



Report on Effectiveness 2014

Swiss International Cooperation in Climate Change 2000 - 2012



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

State Secretariat for
Economic Affairs SECO

Technical assessment of effectiveness

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EDITORIAL

The impact of climate change on development is evident. People in developing countries are much more affected by climate change due to widespread poverty and lower resilience and coping capacities. The negative impacts of climate change threaten lives and livelihoods, as well as the hard-won gains achieved in reducing poverty in recent decades. That is why Swiss development cooperation has been heavily engaged in interventions mitigating greenhouse gas emissions and improving the resilience and adaptation capacities of the affected populations in our partner countries.

The purpose of this report is to assess whether and in what way these interventions have achieved the expected results. External experts carried out an independent assessment covering the period 2000-2012. This Report is the third of its kind, following the Report on Effectiveness in the Water Sector (2008) and in the Agricultural Sector (2010).

The report succeeds in generating valuable findings and conclusions. Although assessing the broad and diverse portfolio of all climate change relevant interventions of SDC and SECO over a long period has been a challenging exercise, the report certifies that our interventions in tackling climate change are grounded in a meaningful approach and are producing significant results. Even more important, the report confirms a positive trend of effectiveness and institutional expertise in addressing climate change in development cooperation.

Nevertheless we are aware that there is room for improvement which we are eager to tackle. Development cooperation always entails risks that can result in setbacks and project results falling below

expectations. Suitable risk mitigation measures that are continuously monitored are therefore needed, in particular in such a dynamic field as climate change mitigation and adaptation. Likewise, to reach maximum impact, it is essential to integrate climate change aspects more systematically into development programs and projects and improve awareness and ownership among all partners involved.

Furthermore, high effectiveness in climate change mitigation and adaptation is seldom achieved through punctual, stand-alone measures. To ensure sustainable success of Switzerland's international cooperation we must draw on coherent and complementary engagements on bilateral and multilateral levels and make use of synergies between interventions and between climate change mitigation and adaptation.

By sharing its experiences and knowledge in the field of climate change and fostering international action, Switzerland can make a relevant contribution to limiting the adverse effects of global warming and thus securing progress made in reducing poverty worldwide. The need for forward-looking and flexible decision-making to deal with an uncertain future requires considering different options and designing more effective policies and instruments to address climate change and contribute to sustainable development. Building on their experience and on the conclusions of this report, SDC and SECO will do their utmost to further integrate climate change into their portfolios in a concerted effort to fulfill their mandate of poverty alleviation.

We are pleased to present to you this report and wish you an interesting reading.

Martin Dahinden



Ambassador
SDC Director-General

Marie-Gabrielle Ineichen-Fleisch



State Secretary
SECO Director

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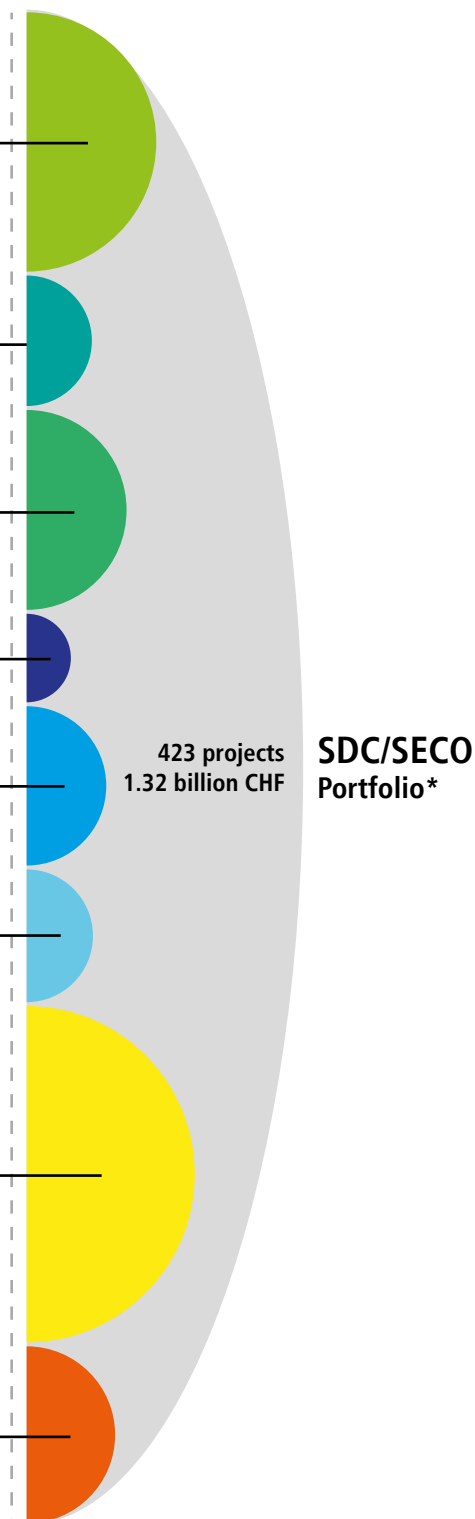
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**The total sum of the chapters is higher than the overall portfolio because of some overlap between the chapters.*

RESULTS AT A GLANCE

1. HIGH EFFECTIVENESS

On average, the 423 projects of Swiss international cooperation analysed show “moderate to strong” effectiveness in reducing greenhouse gas emissions and in increasing people’s abilities to cope with the impacts of climate change. The analysis shows no difference in effectiveness between the different geographical regions covered in the Swiss portfolio.

2. IMPROVING PERFORMANCE

Climate effectiveness of Swiss projects improved over time within the assessed period 2000 – 2012. The effectiveness scores of more recent projects (after 2007) are higher than those of earlier ones.

3. IMPROVING DESIGN

The more recent part of the Swiss portfolio integrated climate change more explicitly into project design and the quality of design of these specific interventions improved.

4. INCREASING INSTITUTIONAL AWARENESS

The creation of the SDC Global Programme on Climate Change and the development of a new thematic priority “Fostering climate-friendly growth» in SECO are signs of increased strategic importance and institutional awareness on climate change.

5. EFFECTIVE FAST-START FINANCING

Additional climate funding (“fast-start financing”) allocated through the 0.5% bill in 2011, was mainly assigned to well-performing existing projects and multilateral partnerships. This allowed the accumulated experience and existing portfolio of climate-relevant interventions to be built upon.

6. SWISS ADDED VALUE

Projects based on Swiss know-how and expertise in specific areas (renewable energy, hydropower, cleaner production, finance, and risk management) successfully transferred climate-relevant skills to partner countries.

7. CLIMATE AND POVERTY

Poverty reduction and climate change are closely intertwined. Projects within the Swiss climate change portfolio have contributed to strengthened climate resilience of the poor, for instance through improved food security and sustainable forest management.

8. INNOVATIVE ASSESSMENT

Assessing climate effectiveness of the portfolio was a methodological challenge. An innovative approach had to be developed to assess interventions initially launched as development and poverty-reduction initiatives. As internationally agreed standards for measuring climate adaptation are only beginning to emerge, this assessment can be considered as a pioneer venture in a field where much further work is still needed.

SWITZERLAND'S GLOBAL ENGAGEMENT

Climate change is largely driven by human activity. Since the Industrial Revolution, the increasing concentration of greenhouse gases (GHGs) in the atmosphere has led to an increase in global temperatures with serious consequences for life on Earth as rainfall patterns change, glaciers melt, storms become more frequent and intensify, deserts increase and oceans warm, expand and acidify.

In 2014, the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC) concluded that the widespread consequences of climate change present a real danger to the health, nutrition, well-being and security of humanity.

Since the start of Switzerland's involvement in international climate action, notably through the numerous projects assessed in this report, the level of knowledge and global awareness about climate change has steadily increased. Thanks to high-profile publications such as the work of the IPCC, climate change has moved to the centre of the global debate and consequently to higher levels of the global political agenda. The international community has generally agreed that collective action and shared responsibility are essential to limiting climate change and addressing its consequences.

According to the IPCC, emissions of carbon dioxide (CO₂) and the other greenhouse gases responsible for warming the planet grew twice as fast in the first decade of the twenty-first century as during the previous three decades. Both developed and developing countries alike contribute to climate change. While developed countries are responsible for the bulk of historic GHG emissions, developing and transition economy countries emit more than half of global emissions today. The international community has therefore agreed to "common but differentiated responsibilities" according to the capabilities of each country in addressing climate change.

Switzerland has taken full responsibility in sharing its experience and providing financial support to development partners around the world both in mitigating climate change and in adapting to its consequences (see box).

CLIMATE CHANGE AND DEVELOPMENT COOPERATION

Climate change affects all countries. Switzerland itself is facing a range of climate change effects such as reduced snowfall and changes in rainfall patterns that can significantly alter the landscape, living conditions and economic prosperity.

Yet people in developing countries are much more vulnerable to the impacts of climate change due to widespread poverty and lower resilience and coping capacities. Poverty alleviation and sustainable development programmes support people in developing countries to cope with environmental and economic stress factors, including those linked to climate change. Low-carbon development requires investments and expertise in innovative approaches. Poverty alleviation and international climate action therefore are closely interlinked with climate change resilience and mitigation. Swiss development interventions pay high attention to addressing these issues in an integrated manner, so that more effective and long-term development results can be achieved. The assessment outlined in this report analysed several projects in which climate change was only a co-benefit of broader development initiatives. Therefore, the assessment of effectiveness presented here does not necessarily represent the overall performance of a project, only its effectiveness in achieving climate-relevant results.

This report reviews the climate change portfolios of the two main Swiss agencies working on international cooperation: SDC and SECO.

CLIMATE CHANGE MITIGATION = Avoiding the unmanageable.

Preventing, reducing or avoiding human-made greenhouse gas emissions, for example by promoting renewable energies.

CLIMATE CHANGE ADAPTATION = Managing the unavoidable.

Increasing resilience and capacity to cope with and adapt to the effects of climate change, for example by improving early warning systems for extreme weather events.

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)

SDC contributes to sustainable and climate-compatible development through bilateral and multilateral initiatives. SDC promotes knowledge and information-sharing between beneficiaries and stakeholders. It supports development partners in adapting to the consequences of climate change and in implementing climate change policies both at national and global levels. SDC promotes adaptability to changing environmental conditions through programmes and projects on energy efficiency, sustainable use of resources, and capacity building and awareness raising to strengthen climate-resilience. SDC's humanitarian aid programmes promote disaster relief and prevention measures.

Between 2000 and 2012, SDC was responsible for two thirds of the overall official development assistance (ODA) funding allocated to climate change activities.

STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)

SECO focuses on supporting economic development in developing and medium-income countries through the provision of technical assistance, capacity development, technology transfer, climate change policy development and financing. Partnering with development banks and specialized international and non-governmental organizations, SECO promotes low-carbon and climate-resilient development approaches and incentives.

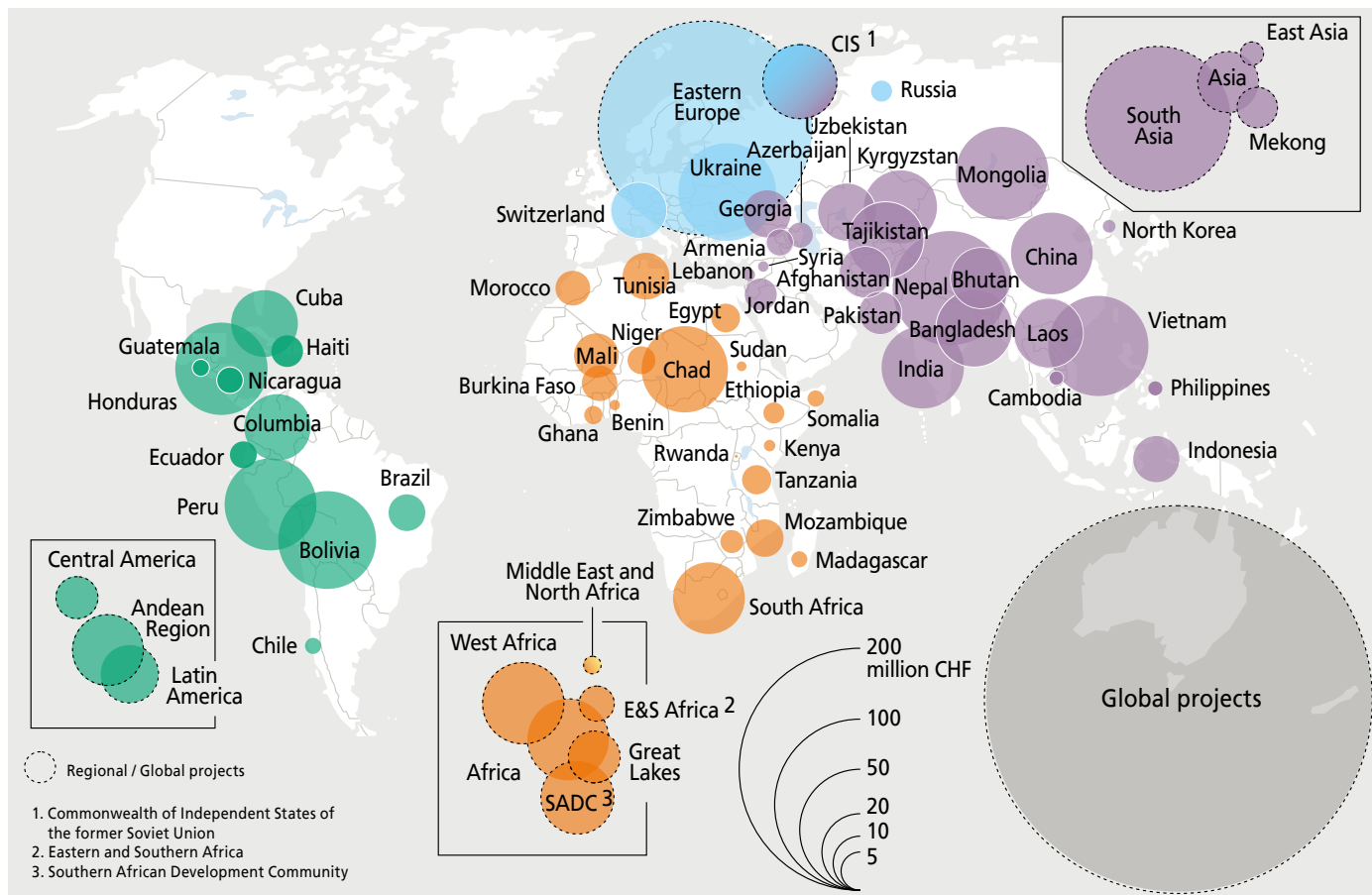
Between 2000 and 2012, SECO managed approximately one third of the Swiss ODA funds specific to climate change.

FEDERAL OFFICE FOR THE ENVIRONMENT (FOEN)

A third Swiss agency working on climate change is the Federal Office for the Environment (FOEN), which is responsible for national climate change policies. FOEN also leads Swiss participation in international climate negotiations (where both SDC and SECO participate) and in engagement with the Global Environment Facility (GEF). This aspect of Swiss climate change cooperation has not been included in this assessment.

PORTFOLIO EVALUATION

Geographical overview (cumulated budget)



SDC and SECO climate portfolios assessed for this report include 423 projects, implemented between 2000 and 2012. 283 projects with a value of CHF 975 million were implemented by SDC, and 140 projects with a value of CHF 346 million by SECO. A number of these projects were initiated before 2000, and some are still ongoing. The total budget dedicated to climate change for this period amounted to CHF 1.32 billion, around 5% of the overall ODA funding provided by Switzerland during these years.

61 projects were the focus of field visits and in-depth analysis by the assessment teams, who were able to gather first-hand information and field data.

The projects were clustered into six thematic areas, outlined in detail in the following chapters. Developments relating to Switzerland's 2011 commit-

ment to the Fast-Start Financing (FSF) initiative and the value of Swiss multilateral engagement are also outlined in this report.

The assessment applied a seven-point scoring system of effectiveness ranging from "extremely strong" to "none" per project. These scores were attributed to the overall climate change mitigation or adaptation effectiveness.

The overall scores were composed of assessments based on direct and indirect evidence (such as GHG reductions or increased coping capacity). A comparison was made between two portfolio periods, 2000-2006 and 2007-2012, to analyse the influence of growing experience on climate change in Swiss and global development cooperation. Further information on the assessment methodology is available in the Technical Report.

Thematic areas of the portfolio

ENERGY



HAZARDS



CLEANER
PRODUCTION



LIVELIHOODS



NATURAL
RESOURCES



KNOWLEDGE



CHALLENGES IN MEASURING QUANTITATIVE RESULTS OF CLIMATE- RELEVANT INTERVENTIONS

Given the relatively new focus attributed to climate change, most of the projects within the Swiss climate change portfolio were initially launched as development and poverty-reduction initiatives. As a result, the data needed to compare and monitor the climate change mitigation/adaptation impact of the projects were not always available, especially for older projects. The effectiveness of adaptation projects is particularly difficult to quantify, as adaptation results are often of a qualitative nature and visible only in the long-term. Furthermore, internationally agreed standards for measuring adaptation effectiveness are only beginning to emerge.

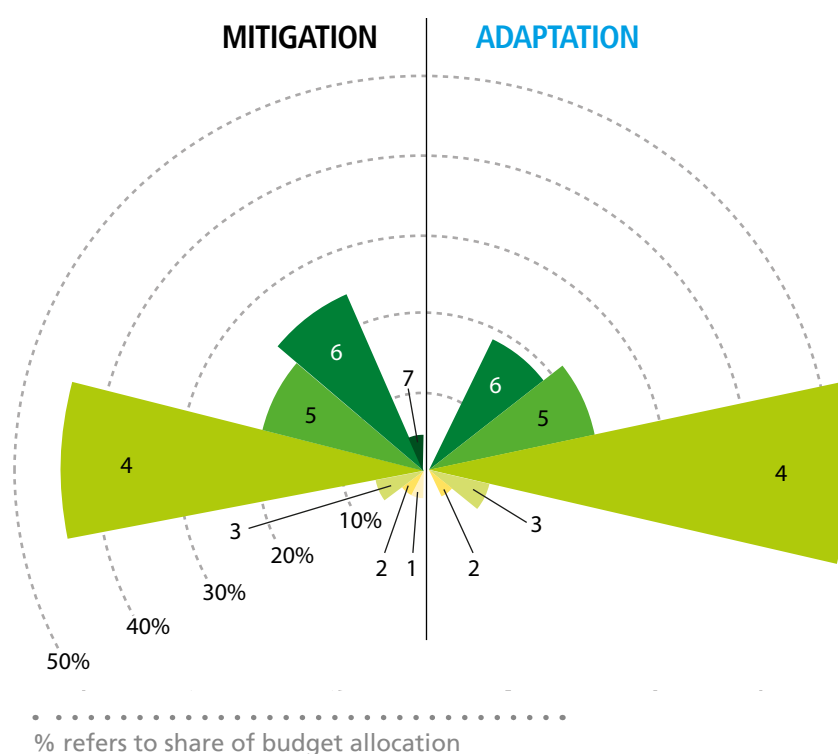
In this context, the assessment of the Swiss climate portfolio can be considered as a pioneer approach in measuring climate change effectiveness that has produced lessons for similar exercises elsewhere.

OVERALL EFFECTIVENESS

The analysis concluded that the Swiss-funded projects carried out between 2000 and 2012 have been moderately to strongly effective in achieving climate-relevant development results.

Approximately 40% of the portfolio was evaluated as strongly or very strongly effective, both in climate change mitigation (114 projects) and adaptation (121 projects). Around 50% of the total portfolio budget was allocated to interventions that were assessed as being moderately effective (198 projects) in terms of climate mitigation or adaptation. Only 10% of the projects showed little or no climate benefit.

Effectiveness scores for mitigation and adaptation (2000-2012)



IMPROVEMENT OVER TIME

Despite the geographical and cultural diversity of the over 70 partner countries within the portfolio, the effectiveness of the evaluated climate projects remained generally consistent, with no region showing distinctly higher or lower success than the others.

Switzerland's results in international climate action have improved since 2000. The analysis shows that funding allocated to adaptation projects rated as highly and very highly effective increased from 23% to 66% between the projects implemented in the periods 2000-2006 and 2007-2012. For mitigation, the increase was from 36% to 54%, showing a significant improvement in climate effectiveness.

IMPROVED PROJECT DESIGN

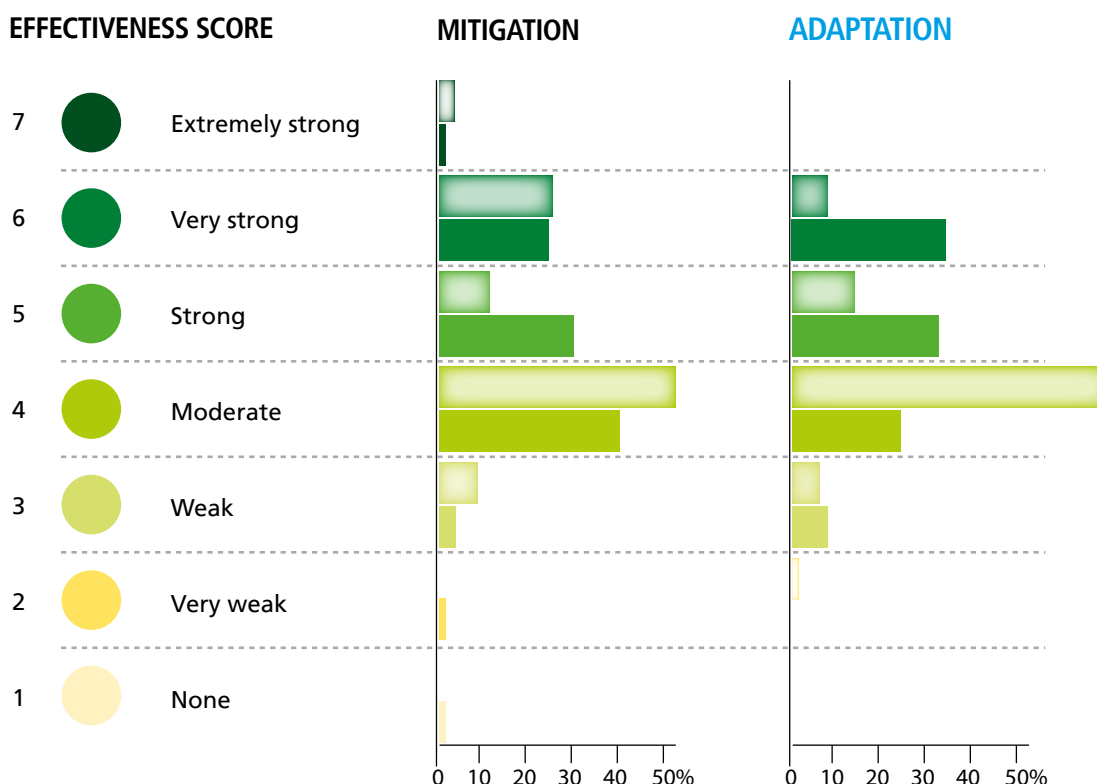
Over the past 13 years, climate change has been given more attention in the Swiss development portfolio. Although climate-relevance has been implicitly part of SDC and SECO projects across the portfolio for a longer period, climate change objectives were not always explicitly outlined in project design in the early period prior to 2007. Nonetheless, a number of early SDC and SECO initiatives, such as energy-efficiency projects, were significantly climate-relevant.

Over the years, focus and priority has gradually been attributed to climate change, resulting in more explicit and effective integration of climate change targets into the projects. Adaptation pro-

jects in particular have steadily moved up the policy agenda both internationally and within Switzerland's official development assistance. The creation of the SDC Global Programme on Climate Change (GPCC) in 2008 and the development of a new thematic priority "Fostering climate-friendly growth" in SECO as of 2012 are other examples of this shift towards more explicit climate programming.

This aspect is of particular importance for its policy implications, as the analysis of Swiss portfolio shows a clear correlation between the extent to which climate change mitigation/adaptation was explicitly incorporated into project design and its ultimate success in achieving climate results.

Evolution of effectiveness over time (before and after 2007)



Effectiveness = the extent to which the development intervention's objectives were achieved, or are expected to be achieved.

■ Before 2007
■ After 2007

.....
% refers to share of budget allocation



ENERGY

ENABLING SUSTAINABLE DEVELOPMENT THROUGH REDUCED CARBON INTENSITY



Access to energy is crucial for sustaining livelihoods and for economic development. At the same time, the energy sector is one of the biggest sources of CO₂ emissions caused by human activities. Low-carbon energy generation and efficient use of available energy is therefore a priority in climate change mitigation efforts.

Due to improved access to energy, interventions in this area also aim to create business opportunities and possibilities for communities to develop more diverse and sustainable livelihoods.

Alongside promoting renewable energy sources, a significant part of the Swiss energy portfolio focuses on the replacement of obsolete or war-damaged equipment in power plants or in control and power transmission systems. Projects in this area were undertaken in Macedonia, Serbia, Tajikistan, Kosovo, Kyrgyzstan and Albania.

ENERGY PRODUCTION

The portfolio approach towards sustainable energy production has been twofold: firstly replacing fossil fuels with renewable energy sources, such as solar, wind and biomass; and secondly, improving the efficiency of existing power plants using either renewable (e.g. hydropower) or non-renewable energy sources (e.g. coal).

The rehabilitation of hydropower production on the Drin and Mat rivers in Albania has reduced power outages and improved efficiency by 3-4% at the Fierza hydropower plant. As the power plant is run on renewable energy, CO₂ savings are achieved indirectly by avoided energy imports from carbon-intensive sources, such as coal-fired power plants in neighbouring countries.

The extent to which improving, and thereby extending the lifetime, of a coal-fired power plant can be deemed a climate change mitigation project has been widely discussed. In the case of the Nikola Tesla coal power plant in Serbia, for which SECO provided a new monitoring and control system, the climate impact was assessed as positive. As there is no immediately viable alternative to replace this power plant as Serbia's main power-generation facility, Swiss support has contributed to improved energy efficiency and reliability at the plant, thereby reducing power outages and annual CO₂ emissions by 90,000 tonnes.

The energy portfolio also supports the use of waste biomass in Serbia and Bolivia and small-scale biomass energy applications in Cuba, India and Mali. Both approaches are considered to be effective in terms of climate change mitigation.

RENEWABLE ENERGY INVESTMENTS

Switzerland also promotes new renewable energy by funding larger-scale programmes with development organizations such as the World Bank/International Finance Corporation Renewable Energy Programme to promote investments in innovative technologies and to demonstrate their benefits in low-income countries.

As one example, SECO contributed to SREP (Scaling Up Renewable Energy Program in Low-Income Countries), a targeted programme channelled through the World Bank Group and the regional development banks to expand renewable energy markets in poor countries. Programmes like SREP have considerable leverage opportunities given their large-scale impact (SREP has been pledged a total amount of USD 551 million by various partners, including the private sector) and provide a good complement to bilateral activities.

Another example is the REPIC platform (Renewable Energy and Energy Efficiency Promotion in Interna-

Water gushing forth from
the hydropower dam in

◀◀ Vau i Dejes, Albania.

© REUTERS/Arben Celi

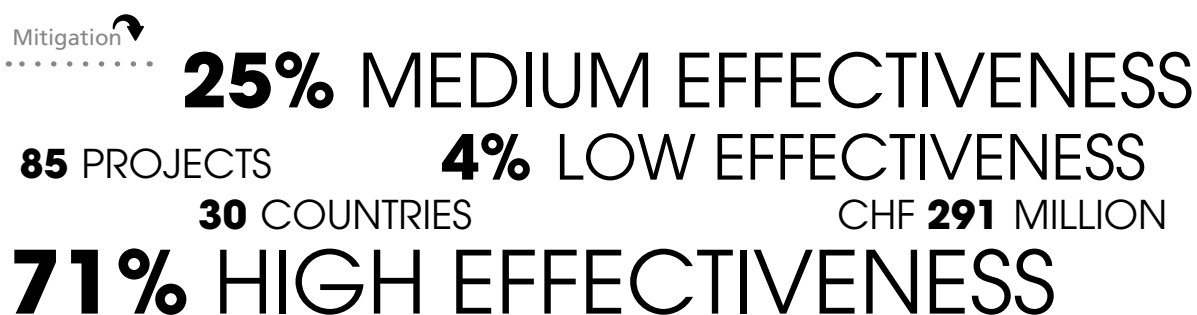
tional Cooperation), where SDC, SECO, FOEN and the Swiss Federal Office of Energy (SFOE) work together to strengthen and coordinate Swiss federal activities on renewable energies, energy efficiency promotion and dissemination within developing and transitioning countries. REPIC was assessed high for mitigation effectiveness because of its anticipated leverage effects.

ENERGY TRANSMISSION AND DISTRIBUTION

Energy produced at a central power plant is transported via a complex system of transmission lines and substations to reach households and enterprises. The setup and condition of this transmission system influences the reliability of energy provision and determines the amount of energy lost on the way to the consumers. In addition, power outages

caused by substandard transmission can encourage the use of individual diesel generators, which are highly carbon intensive.

In Albania, SECO funded the construction of a new substation providing the Durrës county with electricity that has been essential for the economic development and quality of life of 250,000 inhabitants. Before the provision of Swiss assistance, Durrës was plagued by power outages and heavy frequency fluctuations, causing major economic losses estimated at several hundreds of millions of euros annually. While achieving GHG reductions was not an explicit goal of the intervention, the project has contributed to avoiding GHG emissions that would have been caused by electricity import with considerably higher carbon intensity and by reducing the use of diesel generators to compensate for the power outages and lack of access to energy.



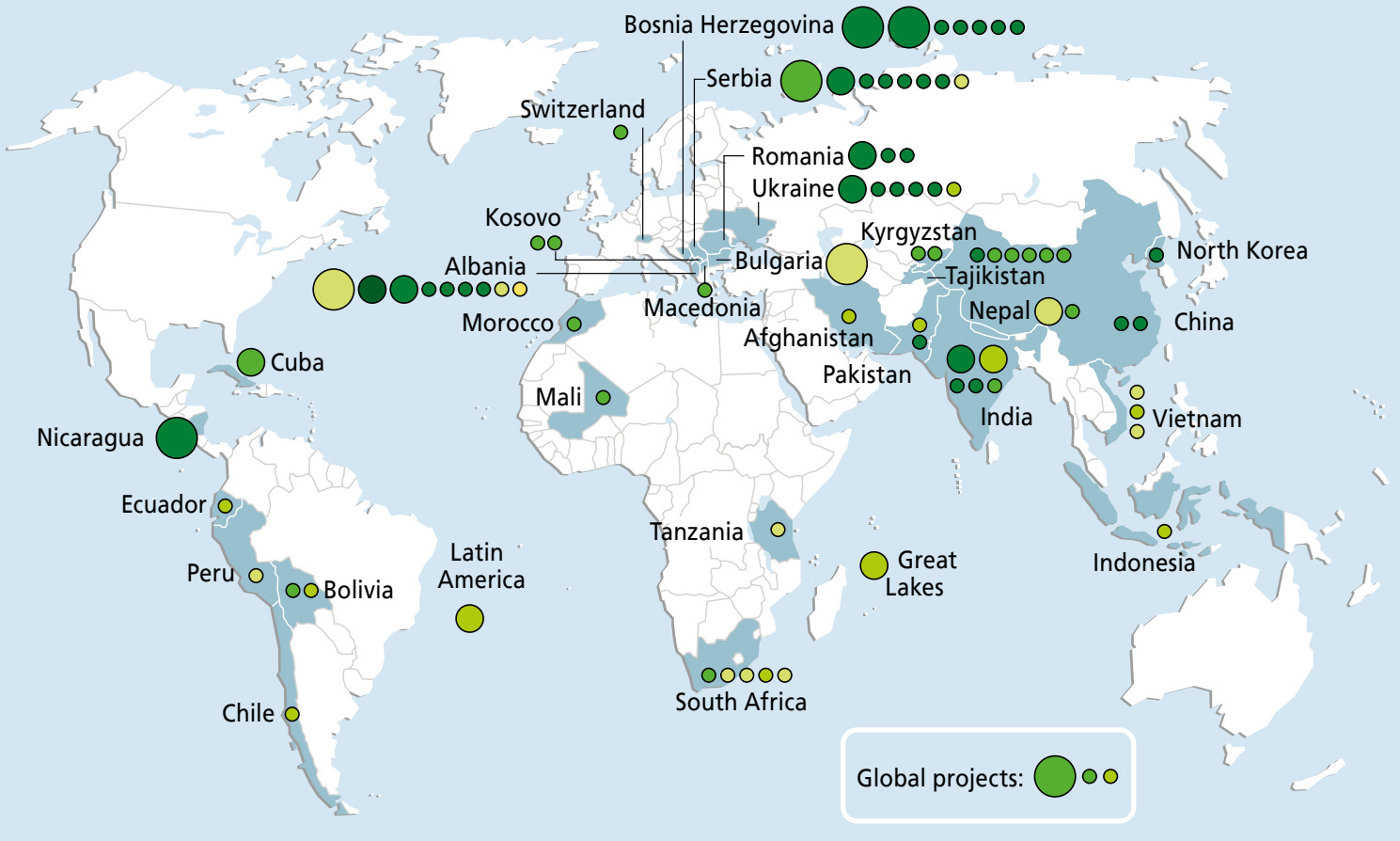
% refers to share of budget allocation

DRIN RIVER CASCADE REHABILITATION, ALBANIA

The Drin River Cascade consists of three hydropower plants on one river system that together make up more than 50% of Albania's electricity supply. SECO financed the refurbishment of four power turbines of the uppermost power plant in Fierza.

The project achieved:

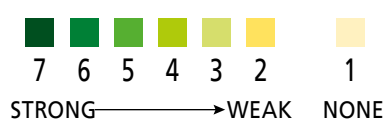
- Expected lifespan of the Fierza power plant extended up to 20 years.
- 3-4 % increase in efficiency.
- Between 2001 and 2008, the number of hours of forced outages fell from 8,625 to almost zero avoiding 1.077 million MWh in outages in 2008, compared with 2001.
- Considerable reduction of CO₂ emissions as a result of the overall improved efficiency and performance of hydropower production on the Drin River Cascade (supported by several funding sources).
- Improved dam safety and strengthened capacity to cope with the impacts of climate change.



Each dot represents one project:

- Budget over 10 million CHF
- 5 to 10 million CHF
- Less than 5 million CHF

Project's overall effectiveness score:



■ Countries with SDC/SECO projects in the "Energy" cluster

BIOMASS ENERGY, SERBIA

At the request of the city administration, SECO is supporting a project to produce heat and electricity from straw in Belgrade. Heat produced from biomass is used for the nearby greenhouses as well as for a school and a mental hospital. These facilities are also renovated to improve their energy efficiency. Electricity generated from burning the straw is distributed by the Serbian national electricity company EPS.

By substituting fossil fuel-based energy provided by the existing power plant (coal and fuel oil) with biomass energy, the project is expected to reduce CO₂ emissions by over 1,300 tonnes annually, improve air quality and increase the profitability of agricultural production by using leftover straw for combustion. In addition to the concrete climate benefits the project, to be completed by 2016, is already serving as an important demonstration site for other potential installations in the region.



CLEANER PRODUCTION

CREATING "WIN-WIN" SITUATIONS FOR COMPANIES INVESTING IN CLIMATE CHANGE MITIGATION



The concept of cleaner production addresses waste, chemicals and harmful emissions from industrial production. The main climate benefits stem from improved energy efficiency in companies and more sustainable use of resources. In addition to identifying cleaner production opportunities in partnership with industry, Switzerland facilitated access to finance to invest in the opportunities identified.

NATIONAL CLEANER PRODUCTION CENTRES

At the core of Switzerland's assistance in cleaner production has been the National Cleaner Production Centres (NCPC) programme, developed in 1994 in collaboration with the United Nations Industrial Development Organization (UNIDO) and the United Nations Environment Programme (UNEP).

Switzerland has helped establish NCPCs in a variety of countries, including Peru, South Africa and Vietnam, either as stand-alone institutions or as part of a wider expert network, as reference centres for industry and investors (including government departments) seeking guidance and training on how to operate in a more sustainable manner.

The NCPCs have been regarded as success stories, not only for their expertise and successful collaboration with the private sector, but also because many were successful in becoming independent of donor support by providing consulting services on cleaner production to industry as their source of income.

Although the impact of NCPCs differs in each context and location, their general contribution to climate change mitigation and their numerous collateral environmental and other benefits are significant and likely to increase in the future. This group of projects has been assessed as moderately to highly effective in terms of climate change mitigation.

There are numerous examples of successful emission reductions through Swiss-supported NCPCs. Between 2002 and 2008, NCPC interventions in South Africa led to annual emission reductions of 25,000 tonnes of CO₂. In Peru, NCPC activities resulted in avoided emissions totalling 35,425 tonnes of CO₂ per year. A project focusing on industrial energy efficiency in South Africa reported total GHG emission reductions of 225,000 tonnes of CO₂ by the time of the assessment.

Recyclable scrap materials at

◀◀ Xa Cau village, Vietnam.

©REUTERS/Kham

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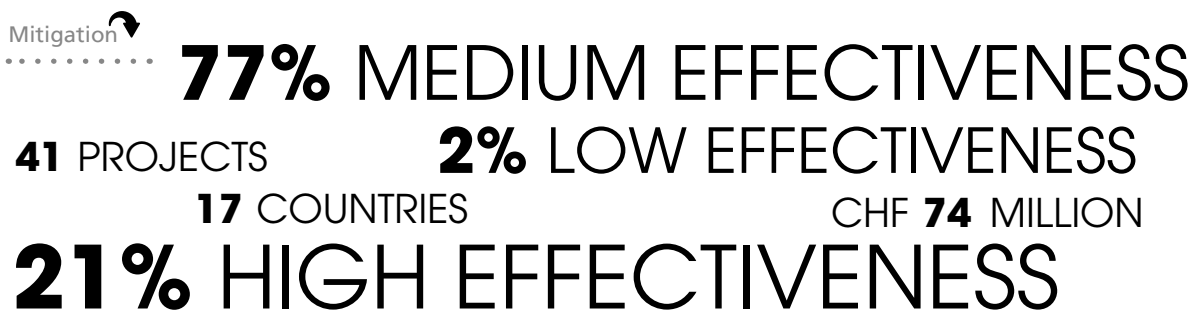
GREEN CREDITS

Entrepreneurs are not always willing to invest in cleaner technologies when the payback time of the investment can be longer than for regular investments, especially in countries with high interest rates or short credit periods.

The Green Credit Trust Fund (GCTF) is a global strategy to promote environment-friendly business and provide companies and industries with financial assistance specifically for green investments. The results of

this support have been encouraging, with many businesses starting to recognize that green investments can enhance their long-term profitability.

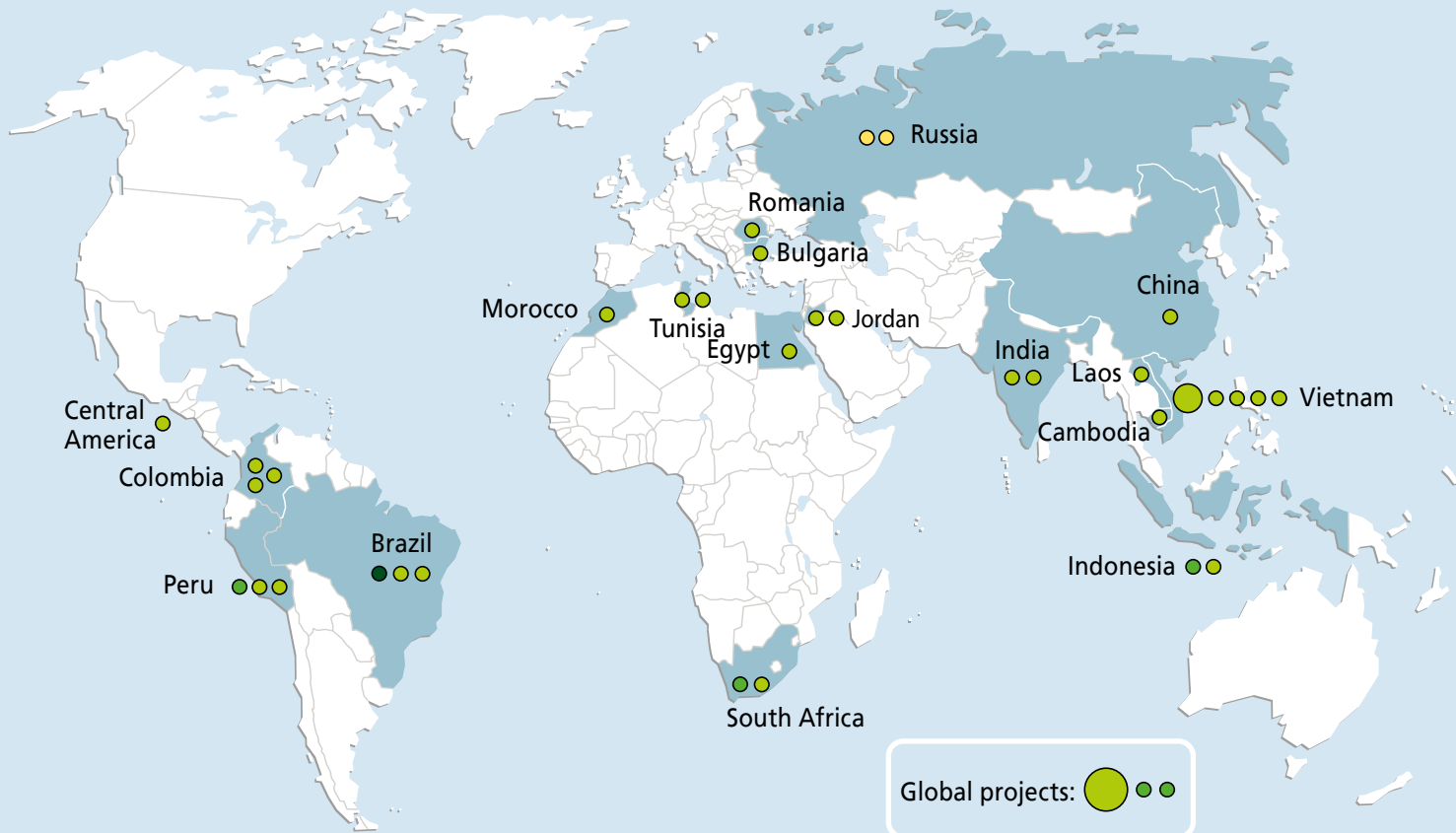
This approach, in combination with cleaner production, was pioneered by SECO in 2003 in Colombia and Peru. External project evaluations confirmed that green investments are normally win-win solutions, with significant positive environmental and economic impacts.



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% refers to share of budget allocation

NATIONAL CLEANER PRODUCTION CENTRE, VIETNAM

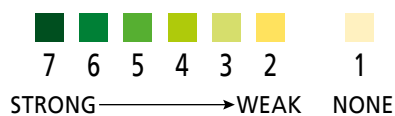
Between 1999 and 2011, Vietnam NCPC proposed cleaner production options to a total of 227 companies in six different sectors. The resulting uptake of cleaner production methods led to resource savings and financial benefits for the companies and a positive impact on the environment. Companies reported average savings of 7% in electricity, 9% in coal, 7% in fuel oil, 20% in gas, 18% in water and 25% in chemical consumption. Changes such as these have important multiplier effects, for example reducing industrial water use affects also the energy costs of pumping, heating and treating water, while well-managed recycling can save considerable amounts of energy. Changing energy mixes (e.g. from coal to methane) can greatly reduce GHG emissions. The project was considered moderately effective for climate mitigation.



Each dot represents one project:

- Budget over 10 million CHF
- 5 to 10 million CHF
- Less than 5 million CHF

Project's overall effectiveness score:



■ Countries with SDC/SECO projects in the "Cleaner production" cluster

GREEN CREDIT TRUST FUND, PERU

11 of the 17 small and medium-sized enterprises supported through the GCTF in Peru had climate mitigation-relevant objectives. With the help of the investments financed by a green credit, the 11 grantees achieved on average a 74% reduction of their GHG emissions amounting, collectively, to a reduction of around 50,000 tonnes of CO₂-equivalent per year. The commitment of the financial institutions to accept the additional risks of environmental credits without passing too much of it to the client and actively advocate the credits proved to be essential to the success of the initiative.



NATURAL RESOURCES

HARNESSING THE MITIGATION POTENTIAL OF THE NATURAL ENVIRONMENT



The protection and sustainable use of the natural environment, notably forests, oceans, grasslands, soil is essential for all life on earth. By absorbing and storing CO₂ from the atmosphere, nature plays a key role in mitigating climate change. In addition, stronger ecosystems often provide important climate adaptation benefits for livelihoods and hazard protection.

SUSTAINABLE FORESTRY AND PASTURE-LAND MANAGEMENT

Swiss intervention in forest and grassland management has focused on ensuring that these areas can be both protected and used as a sustainable source of income for local communities. The key objectives are to reward the sustainable management of natural resources and subsidize investments in conservation of forests, grasslands and soil.

SDC-supported measures to prevent and rectify problems arising from overgrazing have been particularly beneficial and are being introduced as part of more sustainable and climate-friendly farming practices in some developing countries.

For example in Mongolia, 3.4 million hectares of land are now being left to fallow so it can regenerate for a period of two to five years due to SDC cooperation with the local farming communities. Significant progress has also been made both in Mongolia and in other countries in improving legislation on sustainable management of natural resources.

Generating and distributing knowledge on how herders can access financing to reward conservation of soil carbon and reversal of grassland degradation has also been one dimension of the SDC-supported collaboration.

Swiss funding of around USD 1 million in 2011-2012 supported the work of the Presidential Task

Force on REDD+ (Reducing Emissions from Deforestation and Forest Degradation) in Indonesia which helped to create a five-year moratorium on new logging and plantation concessions, which was estimated by the World Bank in August 2013 to offer benefits worth at least USD 500 million. This funding is an example of a relatively small grant leveraging disproportionate impacts, and is rated as highly effective.

Swiss climate funding has contributed to the rehabilitation, protection and expansion of forest areas, largely in conjunction with the Forest Stewardship Council (FSC), in some developing countries. In Nepal, improved community forestry practices have increased forest area by almost 33% and led to the planting of 1.8 million seedlings on government, private and community lands. Over the past 20 years, 58% of Nepal's total forest area (100,397 hectares) has been handed over for management by the local community. The slow growth of tree crops, however, means that a long-term commitment is needed before climate mitigation benefits will materialize.

ORGANIC FARMING

Organic farming is known to increase the carbon content of soils, creating a carbon sink. Research has shown that CO₂ emissions per hectare can be over 60% less on organically farmed land than on non-organically farmed land. Also, the production of artificial fertilizers is highly energy-intensive and source of CO₂ emissions.

Protected forest area in Mojokerto, East Java province,

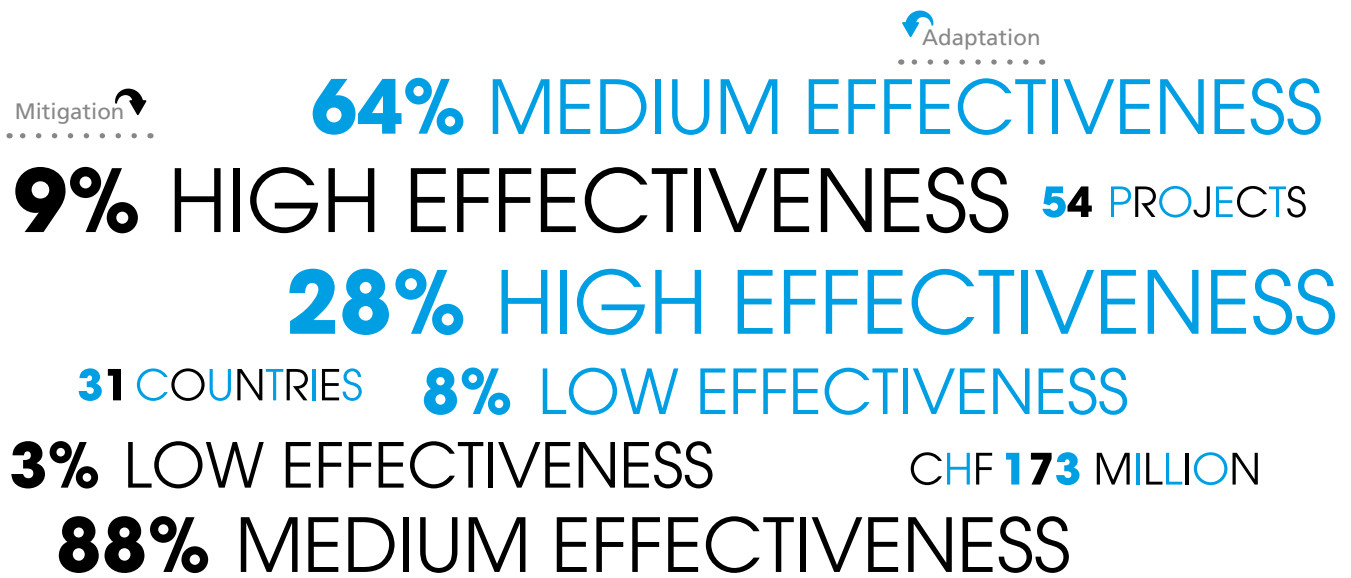
Indonesia.

©REUTERS/ Sigit Pamungkas

Avoiding the use of artificial fertilizers, as in organic farming, has therefore considerable climate mitigation benefits. By contributing to richer and more robust soils with increased resilience against erosion, organic farming practices also help farming communities in adapting to climate change.

Swiss-supported organic farming projects are located in Burkina Faso, Ethiopia, Ghana, Kyrgyzstan,

Mali, Ukraine and Central America. The majority (close to 90%) of these projects show moderate mitigation effectiveness, with a fraction of them having strong climate change effectiveness, and a couple showing only very weak effectiveness. For adaptation, the overall picture is stronger, with around one third of the projects showing very strong effectiveness and the majority showing moderate to strong effectiveness.



% refers to share of budget allocation

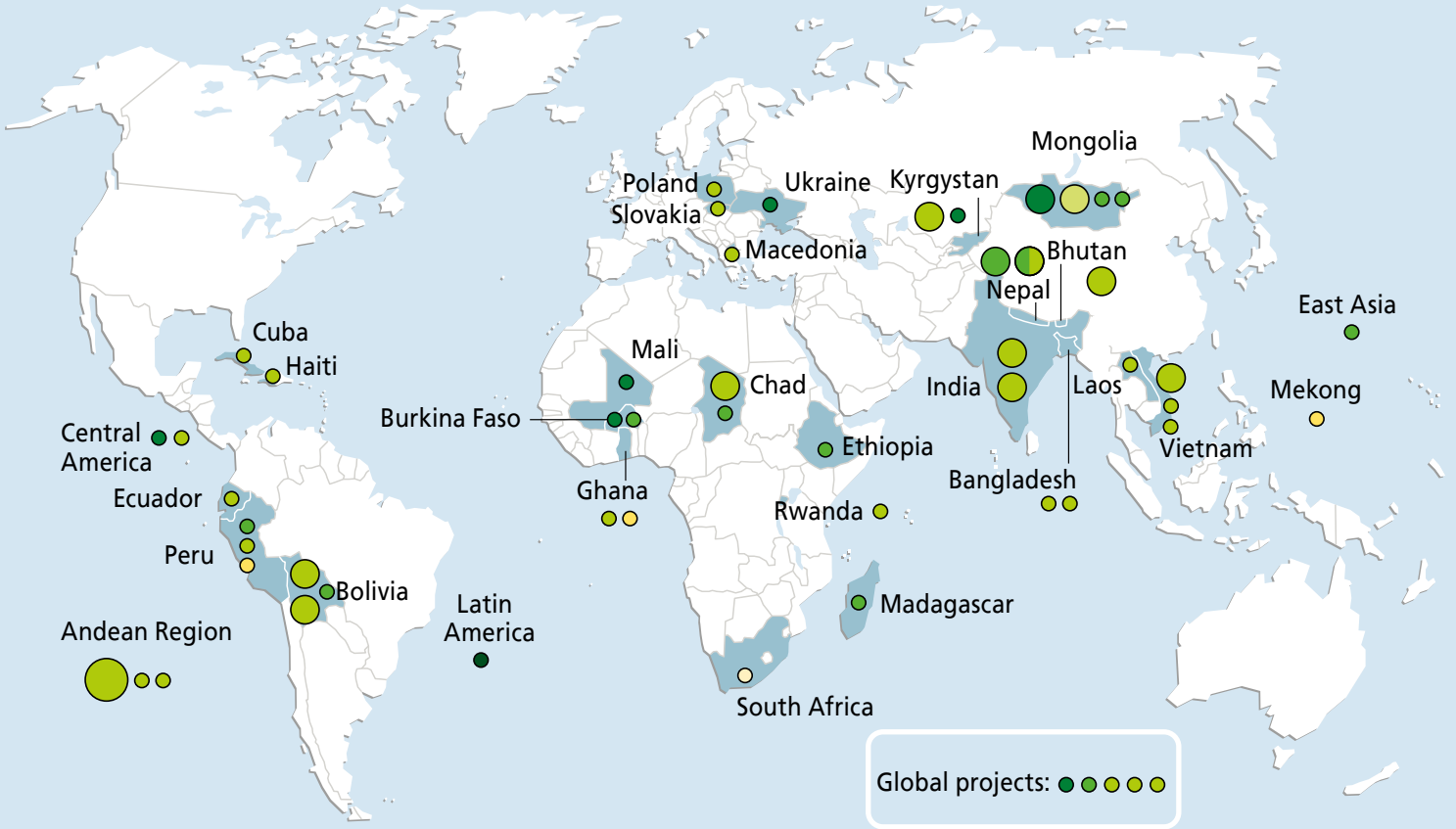
FOREST CARBON PARTNERSHIP FACILITY

Launched in 2007, the Forest Carbon Partnership Facility (FCPF) includes 36 countries, and has mobilized USD 160 million from governments, non-governmental entities and private companies. The Swiss contribution amounts to CHF 17.2 million.

The FCPF assists developing countries in their efforts to reduce GHG emissions from deforestation and forest degradation by providing financial and technical assistance in sustainable forest management and accessing REDD+ financing mechanisms. Of SECO priority countries, Colombia, Ghana, Peru and Vietnam are FCPF participants.

The FCPF has raised in-country awareness, contributed to South-South learning and built capacity and skills on REDD+ issues. Evidence from several participating countries such as Peru and Vietnam also highlight concrete achievements on regulation and administrative aspects on areas such as integrated land-use planning and forest tenure security. Overall, the FCPF shows very strong mitigation effectiveness.

Natural resources



Each dot represents one project:

- Budget over 10 million CHF
- 5 to 10 million CHF
- Less than 5 million CHF

Project's overall effectiveness score:



■ Countries with SDC/SECO projects in the "Natural resources" cluster

LINKING HERDERS TO CARBON MARKETS, MONGOLIA

The project, implemented by the World Bank with support from SDC and other donors, aimed to sequester CO₂ in grasslands in Mongolia through the adoption by herders of sustainable grazing management practices. By using methods that meet international carbon market standards, the project supported and provided incentives to herders by seeking payments for the carbon sequestered through changed grazing practices.

As the project has not to date contributed to certified GHG emission reductions or a flow of climate finance to Mongolian partners, it was assessed as weak in climate effectiveness. However, the project has contributed to significant methodological work, supporting research and awareness raising and has provided useful lessons about the potential role of market mechanisms in funding GHG mitigation measures.



HAZARDS

PROTECTING PEOPLE FROM INCREASING RISKS OF NATURAL HAZARDS



Disaster risk reduction (DRR) aims to prevent and reduce damage caused by natural hazards, by implementing risk reduction measures such as early warning systems, and by promoting risk transfer systems such as insurance. DRR is an approach used in development cooperation and humanitarian aid to contribute both to sustainable development and to the resilience of the affected populations.

DISASTER PREPAREDNESS AND RESPONSE

DRR interventions are designed to help people anticipate, prepare for and cope with disasters, such as storm surges and extreme temperatures. In Bangladesh, for example, 12 new cyclone shelters now provide protection for over 13,000 people and their livestock i.e. up to 450 cows and 1,000 sheep or goats. Before the local partnership with SDC, local people had no access to safe refuge during extreme weather events.

As disaster risks and climate risks are often interconnected, enhancing climate change adaptation has a strong link with overall Swiss DRR programming. In 2010, Mongolia was badly affected by the Dzud—a Mongolian term for severely cold winter weather that places livestock and pastoral livelihoods at risk. In response, SDC provided a disaster-relief project to assist around 10,000 herder households. A proportion of this relief assistance was channelled into the development of policy recommendations and prevention measures to adapt to the future impact of this unavoidable and recurring extreme weather event. However, while the project was highly effective in disaster relief, and appreciated by the Mongolian partners, its climate adaptation effectiveness remained low, as no explicit measures were taken to integrate climate variability and forecasted

climate change impacts into the prevention and preparedness measures.

SECO supported a World Bank programme “Agricultural Supply Chain Risk Management in Developing Countries” that provided technical assistance and tools to mitigate, transfer and cope with weather and commodity price risks in agriculture. In another joint project with the World Bank, selected middle-income countries were supported to improve their disaster risk assessments and to manage the fiscal risks of disasters, thus strengthening their resilience against crises. The project has provided technical assistance and capacity building with a focus on public debt management and sovereign disaster risk financing. This project was assessed as very strongly effective for adaptation because of its leveraging potential.

Overall, Swiss-supported DRR projects show strong climate adaptation effectiveness, including in many cases where climate aspects were not an integral part of the project design. As only very few cases of weak climate effectiveness could be identified, the Swiss-supported DRR interventions have generally contributed to increased capacity to cope with the impacts of climate change.

A child sleeps inside a cyclone shelter in Chittagong,

◀◀ Bangladesh.

© REUTERS/Andrew Biraj

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INSURANCE AND COMPENSATION FOR DISASTER-RELATED DAMAGE

Swiss experience in the insurance sector is well established and this expertise has been incorporated into a number of international DRR initiatives. The theme is represented by six projects implemented in Haiti, India, Mongolia, Africa (regional), the Southern African Development Community and in Asian rice-producing developing countries. All these projects aim to help compensate for disaster-related damage through insurance mechanisms, and ultimately increase socio-economic resilience to the effects of climate change.

Insurance pay-outs are likely to support local climate adaptation efforts because the claimant has the opportunity both to learn from what went wrong and to “build back better” (i.e. more resiliently, using capital to invest in more robust farming systems or housing, or to relocate to a safer area). Moreover, the risk-sharing nature of insurance promotes awareness of hazards, incentivizes investment in hazard reduction, and encourages social solidarity, which are all likely to be important in the face of increasing climate change.

Longer-term adaptation, however, is not always ensured in this approach as emergency pay-out—a key benefit of insurance coverage—are also spent to pay off existing debts or to invest in their own businesses

rather than on longer-term disaster risk reduction measures. Additional supportive measures may be needed to secure the intended impact.

In Haiti, for example, only a small percentage of those with insurance used their payout to repair their homes. The majority (69%) used the money to increase their savings and invest in their own private businesses.

In Mongolia, herders used the insurance pay-out to buy food, medicines and petrol for their trucks as they moved from winter- to spring-time camps. As most herders were lacking cash when the project started, the emergency pay-out enabled them to buy hay and fodder to save their remaining livestock, which is highly beneficial to the people during the crisis but defeated the long-term, adaptation objective of the insurance coverage.

The assessment concluded that people’s livelihoods are likely to be considerably more secure in areas supported by Swiss DRR and risk insurance portfolio than they would otherwise have been. The Swiss DRR portfolio scores high in climate adaptation effectiveness, and is supported by Switzerland’s traditional strengths in insurance and re-insurance.

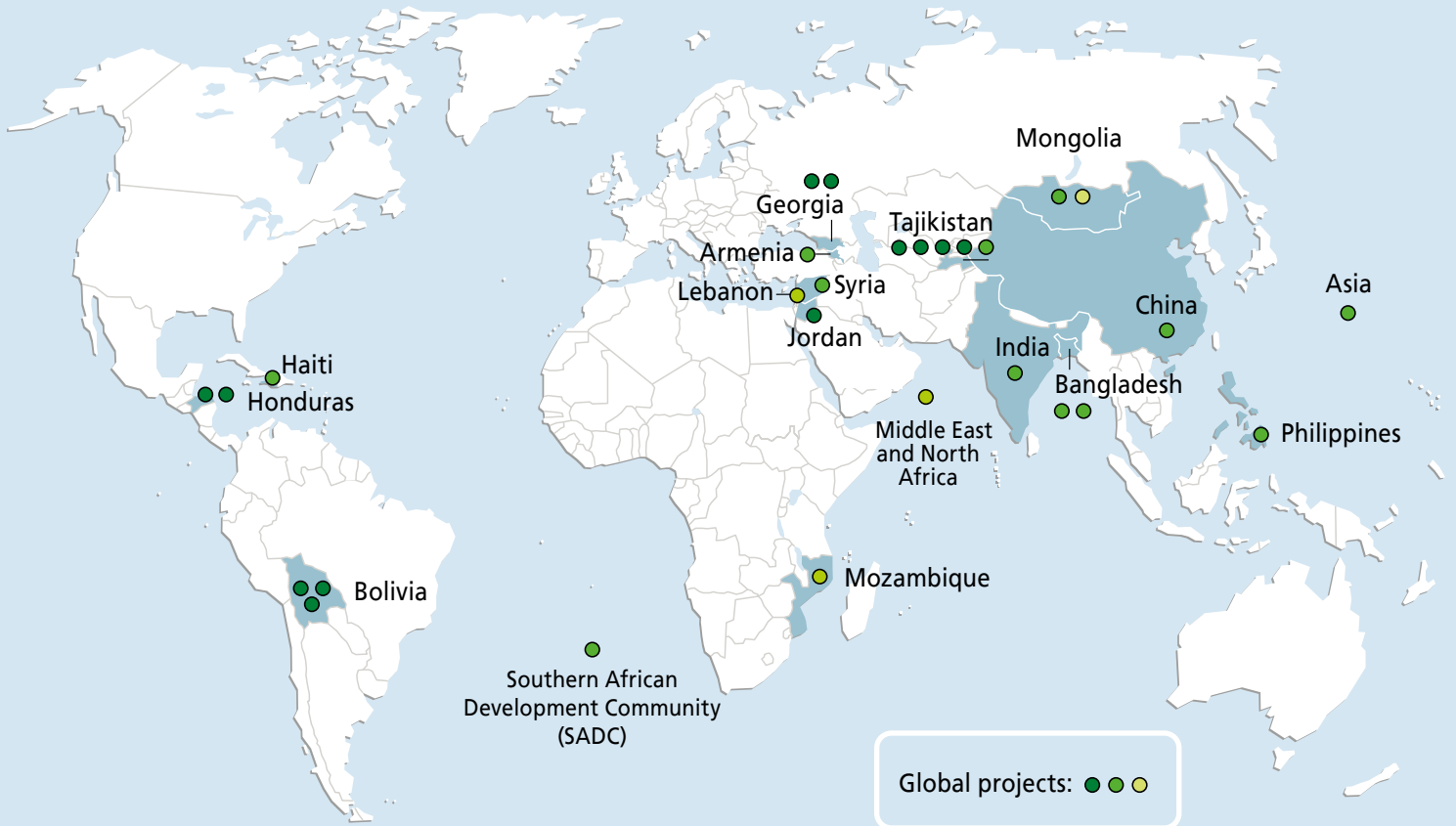


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% refers to share of budget allocation

MICRO-INSURANCE, HAITI

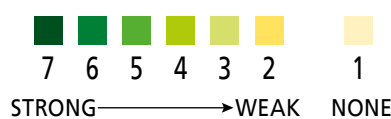
Switzerland also co-funded a micro-insurance project for a micro-credit provider in Haiti. Between January 2011 and February 2012, almost 7,000 people benefited from this insurance coverage, which included a USD 125 pay-out and cancellation of claimants’ existing loans following emergencies.



Each dot represents one project:

- Budget over 10 million CHF
- 5 to 10 million CHF
- Less than 5 million CHF

Project's overall effectiveness score:



■ Countries with SDC/SECO projects in the "Hazards" cluster

LIVESTOCK INSURANCE, MONGOLIA

Livestock insurance is an important complementary activity within the SDC-supported portfolio in Mongolia. When herders insure their livestock - their main source of livelihood, income, and savings - liabilities and losses to climate risks are shared between herders, private insurers, global reinsurers and the government. Since 2005, a World Bank project supported by SDC has introduced a novel approach to managing climatic risk with index-based livestock insurance (IBLI). Between 2006 and 2010, a total of 3.2 million livestock of 23,000 herder households were insured under the IBLI.



LIVELIHOODS

FOOD AND WATER SECURITY IN A CHANGING CLIMATE



In the context of a changing climate, adaptation of farming practices and effective management of water resources are vital for food and water security. Funds from the Swiss climate change portfolio are geared to strengthening the resilience of agriculture and the sustainable use of water resources.

SUSTAINABLE FARMING PRACTICES AND WATER RESOURCE MANAGEMENT


SDC-supported interventions in this area aim to increase knowledge and remove barriers to potential solutions for deteriorating environmental conditions such as saline intrusion, drought, flood, and soil depletion due to climate change. Activities include developing and distributing climate-resilient seed varieties that grow more nutritious and productive crops so that farmers can cope with less favourable climatic conditions; and helping farmers to network so that they can find new ways to improve the resilience and productivity of their soil and water resources.

In Nepal, an SDC-led sustainable soil management programme promoted the use of improved farmyard manure on the soils used for farming. As a result, the concentration of soil organic carbon (SOC) increased by 29 to 47 tons per hectare over six years. Around two thirds of the farmers participating in the programme reported improvements such as easier tillage, increased moisture, better soil aggregation and less crusting. Most significantly, a number of farmers said their crop yields “during the dry years” had improved following the initiative. To date, 100,000 farmers in Nepal have now been trained in sustainable soil management and about half of them have adopted the new technologies for long-term use.

In Azerbaijan, a Swiss initiative led to the rehabilitation of 42 Kahriz (ancient tunnels for sustainably harvesting groundwater) and the provision of drinking water to over 2,000 families. The water system rehabilitation project also allowed more than 200 hectares of additional land to be irrigated, strengthening the climate resilience of local livelihoods.

The potential for friction—and even conflict—over shared rivers and other water resources is high, and water diplomacy has become an important aspect of international relations. As part of its international climate change portfolio, Switzerland contributes effectively to high-level negotiations and discussions around shared water resources and recognizes the potential for cooperation and synergies between the countries concerned.

Initiatives that mainly target poverty reduction (e.g. through improving food security) can have significant co-benefits on climate change adaptation through greater resilience towards environmental changes. Projects in the livelihoods theme, therefore, show generally strong climate change adaptation effectiveness. Some of the projects contribute also to mitigation, but mitigation co-benefits remain limited or are not quantifiable, as they are rarely monitored or reported on.

Adaptation 



% refers to share of budget allocation

ADAPTIVE CAPACITY IN SEMI-ARID AREAS, INDIA

Building on the long-term involvement of SDC in India, the project promoted improved climate adaptation measures and disaster preparedness in the states of Andhra Pradesh and Rajasthan.

Between 2005 and 2009, local adaptation strategies were developed through a participatory, community-based approach. Water user and pasture management committees were established to manage local resources sustainably and to share information on best practices. Pilot activities improved understanding of climate-related stresses on local livelihoods, such as rice yields.

The project has strengthened local climate change adaptation capacity across sectors such as energy, agriculture, water, land use and livestock, and was assessed as showing strong climate adaptation effectiveness. The general challenges in assessing adaptation capacity development, and data gaps in monitoring of project achievements, hampered a more detailed and quantified assessment of adaptation effectiveness.

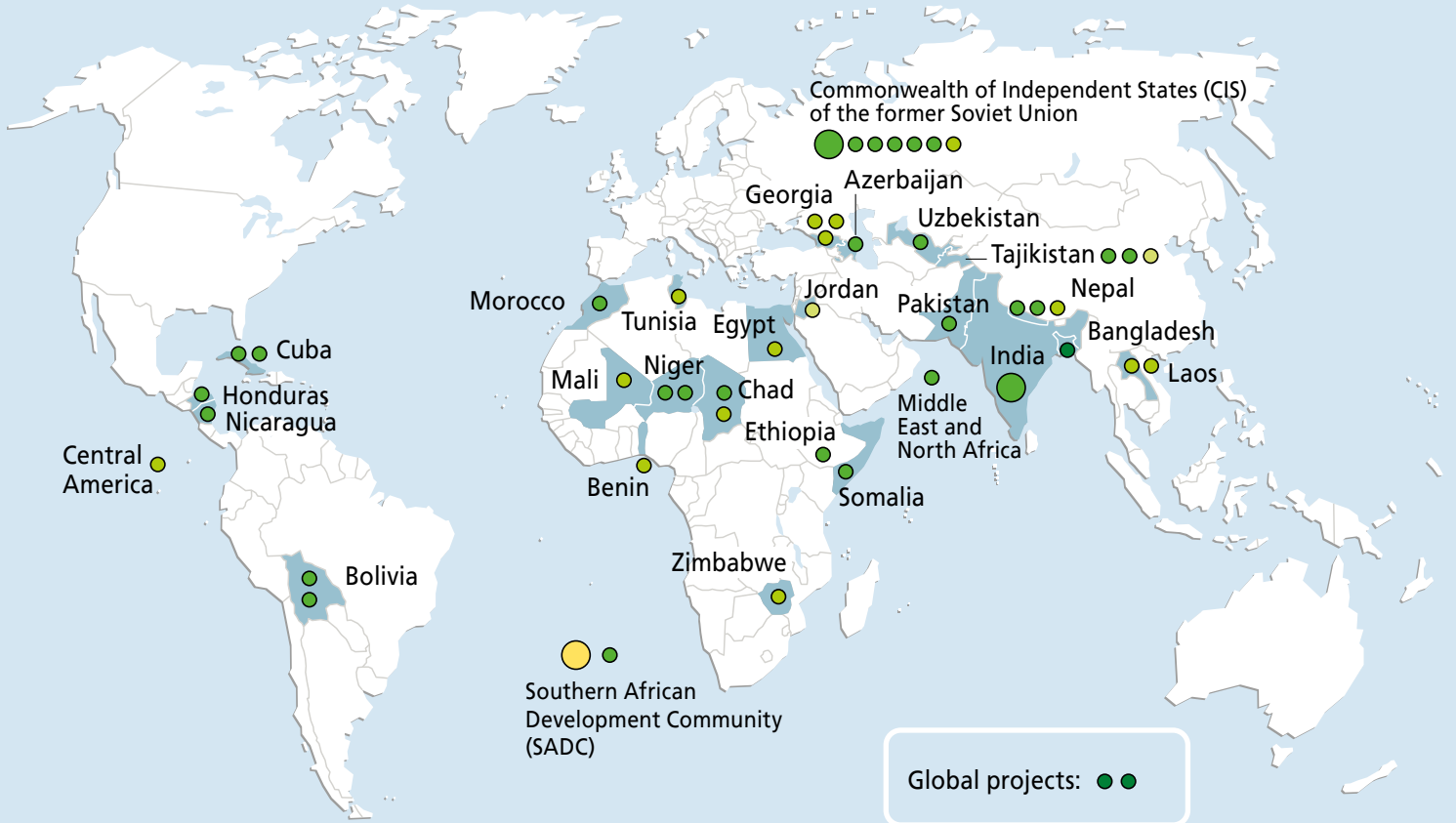
HILL MAIZE RESEARCH, NEPAL

The main goal of the project was to increase maize supply in rural areas of Nepal. Through research and dissemination of maize varieties, including participatory variety selection with hill farmers, the project supported the production of millions of tonnes of improved maize seeds, and has linked farmer's feedback to policy decisions through farmers' assessments of the new varieties.

The project stimulated an estimated 20% increase in farming productivity and increased the incomes of approximately 50,000 hill farmer households. The maize varieties promoted in the project are resistant to drought, heat and lack of nitrogen, improving the climate change adaptation capacity of rural communities. At the national level, the project has improved adaptation capacity through improved research capacity among national agricultural institutions.

The project contributed to increased resilience towards environmental changes, and was rated as moderately effective in climate adaptation.

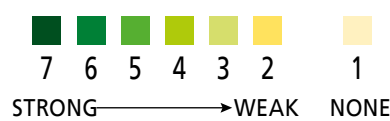
Livelihoods



Each dot represents one project:

- Budget over 10 million CHF
- 5 to 10 million CHF
- Less than 5 million CHF

Project's overall effectiveness score:



■ Countries with SDC/SECO projects in the "Livelihoods" cluster




PARTNERSHIP FOR MARKET READINESS

Launched in 2010, the Partnership for Market Readiness (PMR) is a World Bank-coordinated facility that provides grant financing and technical assistance in using market-based tools for reducing GHG emissions for example within an emission-trading scheme or Nationally Appropriate Mitigation Action (NAMA). Currently countries such as Costa Rica, Chile, China, Mexico, Indonesia, Thailand and Turkey are participating in PMR.

Since PMR addresses entire sectors and national economies, it has good potential to contribute to profound GHG reductions with relatively low transaction costs. It can also encourage action by countries with non-binding GHG emission reduction commitments to date.

The long-term Swiss experience in developing and introducing market-based mechanisms through participation in World Bank National Strategy Studies and Carbon Finance Assist can be considered an asset for the PMR initiative, rated as strong for mitigation effectiveness.

Adaptation 

36 PROJECTS **4%** MEDIUM EFFECTIVENESS
 CHF **80** MILLION **12** COUNTRIES
96% HIGH EFFECTIVENESS

.....
 % refers to share of budget allocation

KNOWLEDGE

ENVIRONMENTAL INFORMATION AS DRIVER FOR CLIMATE ACTION



The availability of reliable data and knowledge is key to effective decision-making and the acceptance of new ideas—particularly in relation to climate change adaptation and mitigation. Ensuring a good understanding of climate change and its concrete and potential impacts in partner countries has been an important objective of Switzerland’s climate change cooperation. The degree to which such understanding has been created has significantly affected the long-term success of many of the projects.

Once climate change information becomes available, it needs to be communicated effectively to policy-makers in order for them to make informed decisions and formulate policies based on accurate and up-to-date data. Furthermore, if civil society and climate-change affected communities are to have an influence on policy-making, it is important that relevant climate change information is also made available to them. In a broader context, by ensuring better access to climate change information to the general public, there is a greater chance that climate change will play a more prominent role in national debates and that the public will have more of an influence on climate-related policy and legislation. Finally, if climate change projects are to have maximum success, it is important that the stakeholders are fully aware of the climate change relevance and benefit of the projects they are involved in.

Swiss projects in the knowledge theme are addressing all levels of climate-relevant information for decision-making, from projects to policy-making, with spinoffs to the more general public.

PROJECT-LEVEL

The assessment found that some projects initially had a limited impact due to a lack of understanding by project partners about the climate change dimensions of the activities. However, as the assessment scores illustrate, most of Switzerland’s efforts in information sharing and climate change awareness have been highly effective and have contributed significantly to advance climate-compatible development and policy-making in the partner countries.

The Swiss portfolio on environmental monitoring features projects in the Sahel/Sahara region of Africa, in

the Andean region of South America, in the Himalayan region of Asia, and a project that examines air pollution issues in large Asian cities. For example, Switzerland has supported flood modelling, establishment of an early warning system, monitoring of climate change, and improved understanding of glacier change processes in the Yarkant River area in China in preparation for glacier lake outburst floods, successfully transferring Swiss know-how in glacier monitoring. The project was scored very strong for adaptation effectiveness.

POLICY-MAKING

Another aspect of Switzerland’s climate information and policy assistance is enhancing the visibility and leverage of climate stakeholders in the target countries. Through training and support in advocacy and networking, Swiss-led interventions have contributed to greater participation of partner countries in both the national and international debate on climate change issues. Poorer countries that lack the access, skills and/or resources to influence international climate change policy and negotiations have benefitted from support from developed countries including Switzerland. The Peru adaptation programme supported the country in assessing climate vulnerability, with active participation by local authorities and population, and implemented pilot projects based on local knowledge. The information and experiences generated through the programme provided relevant information to the national adaptation strategy and contributed to international climate negotiation processes. The programme was considered very strong in adaptation effectiveness.

Given that every country in the world has a stake in the global climate agreements it is important that as much information, data, training and assistance in climate advocacy as possible are made available through both national and international channels of assistance.

In general, Swiss-supported projects related to environmental monitoring and policy development were assessed as showing strong, and in many cases very strong, climate adaptation effectiveness. In addition, through improved climate change awareness, these projects have often contributed to improved climate change mitigation and risk management.

FUNDING AND GRANTS TO ORGANIZATIONS

SETTING THE CLIMATE AGENDA

Switzerland recognizes that climate-friendly development requires strong cooperation, integrating multiple actors and disciplines. Alongside bilateral relationships with project partner countries, Switzerland places high importance on providing funding and grants to multilateral organizations, NGOs and other expert institutions working on climate change, with the aim of pooling resources in an effective and coordinated way.

Almost 40 % of SDC and SECO climate change funding is assigned through so-called “multi-bilateral” projects, multi-donor trust funds (MDTFs) and non-earmarked grants to multilateral or international entities such as United Nations organizations, international finance institutions (IFIs) and non-governmental organizations.

MULTI-BILATERAL FINANCING

Switzerland’s contributions to specific projects implemented by multilateral organizations are known as “multi-bilateral” projects. In this instance, the grants are assigned through a multilateral organization, but earmarked for specific climate-relevant projects or programmes, and bilaterally steered with the multilateral organization. Examples of “multi-bilateral” funding include Swiss support to the regional water information base in Central Asia, to climate adaptation strategies in highly vulnerable municipalities of Honduras, and to improved food security, livelihoods and resilience of vulnerable pastoral communities in the Greater Horn of Africa.

MULTI-DONOR TRUST FUNDS

Swiss grants to multilateral organizations are typically provided within the framework of financing for a broad climate change thematic area such as energy or disaster risk reduction. Although this funding system imposes some degree of earmarking, the recipient is more flexible to determine which projects, within that thematic area, the donation can be allocated to while remaining under the supervision of managing bodies such as steering committees in which Switzerland participates. Switzerland’s grants to specialized and effective climate-related themes and multi-donor trust funds such as the Adaptation Fund (AF), the Forest Carbon Partnership Facility (FCPF) and the Indonesian REDD+ programme are good examples of contributions to pooled funding within multilateral organizations, notably international finance institutions such as the World Bank.

NON-EARMARKED FUNDING

A non-earmarked grant refers to core funding given by Switzerland to external organizations that is allocated without a precondition of how should it be spent. The flexible and “untied” nature of a non-earmarked contribution can help organizations with limited resources address the evolving challenges presented by development, including climate change. The engagement with organizations on the structural level creates political leverage and enables Switzerland to influence the global climate change agenda.

Despite its small size, Switzerland has played, and continues to play, a strong role in international climate change negotiations and policy-making. As a board member and active participant of key institutions and processes including the UNFCCC, the Adaptation Fund (AF), the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Organisation for Economic Co-operation and Development (OECD), Switzerland influences and contributes to ongoing climate negotiations and discussions with international decision-makers.

ADAPTATION FUND

Operational since 2010, the Adaptation Fund (AF) is a multilateral funding instrument that provides grant funding for concrete adaptation projects and programmes for developing countries. By early 2014 the AF had approved around USD 200 million to 30 adaptation projects and to nine project formulation activities in a total of 33 countries. The AF places priority on particularly vulnerable developing countries, and has already granted funding for 11 least developed countries (LDCs) and four small island developing states (SIDS).

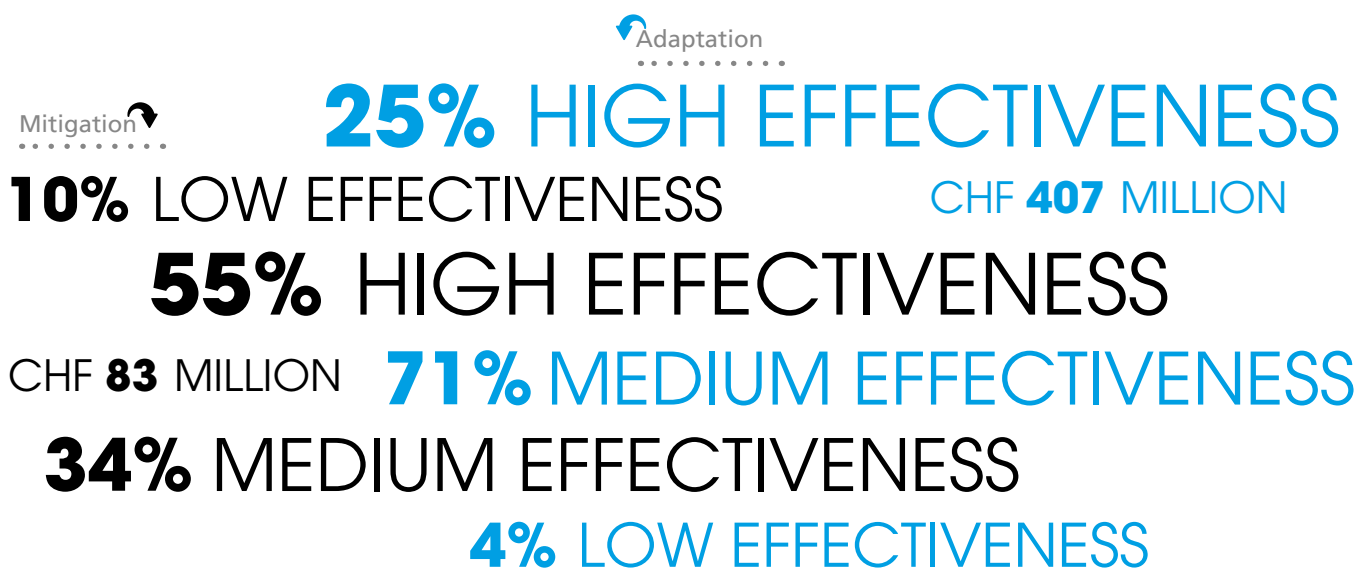
The AF is a vital contribution to the international climate finance that addresses the gap between commitments made in climate negotiations and actually delivered climate change adaptation finance flows. The Adaptation Fund is assessed very strong for adaptation effectiveness.

Switzerland is a member of the AF board and has provided CHF 3.0 million to this multi-donor trust fund.

EFFECTIVENESS OF CLIMATE FUNDING THROUGH ORGANIZATIONS

Multilateral, multi-bi and non-earmarked contributions to organizations within the portfolio show a medium to high level of climate change effectiveness, with some 25% of adaptation interventions and over 50% of mitigation interventions indicating strong or very strong levels of effectiveness.

In order for Switzerland to be visible and influential in global climate-policy circles, it is essential that other partners and organizations consider the country as a committed and active climate donor. Furthermore, through its contributions to existing climate-related initiatives and pooled funding, Switzerland plays a role in ensuring that the work can be carried out on a larger scale and have more reach and impact than through Swiss bilateral project funding alone.



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% refers to share of budget allocation

FAST-START FINANCING

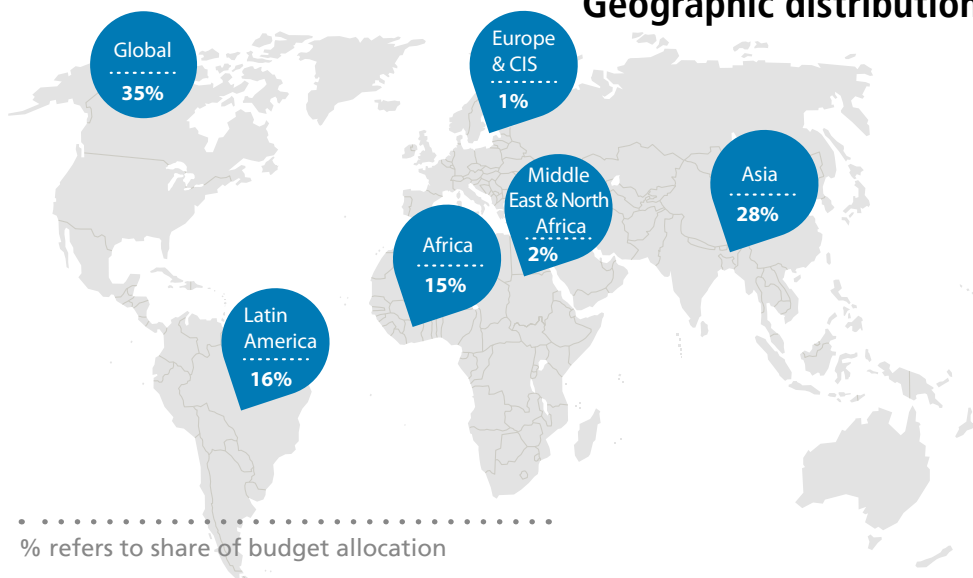
ADDITIONAL CLIMATE FUNDING UNDER THE 0.5% ODA BILL TO THE PARLIAMENT

At the 2009 United Nations Climate Change Conference in Copenhagen, Switzerland together with other developed countries agreed to provide additional climate funding, known as “Fast-Start Financing” (FSF), for the period 2010-2012, to assist developing countries particularly vulnerable to climate change.

In 2010, the Swiss Parliament pledged to increase the level of its ODA to 0.5% of gross national income, and used this opportunity to respond to the FSF commitment made in Copenhagen by allocating additional public funding to Swiss international cooperation on climate change. In its decision, the Swiss Parliament allocated FSF funding to three different categories: adaptation, forest and energy.

Since 2011, Switzerland’s FSF funding target of CHF 140 million has been made available through SDC and SECO, including CHF 15 million attributed by the Federal Office for the Environment (FOEN) as part of the Swiss contribution to the fifth replenishment of the GEF.

Geographic distribution of Swiss FSF portfolio



FAST-START FINANCING ALLOCATED TO EXISTING PROJECTS AND MULTILATERAL INITIATIVES

The Swiss FSF portfolio has largely focused on leveraging and improving existing climate change projects rather than designing and implementing new ones explicitly under the FSF umbrella, given the time constraints set by the Parliament. When determining where and how the FSF funding would be channelled, in order to cope with the required timeline, priority was given to successful Swiss climate projects that were already under way or that had the potential to be scaled up.

By building on the experience and networks built by SDC and SECO over the past decades, Switzerland could speedily allocate the additional funding to scaling up and extending well-performing projects as well as to developing new projects. Over 60% of FSF funding was channelled as contributions to multilateral institutions that provided an opportunity to pool and leverage climate funding with other donors.

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FAST-START FINANCING AND ADAPTATION

Switzerland's FSF portfolio has placed an even focus between adaptation and mitigation (56% to adaptation and 44% to mitigation of all FSF funds disbursed in 2011/12), which is a contrast to other FSF donors, who have often focused more on mitigation initiatives. The major themes underpinning the Swiss FSF adaptation portfolio are ecosystem management, adaptation policy development and risk management.

FAST-START FINANCING AND MITIGATION

For mitigation, projects related to energy efficiency and renewable energy form the biggest FSF portfolio category, with approximately one third of the total climate change mitigation budget. However, a number of other mitigation project types were also included in the Swiss FSF portfolio, such as contributions to the Forest Carbon Partnership Facility (FCPF), a global partnership that aims to reduce carbon emissions from deforestation and forest degradation in developing countries.

67 PROJECTS
56% ADAPTATION
44% MITIGATION

CHF 140 MILLION

ADDITIONAL CLIMATE FUNDING FOR 2011-2012

.....
% refers to share of budget allocation

SUCCESSFUL OUTCOMES OF SWITZERLAND'S FSF COMMITMENT

The assessment found that the creation of the FSF portfolio positively influenced the general direction of SDC and SECO in terms of their approach to climate change. For example, compiling the FSF portfolio assisted in providing tools for mainstreaming of climate change into development cooperation, such as through the completion of the Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) tool, and its increased application across the SDC project portfolio and partners.

The FSF constitutes an important step towards mobilizing climate finance at a level that reflects the adaptation and mitigation challenges faced by developing countries. Since Switzerland's commitment to the FSF was only initiated in 2011, it is yet too early to make a comprehensive assessment of its long-term success and impact.

However, the FSF portfolio builds on a process in which climate effectiveness has steadily improved in the preceding decade. Given that Swiss FSF funding was assigned almost exclusively by scaling-up existing, well-performing projects and to well-known global (multi-bi) initiatives, it is fair to assume the FSF funding will deliver strong climate results in the future through additional means invested in mitigation and adaptation.

DISASTER RISK REDUCTION, NICARAGUA

Since 2011, a Swiss-supported climate change adaptation project in the northern mountainous area of Las Segovias, Nicaragua, is helping the local community to better prepare for and reduce their vulnerability to the impacts of climate change. This is being done through the provision of climate adaptation guidance to local authorities and civil society groups and through assistance in climate proofing of key infrastructure across 10 municipalities. The project has also helped municipalities leverage an additional 25% of funding for further climate proofing.

CONCLUSIONS

Swiss international climate action was moderately to strongly effective for the period 2000-2012. This is a good result, particularly given that in-depth understanding and methods for addressing climate change in development cooperation have only become available in recent years, including at the global level. Given the high potential for GHG mitigation in low- and middle-income countries, development cooperation is a relevant and effective channel through which to address the global climate change challenge.

The effectiveness of climate change activities improved over time. At the same time, SDC and SECO projects increasingly heightened their climate change focus as the understanding of the topic grew and tools and guidance became available. This development indicates **institutional learning** and may reflect the increasing policy priority given to climate change. Such a clear focus **needs to continue in the future in order to further improve climate effectiveness.**

Lack of awareness and of integration of climate change into project design is related to weak climate screening and proofing of especially earlier projects. In order to improve overall performance, **climate change aspects need to be more integrally considered in development programmes and projects.** Readily available tools, such as the SDC "Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG)", should be applied more consistently across the portfolio.

Climate change adaptation and mitigation synergies should be systematically harnessed, as they are often interlinked and enable multipurpose results to be achieved. The identified synergies lead to the conclusion that the Swiss portfolio covering both aspects of climate-relevant development cooperation needs to be assured for the future. This calls for more integrated design and planning of adaptation and mitigation interventions, including in monitoring and evaluation.

The SDC and SECO **Fast-Start Finance portfolio was built strongly around existing interventions and global initiatives.** Based on a comparison of the effectiveness of similar interventions in the total portfolio, this financing provides a substantial contribution to the climate change effectiveness of Swiss interventions in the long term.

The assessment reveals a general appreciation of Swiss technical competence and satisfaction with the highly professional delivery of development assistance. SDC and SECO have **successfully introduced and adapted approaches developed and applied in Switzerland to new contexts.** This results in a constructive policy dialogue on climate change relevant innovations. Here Swiss interventions are successful in responding to the needs and demands of the beneficiaries and therefore enjoy high credibility and create shared ownership.

The **lack of explicit climate baseline data** in a large part of the reviewed interventions did not allow for more detailed quantification of the effectiveness. The assessment highlights that better baseline data is needed in the future to **ensure monitoring, steering and accountability throughout the process.** For areas where climate change efforts are intrinsically of a qualitative nature (such as adaptation), credible and practical indicators could be applied where possible.



OUTLOOK

Whilst the assessment of the SDC and SECO climate change portfolio is generally positive, there are still a number of areas in which improvements could be made.

MEASURE

First of all, it is critically important that more precise methods to measure climate change impact and effectiveness are incorporated into the initial design of a project. This assessment has been largely produced with the use of qualitative data and ex-post indicators and classifications, and is often lacking in concrete figures relating to key outcomes such as the amount of avoided greenhouse gas emissions or the number of beneficiaries of a certain project. Measuring the effectiveness of adaptation projects, or the impact of Switzerland's influence and visibility in the wider international climate change arena and multilateral project pools, is also a challenge and needs to be addressed. With its long-standing experience in research and data analysis, Switzerland could contribute to the formulation of internationally agreed methods and standards for measuring climate change adaptation and mitigation.

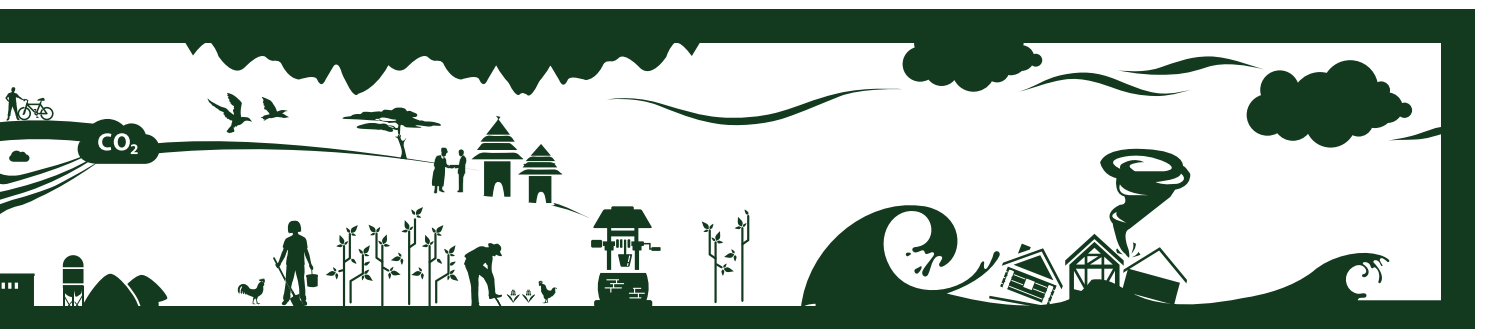
MAINSTREAM

Secondly, in order to improve and maintain effectiveness, climate change must be factored in and mainstreamed as an aspect of all development projects. In some cases, this could mean replicating projects which are already highly effective and scaling up on a wider scale. Tools for this exist and need to be applied more consistently across the whole project portfolio. This approach would ensure that good progress in climate change mitigation or adaptation is not undermined or 'undone' as a result of other interventions.

HARMONIZE

Thirdly, it is important that the Swiss climate change development portfolios are more coherent and less fragmented. The key agencies SECO and SDC (and FOEN) should coordinate more effectively and harmonize their respective global processes, negotiations, and implementation of climate adaptation and mitigation projects at the local level. More integrated programme and project design would lead to higher effectiveness in the long term.

With further progress in these recommended areas of improvement, and a continuation of Swiss 'added value', inputs and expertise, Switzerland's role as a relevant development actor and effective contributor to international climate action can only be enhanced.



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The Technical Report is available on request.

Bern, 2014

