



### News from CDKN: Showcasing Pakistan's micro insurance plans

Pakistan's microfinance sector has advanced rapidly from 60,000 clients in 2000 to over 2.4 million in 2013. A summit organised by the Pakistan Microfinance Network and partners in Islamabad in July brought together the key stakeholders in the sector to look at the challenges and opportunities for further use of microfinance to reduce poverty in the country. CDKN used this opportunity to highlight the potential for micro-insurance to build the resilience of the most vulnerable communities from the impacts of climate change and natural disasters.

CDKN's project manager, Kashmala Kakakhel, presented learning from CDKN's work with the National Disaster Management Authority (NDMA) to explore modern funding approaches to disaster management including using micro-insurance products. This received a lot of interest from the 300 participants who will be important partners in the NDMA's future strategy and programme.

Across South Asia, CDKN is investigating the potential of index-based micro-insurance for managing the risks of disasters. Microsave is carrying out research to take stock of the current state of the sector in various countries, and what we have learnt to date which can inform future policies and plans. A full report on this research is due in the coming months.

#### Recent Highlights:

- As part of CDKN Asia's [learning and innovation hub on disaster risk management \(DRM\)](#) held in Bangkok, partners from Bangladesh shared experiences and identified what we are collectively learning about effective DRM and how we can scale-up this learning to have a greater impact. A system 'map' of Pakistan was developed, identifying stakeholders and relationships that are involved (or should be involved) in climate-smart DRM governance and delivery in their country. This and more will be published next month
- The [CDKN/Panos South Asia annual fellowship](#) is putting the issue of climate change on the agenda of politicians and bureaucrats. This year's batch includes 5 journalists from English and Urdu media outlets including Daily Jang, the News International and Balochistan Today.

#### How we provide support in Pakistan

*Providing technical assistance to support the Government to take strategic, long-term action to manage climate risks and vulnerabilities, with policies and programmes being implemented across sectors and at the national and provincial levels*

*Total budget committed to date: approximately GBP 1.3 million*

#### CDKN Partners in Pakistan:



# Moving forward with national action on climate change



## Story of Change:

The Government of Pakistan now has the framework and 'big picture' for its future action on climate change.

Following a request from the Government for technical assistance to consider options for implementation of the national climate change policy, CDKN engaged a number of leading international and local experts. These partners facilitated a lengthy consultation process as well as an evaluation of experiences from other countries

The output of this process is a nationally appropriate work programme for climate compatible development that has recently been presented to the Government. This is formed of a series of actions that can be taken immediately, but which are the foundations for leading to a National Adaptation Plan (NAP), National Appropriate Mitigation Actions (NAMAs) Framework, and Second National Communication to the UNFCCC.

For each 'readiness action' detailed TORs have been prepared which the Government can use to inform implementation by relevant ministry as well as requesting support from donors. Such actions include:

- And institutional assessment to define roles and responsibilities of the institutions engaged in promoting climate compatible development;
- Greenhouse gas inventory and sectoral emissions baselines
- Bottom-up assessment of low-carbon interventions across key sectors

The Deputy Secretary for Climate Change is calling a meeting of all relevant ministries and experts to share and prioritise these draft TORs.

To ensure this work programme as well as future action can be implemented in a sustainable manner, the Government of Pakistan requested support in setting up a climate change fund. In order to effectively move forward on this, CDKN is supporting the government and other stakeholders in understanding the overall financial architecture, learning from international best practices and the provisions required for creating an enabling environment to ensure an appropriate funding mechanism is identified for promotion of climate compatible development

The experts have put forward a range of options for the Government to consider which will now be taken forward after further discussions with the required social groups. In the next month the Government will select its preferred option and set the next steps.

# Update on CDKN Projects in Pakistan

## **Disaster Risk Insurance for Vulnerable Communities in Pakistan** – Nov 2012 – Sept 2013

Following a comprehensive inception period with extensive consultations and meetings, a report has been produced giving the baseline, and issues to consider when designing a disaster risk insurance framework for vulnerable communities. This included identifying best practices from around the world, documenting data and information sources needed for an insurance scheme that exist and the gaps, as well as the key legal and institutional requirements for any scheme.

In the coming months the expert team led by IMC Worldwide will be adding the detail to the strategy and putting forward to the NDMA an operational plan.



## **Sheltering from a Gathering Storm** – April 2012- March 2014

This research project being lead by ISET is providing insights on the economic returns of investment in climate-adapted and disaster-resilient shelter design to support decision making, with focus on shocks relating to floods, typhoons and extreme heat events.

With case studies in India, Vietnam and Pakistan, generate quantitative cost-benefit evidence on the value of investments in climate-adapted shelter and qualitative guidance on returns to investments in longer-term enabling institutional environments.



## **Scoping a Combined Programme of Work on Climate Compatible Development (CCD) for Pakistan**

The project is being undertaken by the International Institute of Sustainable Development (IISD) and partner Energy Research Centre of the Netherlands (ECN). Based on a short situation analysis (drawing extensively on stakeholder consultations), the team has identified priority actions in relation to adaptation and mitigation. These actions will increase readiness for adaptation and mitigation and help ensure that the Government of Pakistan has plans and policies in place to access climate change funding.

A two-week mission by the IISD team to Islamabad in April kicked off with a workshop organised by the Government, which provided useful insights into adaptation and mitigation options for Pakistan.

In addition, Vivid Economics with CDKN support are providing advice to the Government to assess the different options for a new institutional arrangement for climate finance.

In July options for priority actions and financing arrangements will be presented to the Government and future work and next steps will be decided.

## Priority Climate Compatible Development Options for Pakistan

by Deborah Murphy, Jo-Ellen Parry and Marius Keller, IISD

Pakistan is one of the lowest emitters of greenhouse gases (GHG) in the world: it accounts for just 0.8% of total global emissions, and ranks 135th in terms of per capita emissions. Unfortunately, Pakistan is also one of the most climate vulnerable countries in the world. Over the past 20 years, 141 extreme events have killed on average over 500 people a year, and led to annual economic losses of more than US\$ 2 billion. According to Mujtaba Hussain, Deputy Secretary Ministry of Climate Change, Pakistanis are 'victims of climate injustice'. The knock-on effects of climate change threaten food security, water security and energy security – and ultimately, national security.

Pakistan launched its National Climate Change Policy in February 2013, and has been an active participant in global discourse on climate change. The process of NAMA and NAP development is already underway. There is thus a strong foundation to move forward on adaptation and mitigation. While Pakistan's priority focus is adaptation to climate change, it is cognisant of its international responsibilities under the UNFCCC and realises it must move to low carbon development pathways.

Other countries' experience in adaptation planning offers important lessons for Pakistan. The experiences in Kenya and the Dominican Republic highlight the need for an inclusive stakeholder process from the onset, and the importance of aligning the process with national development plans. Each context is different and requires different research tools, so these should be adapted to different contexts; at the same time local research capacity should be built up. A final key lesson is that wish lists will not lead to action: it is critical to prioritise so as to develop detailed proposals that are implementable – and thus fundable.

During a recent CDKN workshop discussion on adaptation options for Pakistan, participants stressed the need to align adaptation planning with development plans; they saw this as vital for winning support from policy makers, and in particular the Planning Commission. Given the limited resources available to the government, a number of participants urged involvement of the private sector to fund the requisite measures – this in turn would need awareness raising within the private sector about the climate change challenge facing Pakistan.

Options for mitigation readiness in Pakistan are multiple, and include preparing a NAMA Framework, updating the GHG inventory and establishing sector emission baselines, carrying out a study of renewable energy resources, building capacity at national and provincial levels, and designing specific NAMA proposals.

For the full version of this article, visit [www.cdkn.org/regions/asia/](http://www.cdkn.org/regions/asia/)

### What is the Climate Development Knowledge Network?

CDKN is an alliance of six private and non-governmental organisations operating across four continents. The network provides support to decision makers in developing countries to design and deliver climate compatible development. We do this by combining research, advisory services and knowledge management, in support of locally owned and managed policy processes. We work in partnership with decision-makers in the public, private and non-governmental sectors.

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