

Review of Australia's Climate Change Activities in the Pacific

MANAGEMENT RESPONSE

Initiative Summary

Initiative Name	International Climate Change Adaptation Initiative (ICCAI) Budget Measure - Pacific Allocation		
AidWorks initiative number(s)	Various		
Commencement date	2008	Completion date	30 June 2013, with some activities continuing with no-cost extensions
Total Australian \$	154.3 million (value of activities covered by review)		
Total other \$	N/A		
Delivery organisation(s)	Various		
Implementing partner(s)	Department of Foreign Affairs and Trade (former Australian Agency for International Development) , Department of Environment (former Department of Climate Change and Energy Efficiency), Commonwealth Scientific and Industrial Research Organisation (CSIRO), Bureau of Meteorology		
Country/Region	Pacific		
Primary sector	Climate change adaptation across various sectors		
Initiative objective/s	<p>The Pacific investments reviewed were funded by an Australian global initiative, the <i>International Climate Change Adaptation Initiative</i>.</p> <p>The objectives of the global initiative were to:</p> <ul style="list-style-type: none"> • establish a sound policy, scientific and analytical basis for long-term Australian action to help developing partner countries adapt to the impacts of climate change; • increase understanding in partner countries of the impacts of climate change on their natural and socioeconomic system;. • enhance partner country capacity to assess key climate vulnerabilities and risks, formulate appropriate adaptation strategies and plans, and mainstream adaptation into decision making; and • identify and help finance priority adaptation measures to increase the resilience of partner countries to the impacts of climate change. 		

Review Summary

Review Objective: To undertake a review of climate change adaptation activities in the Pacific funded by Australia between 2008 and 2013 under Australia's *International Climate Change Adaptation Initiative*. In particular this review was undertaken to inform any future Australian Government funded climate change adaptation investments in Pacific Island Countries.

Review Completion Date: 30 September 2013

Review Team: Graham Walter (Evaluation Specialist and Team Leader), Peter Hunnam, (Monitoring and Evaluation Specialist), Cristelle Pratt (Sector Specialist) and John Hay (Sector Specialist).

Review Context:

In January 2013, AusAID's¹ Pacific Division commissioned a review of Australian Government funded climate change adaptation activities in the Pacific 2008-13, to ensure that future programming builds on lessons learnt from the implementation of activities to date. The review occurred towards the end of the *International Climate Change Adaptation Initiative*, which was the major (Australian) initiative funding climate change adaptation investments in the Pacific.

The *International Climate Change Adaptation Initiative* period (financial years 2008/09-2012/13) was characterised by the rapid flow of new and additional funding for climate change adaptation and mitigation in response to international commitments made at the United Nations Framework Convention for Climate Change Conference of Parties15 (UNFCCC COP 15) in Copenhagen.

The period covered by the review also included the "Fast-Start" finance period. In 2010, developed countries together agreed to provide US\$30 billion in additional climate finance (called "Fast-Start") by 2012 to kick-start mitigation and adaptation initiatives in developing countries and to produce lessons for future climate investments. Australia provided AUD\$599 million globally over three years to assist in addressing the most urgent and immediate needs. Of this amount, approximately \$160 million was committed to funding activities in the Pacific.

This increased flow of funds was accompanied by a corresponding call for rapid implementation of climate change adaptation activities across the Pacific (a region with significant capacity constraints) by Pacific Island Countries.

Pacific activities were funded through bilateral, regional and multilateral avenues. During the *International Climate Change Adaptation Initiative* period (2008-2013) Australian funded climate change activities within the Pacific were guided by the *International Climate Change Adaptation Initiative* objectives and the Australian Government *Engaging our Pacific Neighbours on Climate Change: Australia's approach 2009*.

The review team consulted widely throughout the review process with a range of stakeholders including partner government representatives. The review team undertook consultations in Australia, Fiji (ICCAI regional hub in Suva), Kiribati, Samoa, and the Solomon Islands. Consultations with other project teams were conducted by telephone. All *International Climate Change Adaptation Initiative* activities in the Pacific were assessed by the review team.

This review was conducted close to the end date of all relevant activities and as such captures most, but not all of the activities implemented by *International Climate Change Adaptation Initiative* funded projects and programs.

Australian Government response to the review report

The Australian Government welcomes the review. Australia is committed to improving the delivery and effectiveness of Australian aid, ensuring that there is efficient use of all development resources.

The review reflects an overarching point-in-time review of Australian funded climate change adaptation activities in the Pacific. It provided the opportunity to assess the activities funded under the *International Climate Change Adaptation Initiative*, involving a range of investments identified within bilateral agreements, through regional initiatives, via support to regional organisations and within community level activities being implemented by Non-Government Organisations (NGOs).

The Australian Government considers that the review provides a fair assessment of the strengths and weaknesses of the initiative. The review found the *International Climate Change Adaptation Initiative* funded activities to be very relevant to the Pacific, with most activities demonstrating high relevance to country and regional needs.

The review found that the effectiveness and efficiency of projects and programs funded to be varied. A key weakness identified was that *International Climate Change Adaptation Initiative* activities were implemented largely as separate projects with individual monitoring systems, and were not linked to any overarching program framework or monitoring and evaluation framework. The Australian Government considers this to be a fair assessment and notes the challenge of implementing a large ambitious initiative in a short timeframe. This issue is evident also within the Fast Start programs implemented by other donors. It is considered that while the program itself was not overly ambitious,

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¹ AusAID was merged with the Department of Foreign Affairs and Trade (DFAT) in late 2013.

the timeframes for implementation were. It is also noted that Fast Start did not adequately account for the differences between regions and the ability for uptake within different regions.

The review assessed that one of the key successes of *International Climate Change Adaptation Initiative* was the significant contribution to climate science and its application in the Pacific. The work undertaken by Australia's science agencies, in partnership with Pacific science organisations, has contributed significantly to knowledge of climate science in the Pacific region, and is providing scientific rigor to the debate on climate variability and climate change. This includes the first, country-specific, climate change projections for 14 Pacific island countries, which has contributed to building resilience in key sectors (such as infrastructure, agriculture, water resources and coastal management) in Pacific island countries.

The Australian Government agrees in principle with the recommendations made in the two reports. A number of issues raised in these reports have already been addressed. The full set of recommendations is available on pages 44-57 of the overarching review report.

In the period since the review took place there have been significant changes to the Machinery of Government relating to aid implementation. Australian Government aid investments are now being managed by the Department of Foreign Affairs and Trade (DFAT).

Future aid activities in the Pacific that either assist partner countries to adapt to climate change or that integrate climate change risk into Australia's aid investments (such as in the infrastructure sector), will be informed by the lessons learnt and the recommendations of this review. Specifically this includes that:

- investments will be selected and implemented within Australia's overarching strategic aid programming and economic diplomacy framework within the region and specific countries (see recommendation 2);
- investments will have improved design, monitoring, evaluation and reporting systems (see recommendations 13 and 15) in line with the Australian Government Aid Management guide that is being developed by DFAT;
- climate and disaster risk will be managed across the aid program portfolio of aid investments, such as in infrastructure, to enhance the resilience of development investments (see recommendation 1, 3 and 7);
- ongoing support is being provided to the Pacific regional organisations that have a key role in supporting country members in the area of climate change adaptation (see recommendation 4);
- the selection of aid modalities will be appropriate for specific countries and contexts (see recommendation 5);
- Australia will work closely with partner governments and where appropriate utilise partner government systems (see recommendation 6);
- Whole of Government governance arrangements will be strengthened to ensure appropriate oversight for any future regional activities (see recommendation 14).

In relation to recommendations 7, 8 and 9 (relating to integrating disaster risk management, environment and climate change considerations into bilateral Pacific Partnerships for Development) a new approach and/or refinement to the broader Partnerships for Development approach is currently subject to formulation. This work will also be informed by the outcomes of other current work on aid management policies, including on benchmarks and taking into account demand from Pacific partner countries.

Recommendations 10 and 17 (recommending that Australia invest in a proposed Australia-Pacific Alliance for Disaster Risk Management, Environment and Climate Change and Development; and recommendations relating to Non-Government Organisation climate change activities) will be considered subject to policy priorities and the annual budget process. This consideration will also be subject to outcomes of other current work on aid management policies, including on benchmarks and taking into account demand from Pacific partner countries and organisations.

Recommendation 18 (relating to monitoring and reporting systems for disaster risk management, environment and climate change) is being considered in relation to Australia's broader climate change policies including in respect of ongoing cooperation in the Pacific region.

The importance of further analysis on the costs and benefits of climate change adaptation is supported in principle (Recommendation 16). Noting other work already underway, such as the UNDP's Pacific Cost-Benefit Analysis Initiative, and previous cost-benefit analysis work from the Pacific and elsewhere, the need for Australian funding for such work will be considered subject to the policy and budget processes outlined above.

The Australian Government considers that some of the review recommendations reflect good aid implementation practice (see recommendations 2, 4, 5, 6, 7, 8, 11, 12, 14 and 15). DFAT has processes in place for considering improvements in such methods and procedures within Australia's aid program and will take account of relevant findings.