
Public-Private-Partnership

Adaptation for Smallholders to Climate Change

Documentation Expert Committee Meeting (13.11.2007)

Objectives of Meeting

Approximately four months into the implementation of the PPP Project **Adaptation for Smallholders to Climate Change** a second meeting of the Expert committee was held in order to

- share results of first project activities; especially the background analysis on “Climate change impacts on focus regions, adaptation and financing instruments and the risk assessment concept”,
- select producer groups to participate in project activities and to plan implementation oriented risk assessments for these groups,
- discuss complementary contributions to implement project strategy,
- discuss management aspects and next steps of project implementation.

Summary of Background Analysis

The results of the investigation on

- perception of producers regarding climate change and effects on their production situation,
- availability of relevant and reliable data regarding climatic change at a national and/or regional level,
- assessment of institutional landscape in the different countries,
- first screening of potential technical and financial adaptation measures

were presented by the PM¹.

Discussion and comments focussed on the following aspects:

- Many producers who are affected have a fairly clear awareness of ongoing climatic changes and their impact - although this might vary between ordinary members of producer groups and technical or management staff. First ideas on how to cope with these developments include potential measures of adaptation to as well as mitigation of climatic changes. One of the crucial bottlenecks is a lack of coordination amongst numerous actors who are faced with a common challenge.
- Although governments are aware of the potential or actual consequences of climatic changes their organisational effectiveness differs greatly between countries (e.g. comparing Central and Latin American Countries with East African Countries). The project strategy

¹ The executive summary of the background report is documented in Annex 2; the full document as well as the presentation of findings shall be included in the project web site (www.adapcc.org).

has to address the respective roles of governments and communities in adaptation strategies in order to ensure sustainability of measures. This also includes the need for strengthening local structures.

- Although data availability and reliability is not perfect in most cases, the project should not spend too much energy and resources in further investigations but rather act on the available information. A plausible link between likely impacts, realistic options and selected priorities shall be sufficient and must be documented in order to achieve credibility for project activities.
- Project activities must aim at producing concrete results in order to show practical options for small holder producers.
- For identifying and implementing specific adaptation measures not only additional financial contributions from other sources are needed but also partners who can support the various project activities. It is suggested to follow a step-wise approach by starting the work with few “pilot” producers groups and to expand on the basis of lessons learned.

Selection of Producer Groups to participate in Project Design, Risk Assessments and Adaptation Measures

During the kick-off meeting a number of generic criteria were formulated to select producer groups for participation in the project:

- Likelihood and expected extend of being affected by future climatic variability / change
- Sufficient energy and organisational strength to participate in innovative approaches
- Degree to which respective group seems “representative” and allows for transfer of results and experiences to others

Two additional criteria were deducted from the investigations:

- Concentrate on regions, where project activities can be linked with other projects
- Concentrate on regions, where data are available

Given the available resources the risk assessments, joint planning of group specific adaptation measures and implementation of corresponding activities will be executed in **two rounds**.

Before the Experts Committee meeting Twin and Imani were asked to propose pilot producer groups to participate in project design, risk analysis and exemplarily project implementation:

Ian Barney from Twin proposed the following coffee producer groups in the five coffee pilot countries:

- Gumutindo in Uganda
- KNCU in Tanzania
- Pangoa in Peru
- Prodecoop/ Cecocafen in Nicaragua
- In Mexico the pilot group still is to be decided

Murdoch Gatward from Imani proposed to concentrate on the following tea producer groups in the tea producing pilot countries:

- Michimikuru in Kenya
- Kayonza in Uganda

Balancing the different above mentioned and at kick-off meeting in April 07 agreed criteria, regions (Central America - Mexico, South America, East Africa) and products (coffee, tea) and after discussing the proposal with the members of the Experts Committee it was finally decided by the project management team to select:

Country	Producer Group	Remarks
First round focussing on situations with favourable preconditions (in particular existing partner structures) and good chances of success		
Peru (Northern Area)	Cepicafe	decision and rationale to be communicated to JNC
Kenya	Michimikuru	tea producer
Nicaragua	Prodecoop	focus on watershed region
Second round preliminary selection – depending on implementation resources and experiences from first round		
Uganda	Kayonza	tea producer
Tanzania	KNCU	coffee
Mexico	To be decided	coffee

Steps to conduct Implementation Oriented Risk Assessments

The suggested approach and steps in conducting an implementation oriented risk assessment were presented².

According to this concept

- A combination of participatory methods (e.g. workshops, field visits and transects, interviews/ discussions with stakeholders) technical methods (e.g. research, technical investigations, examination of existing data) and additional sources of information (e.g. expert interviews, analysis of literature) will be used.
- The process of implementation the various steps will be tailored to the specific conditions and interests of the respective group in order to ensure participation and ownership of the results.
- The collection and processing of data will be used to elaborate a short list of adaptation measures which
 - have the potential to reduce current and future risk,
 - combine short and long term measures and benefits and
 - include adaptation to as well as mitigation of climate change.

² This presentation shall also be included in the project web site (www.adapcc.org).

For these potential measures feasibility assessments shall be conducted in order to agree on the actual adaptation strategy to be followed.

The assessments will be implemented in a staggered approach with intervals of approximately 2 weeks. The whole process (including the agreement on measures to be chosen) should not take longer than three months per group. The first round of assessments will be finished by end of March 2008.

During the discussion a number of points were stressed:

- The risk assessment has the primary function to help in selecting and designing project activities, thus its result has to be in the form of a detailed implementation plan. In conducting such an implementation oriented risk assessment a major challenge lies in “downscaling” the methodological considerations to a “quick and dirty” approach.
- Particular emphasis should be placed on the identification of technical and financial support options.
- The teams to conduct the implementation oriented risk assessments must be interdisciplinary and have a good representation from the concerned producer group. They have to plan the detailed steps and time schedule on a case by case basis.

Additional Inputs from EC Members (GTZ Sector Projects)

a) Weather insurances as strategy to cope with adaptation challenges

Although the instrument of crop insurance exists already for quite some while most experiences are disappointing because of structural problems with the approach and the high transactions costs in case of small holder production.

An alternative approach which is being discussed and promoted currently is to establish so called “parametric insurances” which link payments to specified adverse weather conditions (e.g. rainfall pattern during certain seasons, maximum temperatures etc.). Although this type of insurance would avoid a number of difficulties of traditional crop insurances (e.g. the calculation of hypothetical crop losses) a number of crucial preconditions have to be fulfilled:

- the level of basis risk – before insurance payments are triggered – has to be determined;
- the question of availability and reliability of detailed and disaggregated weather data poses a problem in many cases;
- transaction costs to insure the relatively small risks of small producers pose a problem for this type of insurance as well;
- weather risks as “co-varied” risks (which affect many producers in the same region simultaneously) will require a re-insurance system.

The general assessment amongst participants was, that weather insurances might be an interesting aspect of adaptation measures but would hardly be a realistic option for the project in the nearer future.

b) Biodiversity as a tool for adaptation to climate change

Maintaining and promoting bio-diversity was considered to be an important aspect of adaptation strategies.

A number of international and regional institutes exist, which try to maintain and research bio-diversity for coffee as well as for tea. These could become important partners and providers of information for the project when assessing special adaptation measures (e.g. in the context of feasibility studies as part of the implementation oriented risk assessments).

Possible adaptation measures related to bio-diversity could include:

- to increase diversity in crops as well as in surroundings;
- to provide farmers with old varieties to conserve them by usage and to keep broader options for future breeding;
- to cooperate with farmers and researchers in the field and gene banks, in order to select the best plants for further breeding;
- to promote sexual propagation in order to conserve genetic variety.³

Project Web Site

The design and outline of the project web site (www.adapcc.org) was presented and highly appreciated by the members of the Expert Committee.

The web site is supposed to serve for internal communication purposes and to inform different groups of users namely

- direct stakeholders of the project
- cooperating partners, networks and experts
- a broader audience interested in the topic and practical experiences.

Comment Ian Barney: I think that this remains a difficult mix of audiences to respond to. I would suggest focusing on a key group- perhaps the potential providers of resource to make it easier to decide what input to create etc.

It was suggested to

- inform users about interesting additions through e-mail and / or news letters,
- include summaries of findings and project results in the respective pages of the web site,
- focus particularly on new and innovative approaches of the project strategy,
- complement texts and documents with short teasers and other visual presentations for a broader audience.

³ The applicability of this option was questioned – at least in the case of tea – as the market seems to demand for higher quality leaves which can better be achieved through cloning

Next project activities

Activity	Responsible	Date until latest:
Synthesis report		
▪ Collect comments on draft of synthesis report "Background Analysis"	EC members / PM	End Nov. 07
▪ Produce final version of synthesis report	PM	Mid Dec. 07
▪ Disseminate report <ul style="list-style-type: none"> ○ directly to participating producer groups ○ as summary on respective sections of the web site ○ as full report in the section "press office" 	PM	Mid Jan. 08
Group specific planning of adaptation measures		
▪ Select members of risk assessment teams and define terms of reference	PM / PC	Dec 07
▪ Agree with concerned producer groups on approach, steps and responsibilities (MoU)	PM	Dec 07
▪ Conduct implementation oriented risk assessment and planning of adaptation measures with 3 producer groups	RA Teams	Until May 08
▪ Elaborate lessons learned and consequences for second round of risk assessments (=> input for next EC meeting)	PM	End May 08
Communication Strategy		
▪ Finalize design and initial content of project web site	PM	Jan. 08
▪ Contribute and publish relevant information on web site	PM / EC members	Ongoing
▪ Develop communication strategy for different target groups (participating producer groups, other producer groups, networks etc.)	PM / PC	Jan 08
▪ Use Kampala meeting to inform tea producer groups on state of project implementation	Imani	Feb. 08
▪ Prepare input / presentation for upcoming "Political Forum on Climate Change" in Costa Rica	PM	???
▪ Explore options for cross-group visits and exchange / multiplication	PM/ PC	Jan 08
Cooperation Strategy		
▪ List and assess potential partners / partner organisations for participating producer groups of 1 st round	EC members/ PM	Dec 07
▪ Contact relevant partners and specify technical / financial cooperation agreements	PM	March 08
▪ Explore options to implement carbon trading scheme in the context of the project and elaborate corresponding model	Consultant	March 08

The next (face-to-face) **meeting of the EC and the PM / PC** is scheduled for May / June 2008 with the objectives to:

- review the lessons learned from the first round of risk assessments and corresponding planning of group specific adaptation measures,
- plan the second round of implementation oriented risk assessments.

Annex 1: Participants of EC Meeting

PPP Management Team			
Jährmann	Kathleen	Kathleen.jaehrmann@gtz.de	Project Manager, GTZ
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Gotthardt	Susanne	Susanne.gotthardt@gtz.de	Sector Project 'Disaster Risk Management' GTZ
Resource Persons			
Donga	Mario	mariodonga@gmx.de	Consultant Adaptation Strategies, GTZ
Fleddermann, Dr.	Angelika	Angelika.Fleddermann@gtz.de	Head of Priority Area "Rural Development and Management of Natural Resources", GTZ (only first session)
Support			
Löhndorf	Jessica	Jloehndorf@gmail.com	Temporary assistant AdapCC, GTZ
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Annex 2: Report of Background Analysis regarding Climate Change Impacts on Focus Regions, Adaptation and Financing Instruments and the Risk Assessment Concept

Executive Summary

Which are the main climate change impacts on the focus regions and hence on coffee and tea producers?

All six focus countries are threatened by climate change impacts, whereas the most serious effects are the **substantial variations of water availability**, the **increase of average temperature** and an **increasing number of extreme weather events** like hurricanes, floods or drought periods. All six countries were hit heavily in the past and further impacts are predicted for the future in these regions. Whereas the Latin American regions are threatened by extreme weather events, Africa Sub-Sahara is the region most seriously affected by droughts and most vulnerable to climate change. The main impacts of these climate changing phenomena are water stress and water scarcity problems, destructed landslides and reduced land for agriculture, loss of soil fertility and biodiversity leading at least to harvest losses in agricultural production, increasing poverty and food shortage. Besides changing climate the **on-going destruction of the environment** and natural resources impacts agricultural production seriously.

How do producers perceive climate change? Are they willing to participate in a project aims to cope with climate change? Do they have the capacity to adapt to changing conditions?

Nearly all interviewed farmers confirm to **have experienced climatic changes** on their farms during the past 20 years. They name the most relevant effects and their consequences for smallholder production and **have their own ideas of how to cope with climate** and environmental threats. The **lack of financial and technical support** and the missing awareness among politicians are the main barriers for adaptation. Any **support** to implement the adaptation to climatic change impacts is **most welcome**, especially in the context of farmers' ideas and demands.

Are data available regarding changing climate conditions over the last decades and regarding future climate conditions? Is there an institutional and political framework for the implementation of adaptation strategies?

With regard to the availability of climate related and meteorological data the six focus countries differ very much. Mexico is the leading country in terms of climate change impacts, mitigation and adaptation measures and their strong institutional landscape. Nicaragua indeed belongs to the zones with highest disaster risks, but climate scenarios or impact assessment data are inaccessible. The institutional landscape is weak, but some international development agencies have already started the implementation of disaster risk management or adaptation projects. The same situation can be observed in Peru. Many international scientists are concentrating on effects and consequences of glacier melting. Several international organisations have yet started adaptation programmes, but the political agenda is not focussing on climate threats at all.

Although the institutional landscape in the East African countries is even worse, there is a greater availability of climate data.. This is due to high political interest of the international community to support the world's poorest region hit most by climate change impacts. Hence a lot of studies, impact assessments, and scientific reports are being developed leading to regional project activities from the private and the public sector. As a result one could highlight that **climate related data is available in some regions**. Hence future activities of the present project shall concentrate on the regions, where such data is available. Mainly on international level there is a strong political framework for implementing climate related issues. The experiences and support mechanisms are focussed on mitigation measures, but as awareness for the strong need to adapt the poor to serious impacts is rising, adaptation funds and other support mechanisms will increase in the near future.

What are adaptation options? What are traditional instruments to cope with worse climate conditions? What kind of adaptation strategies do other stakeholders implement (private sector, development cooperation project, governmental strategies)?

The so far identified main areas for implementing adaptation instruments are **technical and financial adaptation measures, measures to improve the framework conditions** as well as **capacity building** measures. Regarding the development of strategies no-regret measures as short-term solutions for existing threats and long-term strategies to prepare for future scenarios shall be differentiated. The **identified instruments are very similar to the producers' ideas** of how to cope with climate change. In the development of adaptation strategies the combination of **mitigation and adaptation effects** shall be taken into account. For example, waste utilisation, organic production and afforestation offer **carbon reduction potential** that could be used for generating and selling carbon credits. Hence the financing for adaptation could be assured and the implemented measures to reduce carbon also support adaptation to climate changes.

How can adequate financing mechanisms be designed (international, regional funds, carbon trading schemes, own set up mechanisms, including the actors of the Cafédirect supply chain)?

Regional and international funds for implementing adaptation measures and environmentally friendly technologies and practices were screened. An overview and evaluation of the most recommendable financing sources is elaborated. A first draft for modelling a carbon trading scheme along the Cafédirect's supply chain is also available.

Which is the adequate approach to develop adaptation strategies?

As the next important step on the way to developing adaptation strategies the specific threats and risks of pilot producer groups and appropriate adaptation options will have to be identified. The realisation of Risk Assessments is an adequate instrument to identify those risks and opportunities. A concept and timeframe is elaborated and will be presented at the Experts Committee meeting.