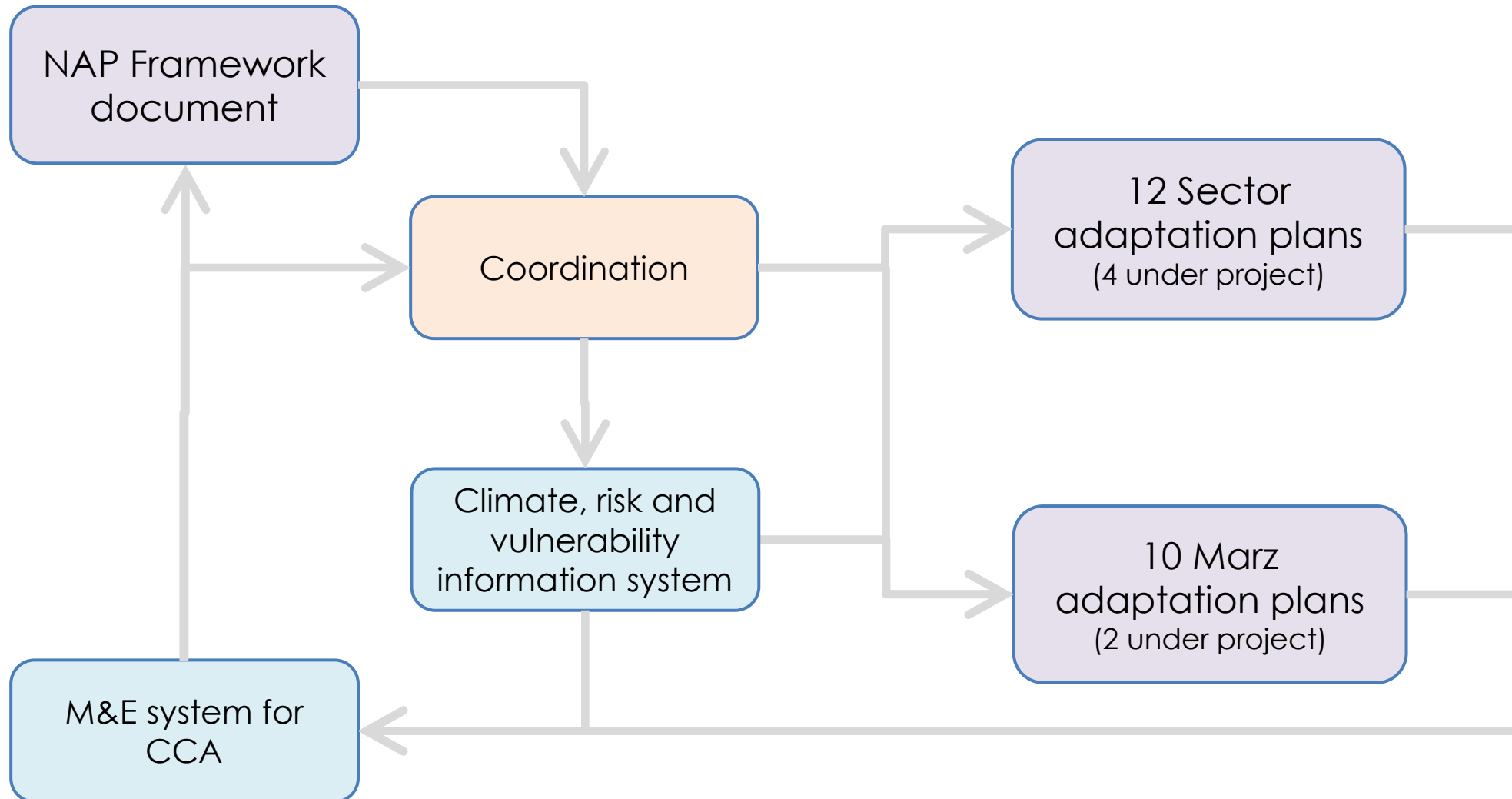
# ARMENIA'S COMMITMENTS UNDER THE THREE INTERNATIONAL AGENDAS

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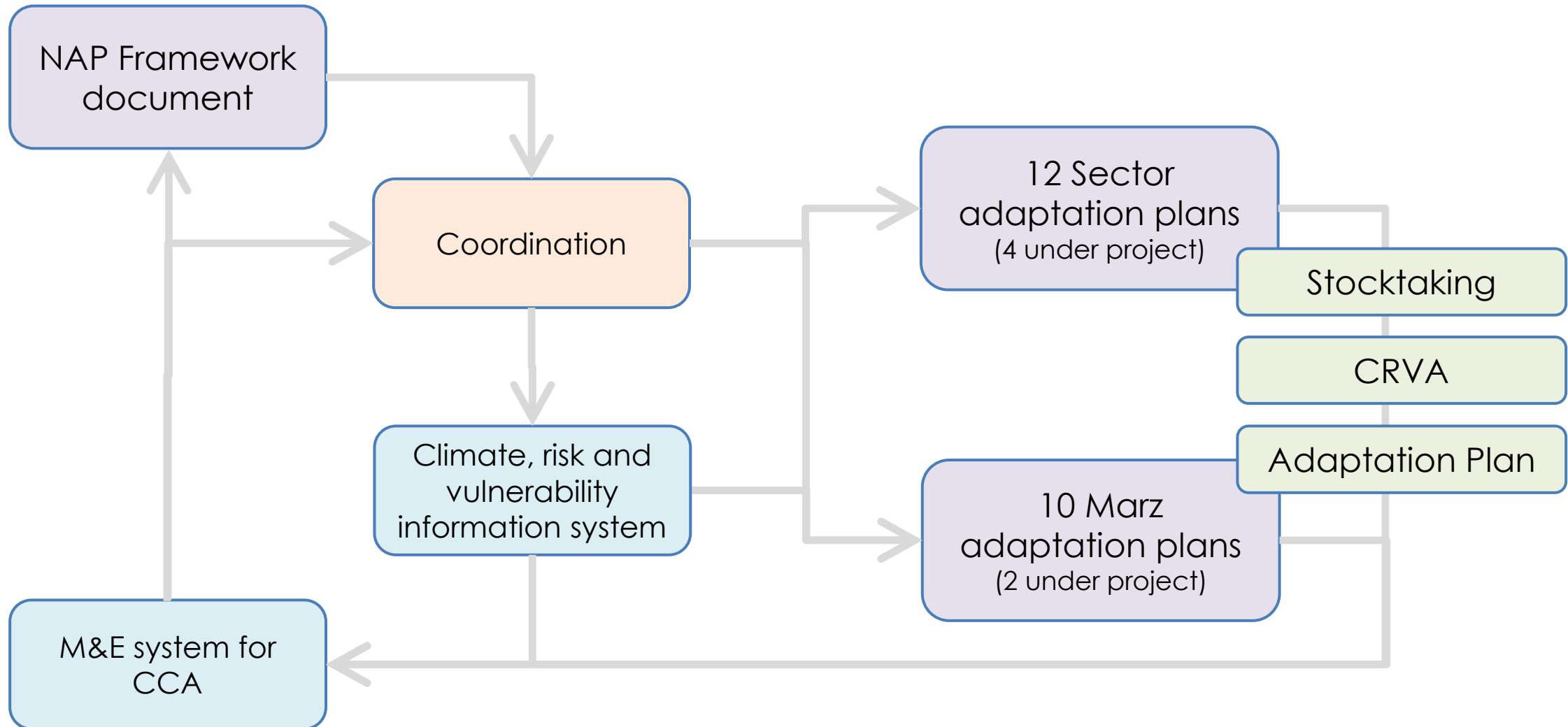
- National Long-Term Strategy to 2050
  - Strategies for achieving the SDGs
    - Country-specific targets and indicators
    - Armenia joined in 2015, targets to be determined
  - Nationally Determined Contributions (NDC)
    - National commitment to reduce GHG emissions to meet the goals of the Paris Agreement (Article 7)
    - Armenia's NDC (2021)
  - National Adaptation Plan (NAP) processes
    - National process to identify medium- and long-term adaptation needs (Paris Agreement, Article 7.9)
    - The National Action Program of Adaptation to Climate Change and the List of Measures for 2021-2025
  - National DRR strategies
    - National strategies to reduce contribution of climate risk to disasters
    - Sendai action plan (2018–2030)

# NAP PROCESS IN ARMENIA

# ARMENIA'S NAP CYCLE

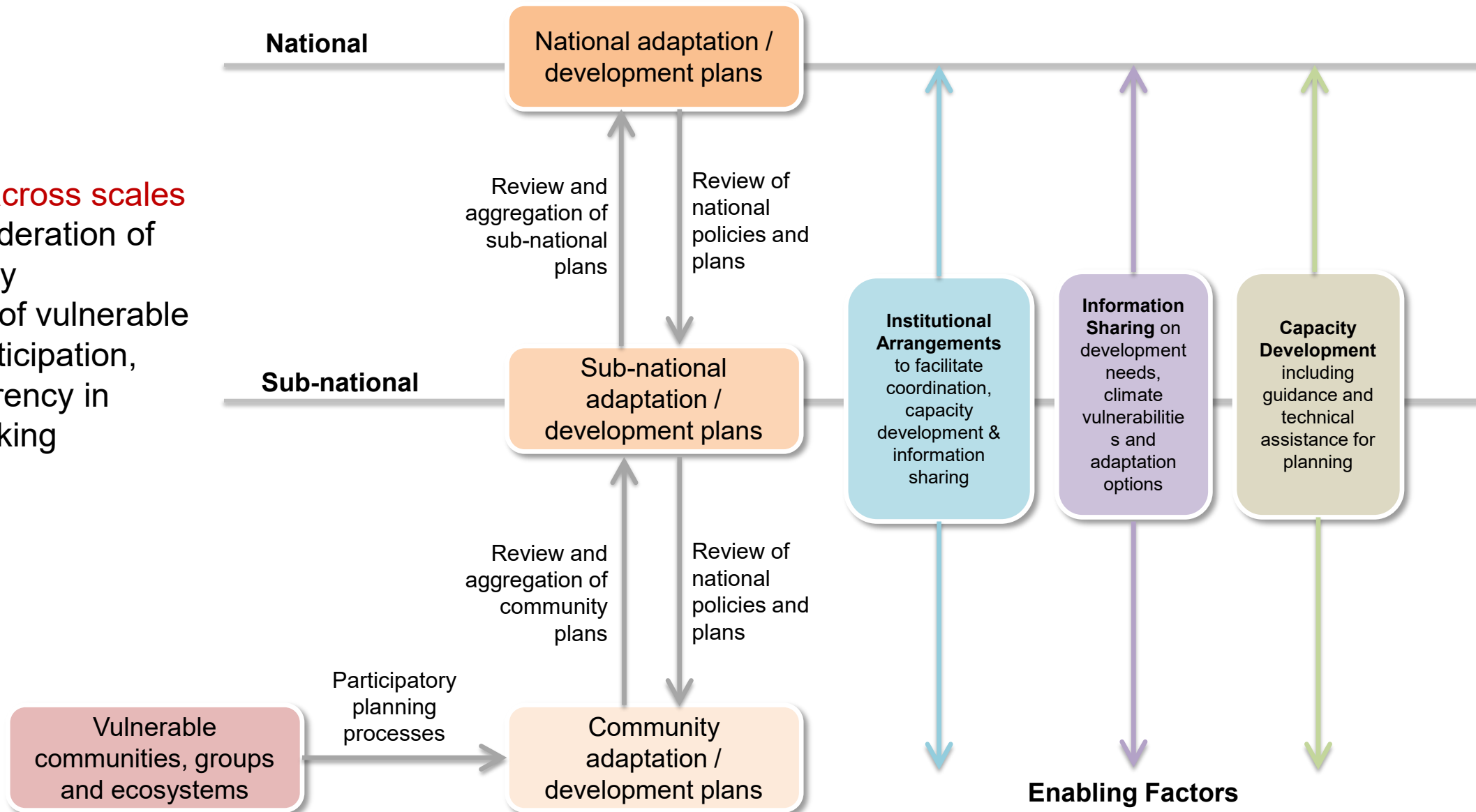


# ARMENIA'S NAP



# ADDRESSING THE SDGS THROUGH ADAPTATION – VERTICAL INTEGRATION

**Integration across scales** allows consideration of local diversity (particularly of vulnerable groups), participation, and transparency in decision-making





# PRIORITY SECTORS FOR ADAPTATION

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- Determined by the NDC
  - health, water, agriculture (including fisheries, and forestry), energy, human settlements and infrastructure, and tourism

STOCKTAKING	CRVA	ADAPTATION PLAN
HEALTH	HEALTH	HEALTH
WATER	WATER	WATER
AGRICULTURE	AGRICULTURE	AGRICULTURE
ENERGY	ENERGY	ENERGY
HUMAN SETTLEMENTS & INFRASTRUCTURE (MARZ)	MARZ (2)	MARZ (2)
TOURISM	TOURISM	TOURISM

# KEY CHALLENGES TO ADAPTATION PLANNING IN ARMENIA

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- Access to updated and detailed information
  - Inconsistent data sets
  - Sectors plans based on outdated, and incomplete information
- A narrow understanding of climate risks and adaptation minimizes the potential to access financial support
  - Climate risks are not being properly integrated into sector plans
  - Adaptation priorities are not being sufficiently translated into priority investments
- Insufficient attention to provision of funding directly to cities and sub-national authorities
  - Globally, city level projects have 20% more impact than national projects

# WHAT WILL MAKE FOR MORE EFFECTIVE SECTOR ADAPTATION PLANS

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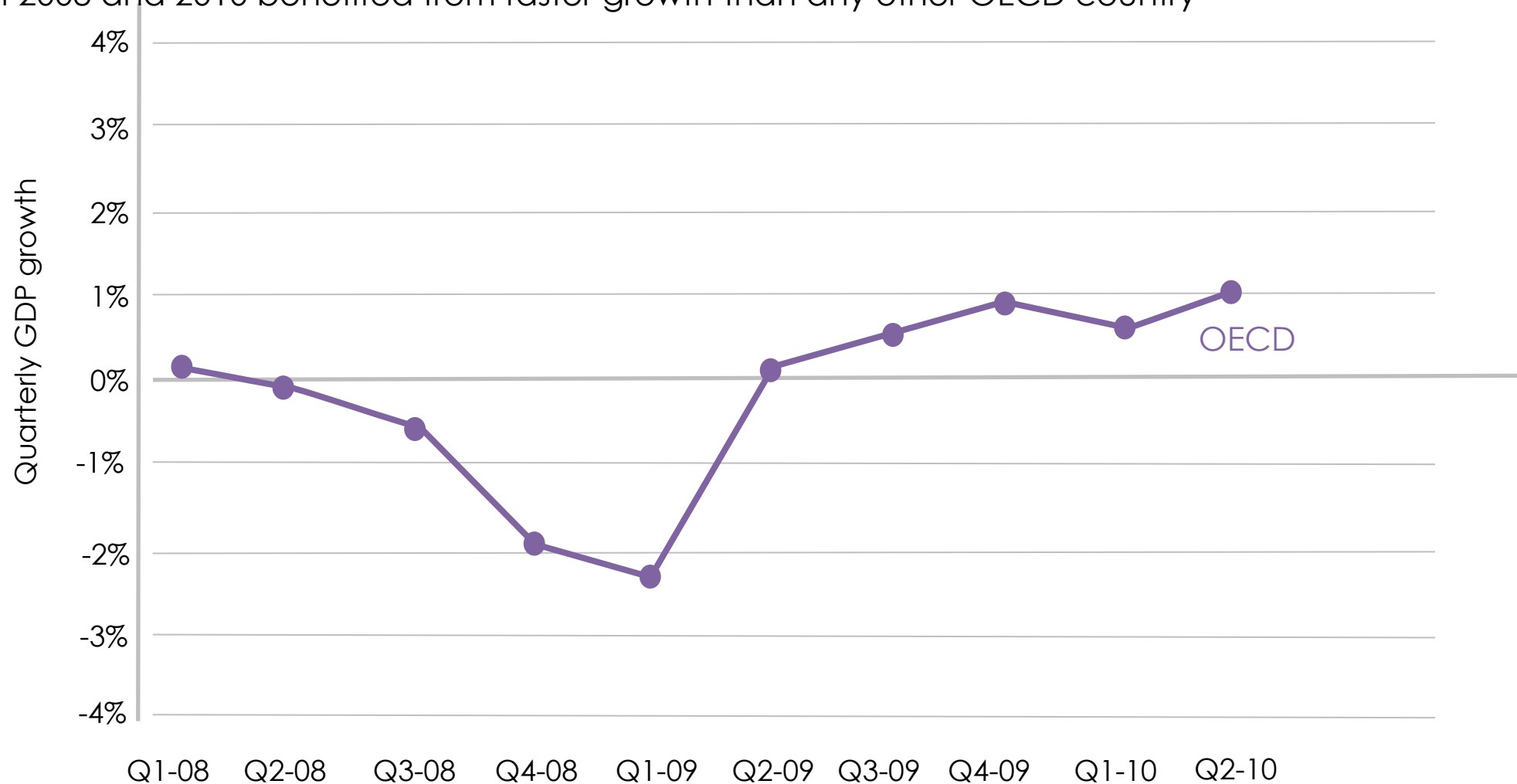
- Need to consider much deeper changes in the way sectors are reviewing and processing information and adaptation needs
  - Sectoral resistance to incorporating comprehensive CRVAs as they require changes to technical planning approaches
  - Sectoral resistance to solutions that reduce centralized control
  - Easy and relatively low-cost solutions are ignored because they have been tested in Asia and Africa
- Need to be more adventurous in the type and range of adaptation measures being considered
  - Will generate better localization of adaptation measures
- Need to “stretch” technical capacities and cross sectoral cooperation
- Need to push much faster for change ....
  - Adaptation planning cycles need to be better aligned to mid-term plans, not just long-term plans

# THE CASE FOR INVESTING IN ADAPTATION

# INVESTING IN CLIMATE AND GREEN PROJECTS PROVIDES ECONOMIC BENEFITS

Korea embraced sustainable economic stimulus (with focus on climate and green measures) during and after the 2008 global financial crisis

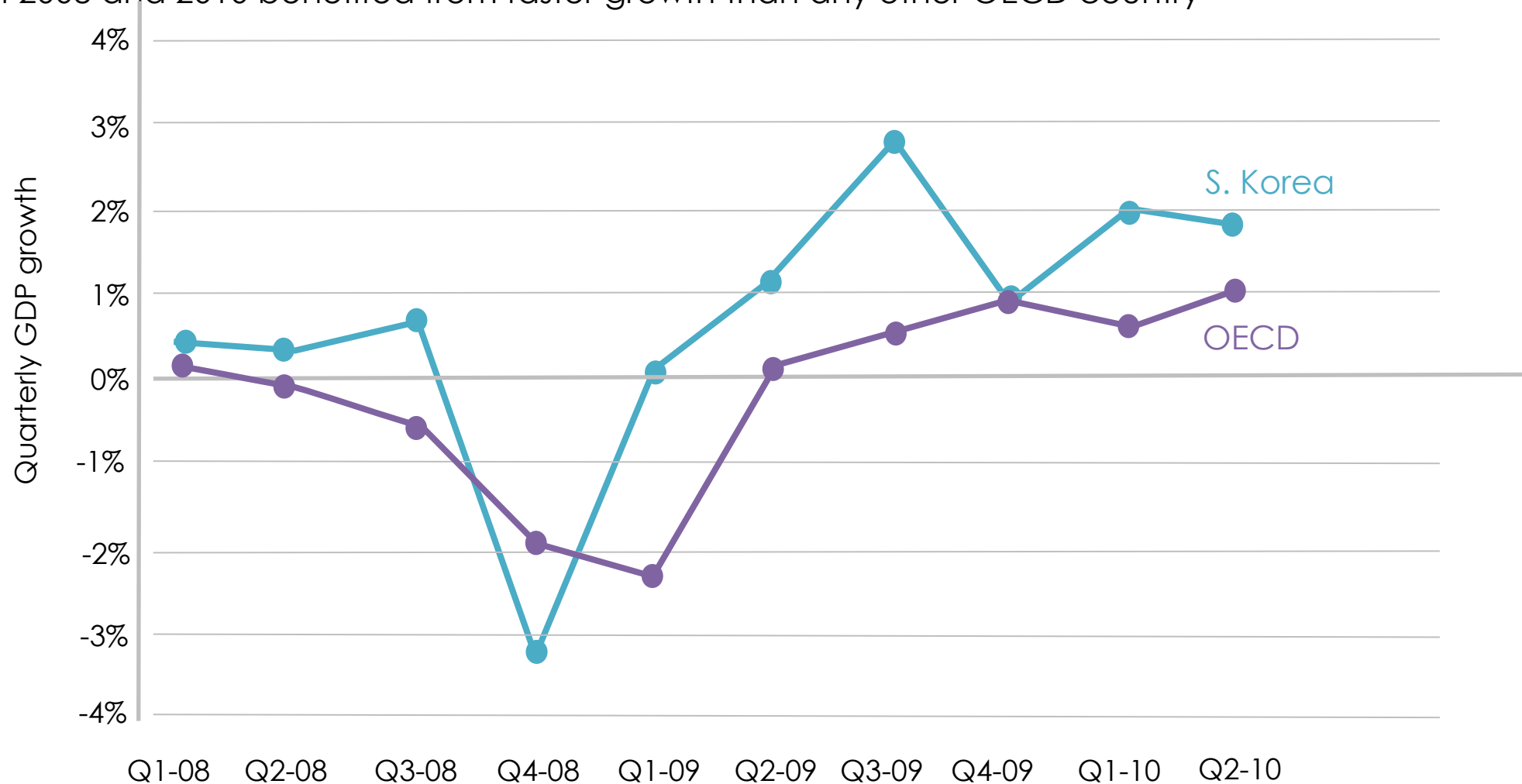
Between 2008 and 2010 benefited from faster growth than any other OECD country

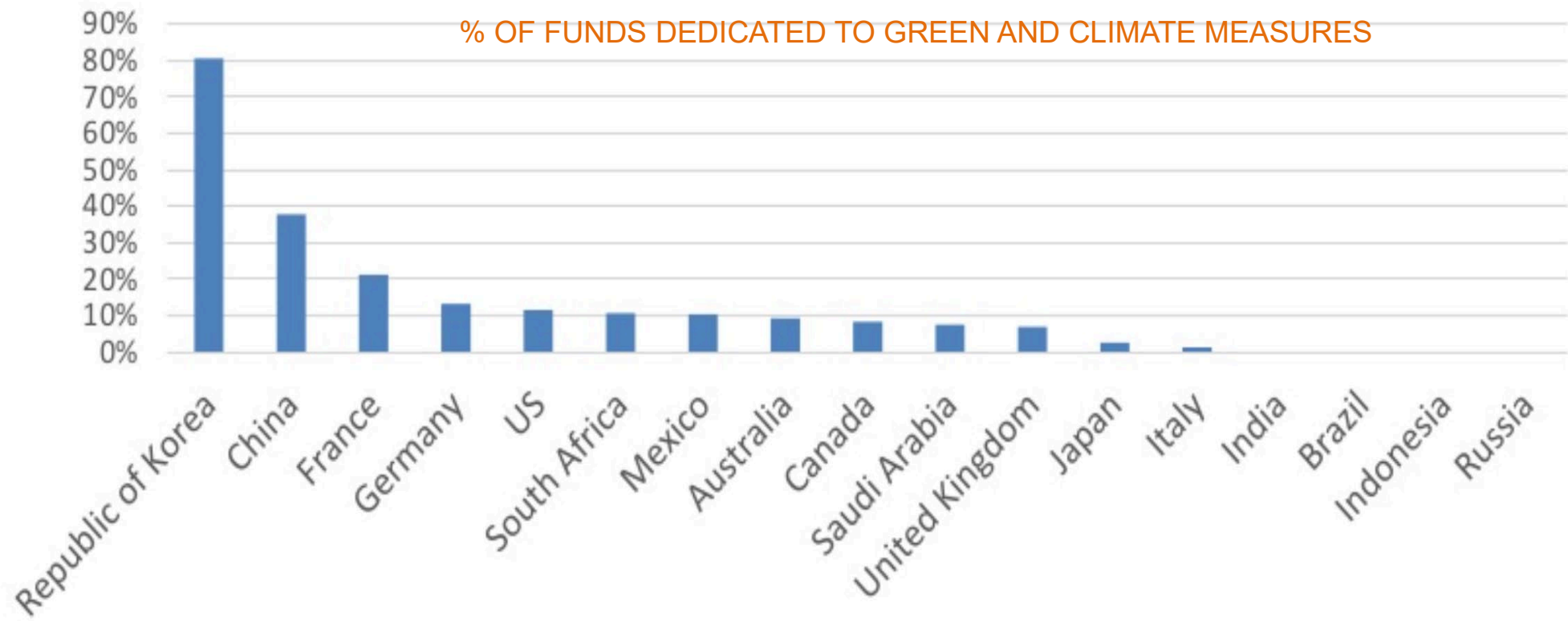


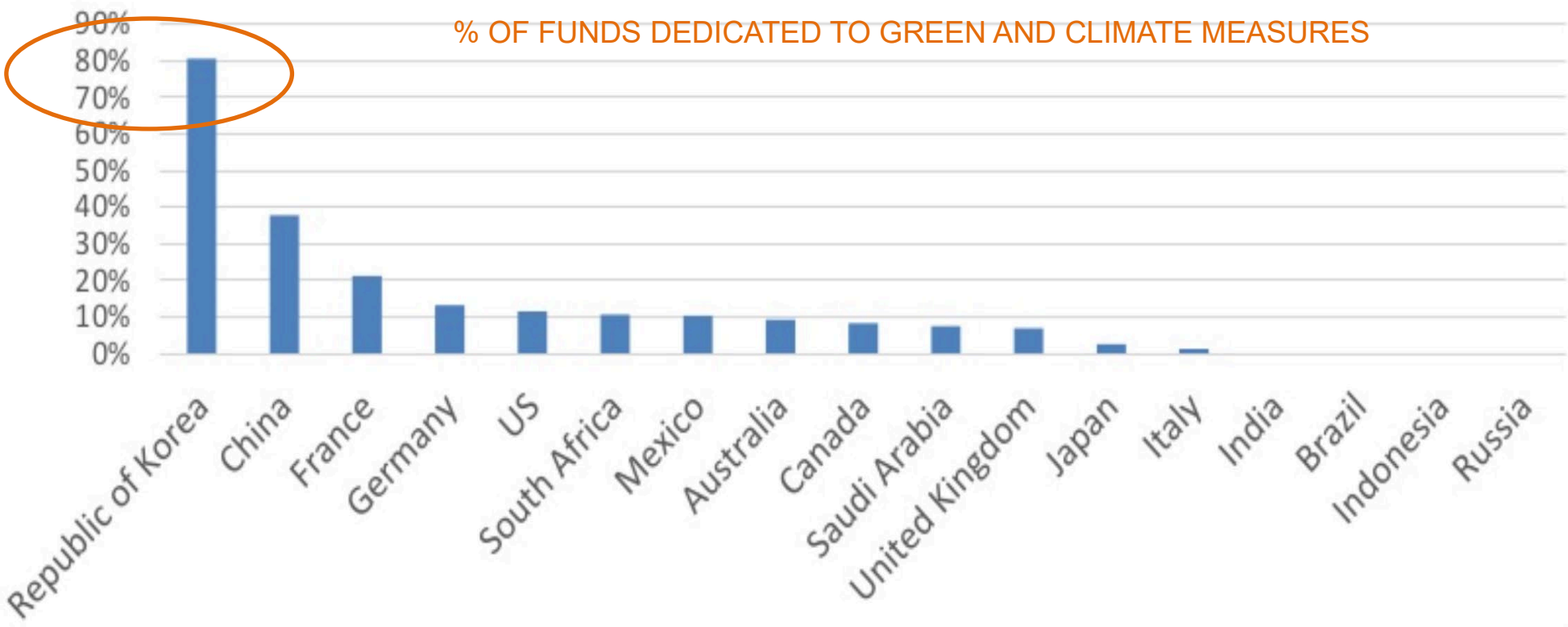
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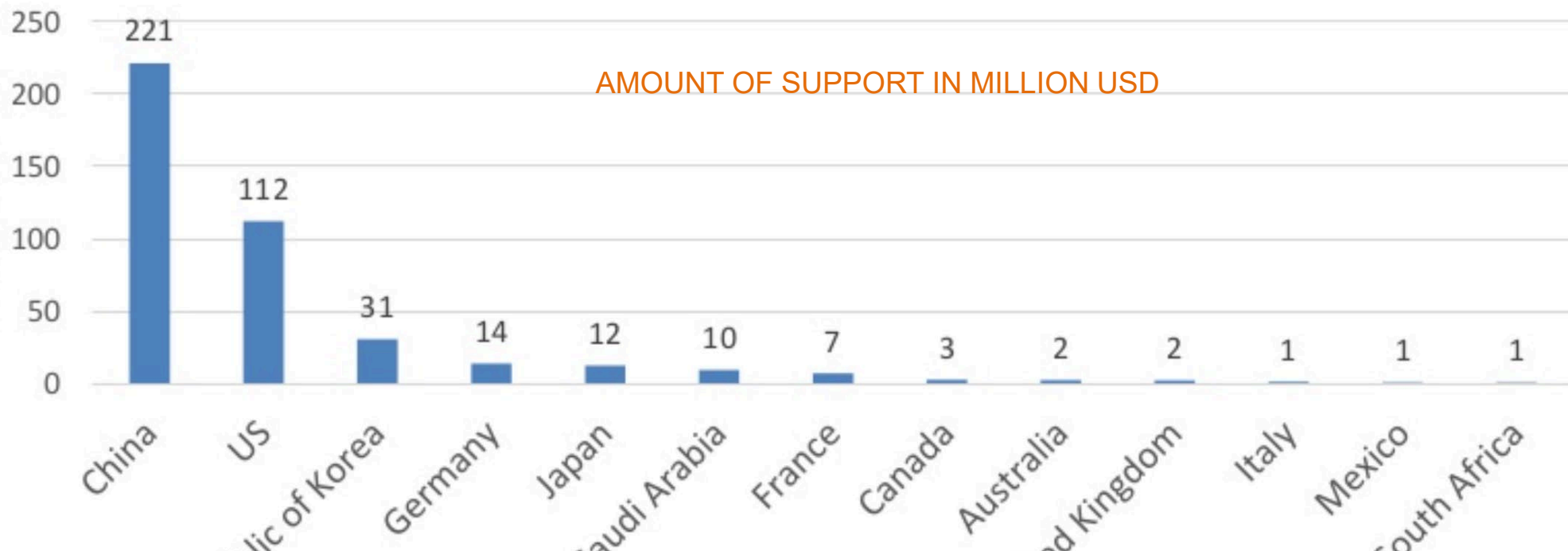
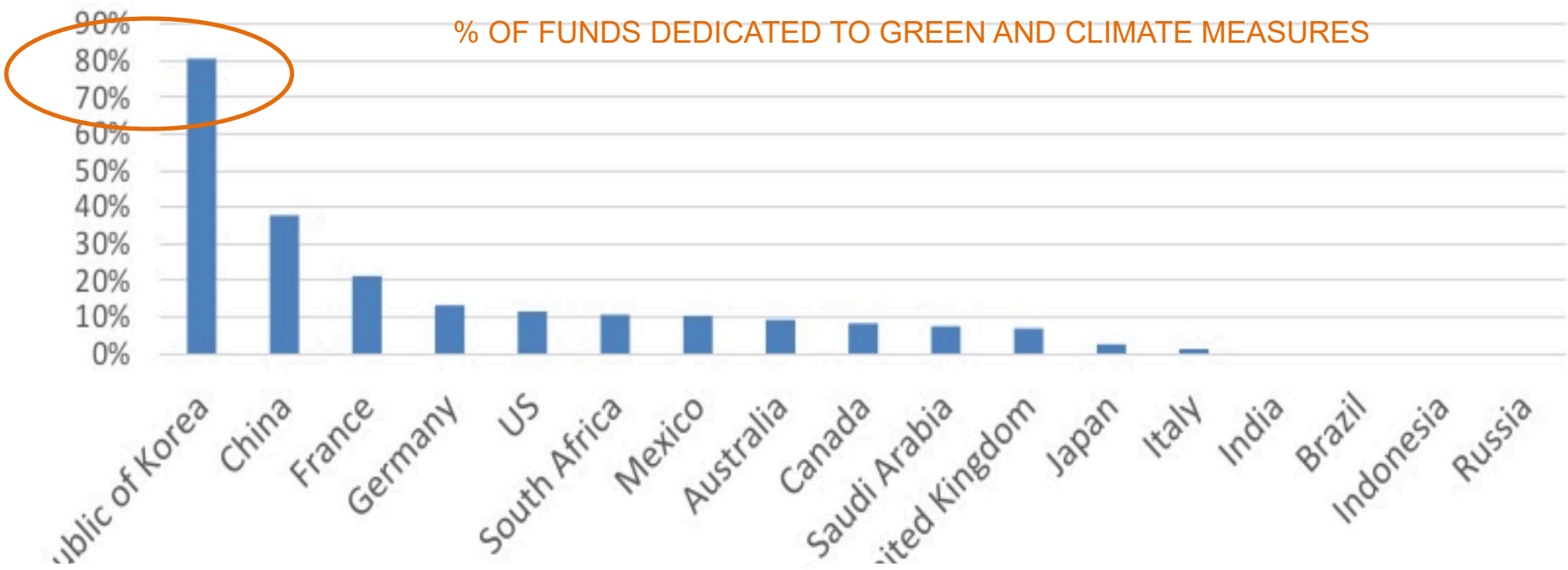
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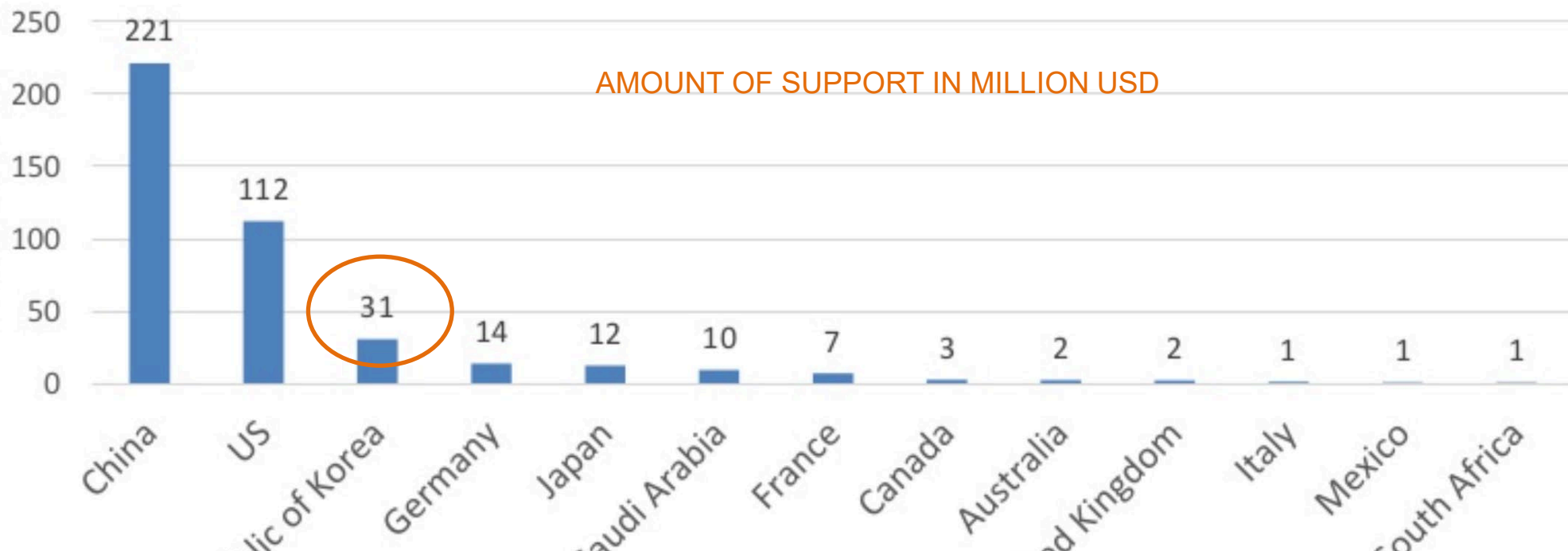
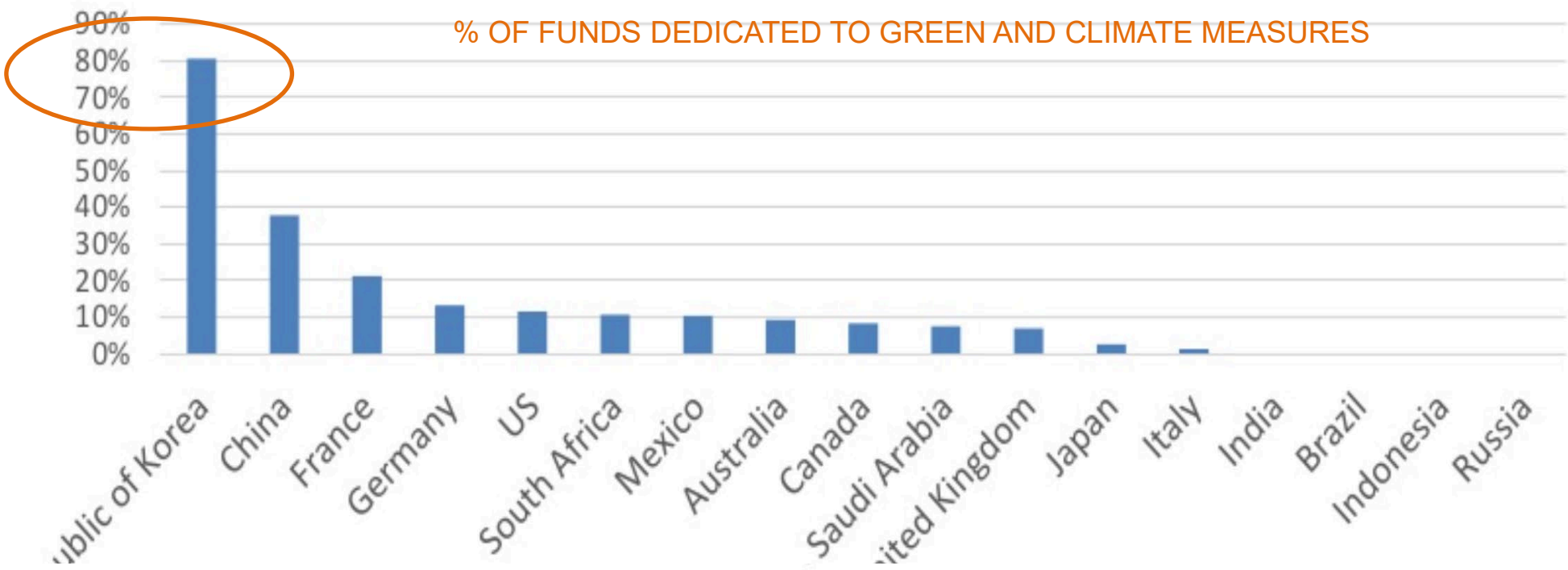












# CLIMATE FINANCE – SOME CONTEXT

# INTERNATIONAL CLIMATE FINANCE

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- Over 100 public funds, 45 carbon markets, and 6,000 private equity funds
  - Very complex, inflexible, and risk averse system
    - Each fund has its own rules and procedures to enable access to finance
    - Considerable inefficiencies in the channeling and delivery of finance
  - Application for financing requires significant technical capacity, time, and funds

It is a risk averse system that prefers well established, and known markets

# SIMPLIFIED ARCHITECTURE OF CLIMATE FINANCE

## Developed countries

Sources of international climate finance

### Public sector actors

#### Multilateral Sources & Intermediaries

Multilateral Development Banks  
UN Agencies  
International Climate Funds

#### Bilateral Sources & Intermediaries

Aid Agencies  
Bilateral Development Banks  
Export Credit Agencies  
Bilateral Climate Funds or Initiatives

#### Domestic Sources

National Agencies  
National Development Banks  
National Climate Funds

### Private actors

Project Developers

Investors

Market Facilitators

## Recipient countries

Destination for climate finance

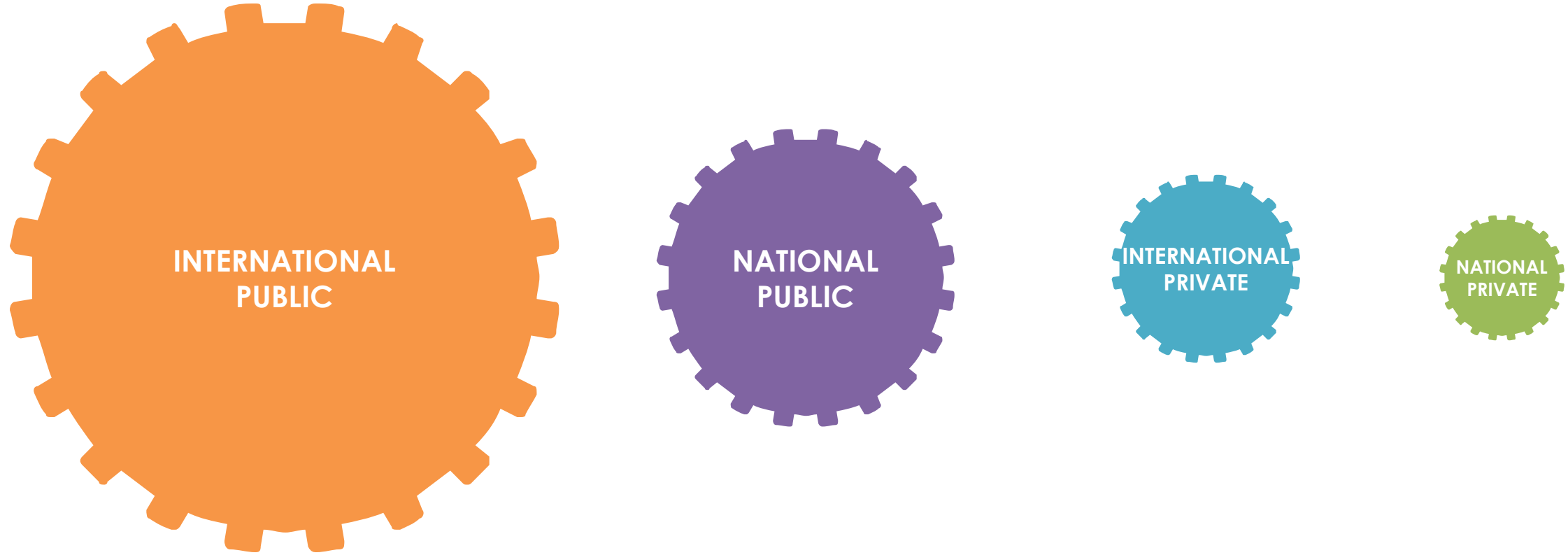
# MAIN STREAMS OF CLIMATE FINANCE

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# TIME MOST GOVERNMENTS SPEND DISCUSSING THESE FINANCING STREAMS

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# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation
  - 71.9% in Armenia
  - 90.6% in Azerbaijan
  - 100% in Belarus
  - 75.3% in Georgia
  - 69.8% in Moldova
  - 95.3% in Ukraine
- Majority provided as loans
- Low disbursement ratio compared to global average (83%)
  - ‘Disbursement ratio’ refers to the amount of finance disbursed as a percentage of the total amount committed or approved
- Significant portion of climate finance provided by EU agencies and institutions



# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation

71.9% in Armenia  
90.6% in Azerbaijan  
100% in Belarus  
75.3% in Georgia  
49.8% in Moldova

- Majority provided by EU agencies and institutions

- Low disbursement rate  
average (83%)

- ‘Disbursement rate’ is the amount of climate finance disbursed as a percentage of the amount committed or approved

- Significant portion of climate finance provided by EU agencies and institutions

**Insufficient attention to adaptation in projects**

**Absence of viable and sufficiently mature adaptation project pipelines**

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation
- Majority provided as loans
- Low disbursement ratio compared to global average (83%)
  - ‘Disbursement ratio’ refers to the amount of finance disbursed as a percentage of the total amount committed or approved
- Significant portion of climate finance provided by EU agencies and institutions

90.6% in Armenia  
93.9% in Azerbaijan  
92.2% in Belarus  
85.2% in Georgia  
87% in Moldova  
90.8% in Ukraine

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards  
m

## **Annex 1 countries (“middle income trap”)**

- M
  - Limits access to majority of low-cost and public finance options
  - Reduces priority in access to funds

- L
  - Lack of suitable financial services**

**The process of securing funds is complex and requires a dedicated knowledge and technical base, and most countries default to easiest options instead of trying to figure out how to access a broader finance market**

- S
  - provided by EU agencies and institutions

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation
  - Majority provided as loans
  - Low disbursement ratio compared to the global average (83%)
    - ‘Disbursement ratio’ = the amount of finance disbursed as a percentage of the total amount committed or approved
  - Significant portion of climate finance provided by EU agencies and institutions
- |                     |
|---------------------|
| 55.3% in Armenia    |
| 10.2% in Azerbaijan |
| 41.9% in Belarus    |
| 78.2% in Georgia    |
| 30.7% in Moldova    |
| 59% in Ukraine      |

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation

- Majority pro

- Low disburse  
global average  
– ‘Disburseme  
disbursed o  
committed

- Significant p  
provided by EU agencies and institutions

**Low efficiency of implementation**

**Poor governance hinders investment processes and absorption capacities**

- Access to finance limited due to debt and low growth

in Armenia  
in Azerbaijan  
in Belarus  
in Georgia  
in Moldova  
Ukraine

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation
- Majority provided as loans
- Low disbursement ratio compared to the global average (83%)
  - ‘Disbursement ratio’ = the amount of finance disbursed as a percentage of the total amount committed or approved
- A significant portion of consistent climate finance is provided by EU agencies and institutions

25% in Armenia  
7% in Azerbaijan  
60% in Belarus  
66% in Georgia  
80% in Moldova  
73% in Ukraine

# CLIMATE FINANCE IN EU EASTERN PARTNERSHIP COUNTRIES (2002-2018)

- Most climate finance directed towards mitigation

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- A signif  
finance is provided by EU agencies and institutions

## **Geo-political importance to Europe**

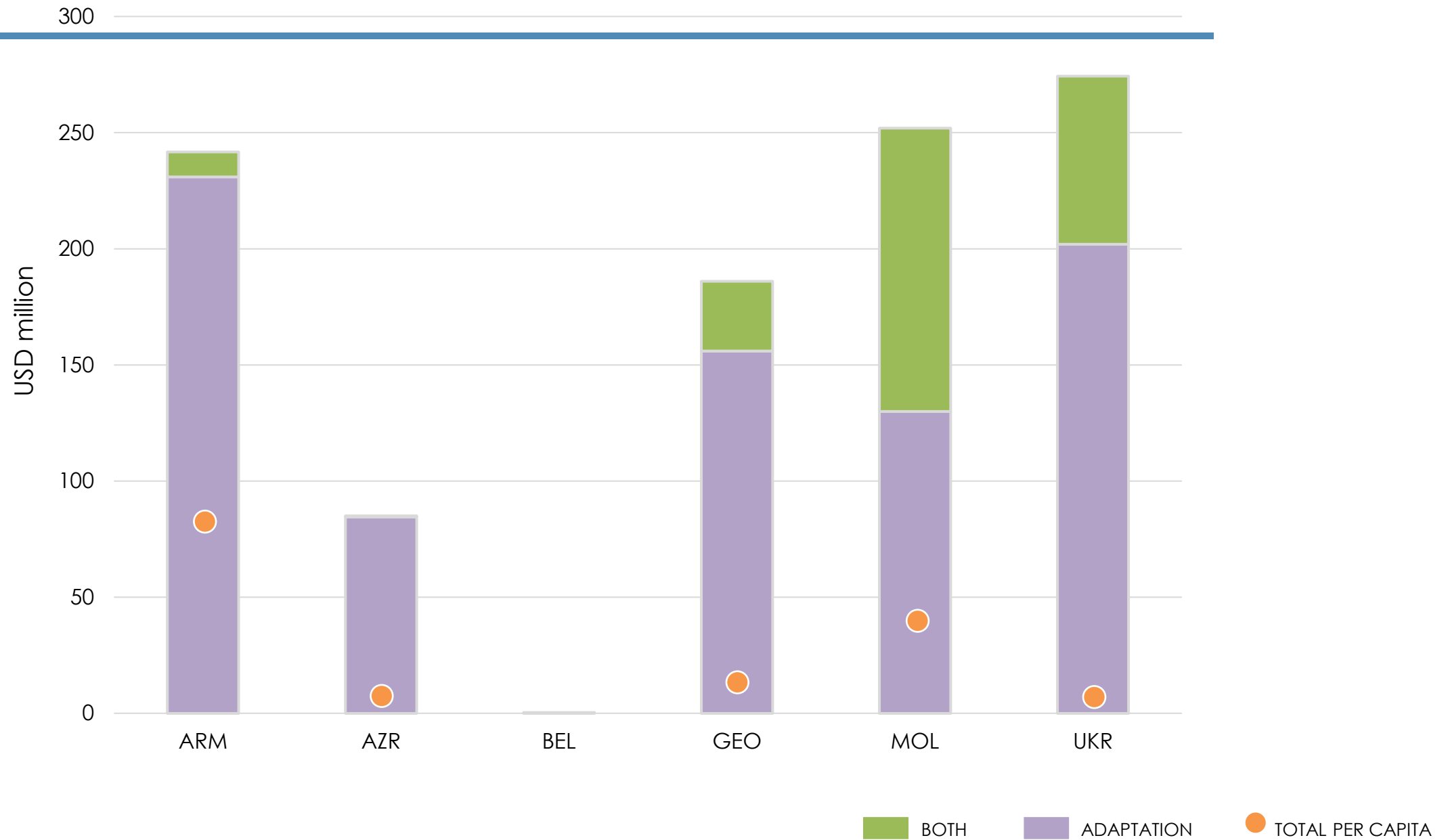
- Geo-political risks limit the ability to interest private funds

## **But there is lack of EECA specific knowledge and data to assist in investment decision making**

- Governing environment (political, legal, etc.) is perceived as unstable and non-transparent
- Language barriers inhibit better understanding of local conditions and needs

66% in Georgia  
80% in Moldova  
73% in Ukraine

# ADAPTATION FINANCE ACROSS EU EASTERN PARTNERSHIP COUNTRIES (2019)





THANK YOU