

**South Asia's
'Long March' to Prosperity:**

The Challenges of Poverty and Climate Change



**Kunio Senga, Director General
South Asia Regional Department
Asian Development Bank
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Outline

- Long term Goal of Poverty Reduction in South Asia
- Vulnerability to Climate Change
- Response of Developing Countries
- ADB's response and Strategy

South Asia

Key Macroeconomic Indicators

	Growth rate of GDP (% per year)			Inflation (% per year)			Current Account Balance (% of GDP)		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Afghanistan	11.5	7.5	8.3	13.0	24.0	9.5	0.9	0.6	-3.1
Bangladesh	6.4	6.2	6.5	7.2	9.9	9.0	1.4	0.9	0.5
Bhutan	17.0	14.4	7.2	5.2	10.0	7.0	10.5	10.1	2.4
India	9.0	7.4	7.0	4.7	11.5	7.5	-1.5	-3.1	-3.6
Maldives	7.6	6.5	7.0	7.4	11.0	6.0	-40.1	-50.9	-40.0
Nepal	2.6	5.6	5.0	6.4	7.9	8.5	-0.1	1.9	1.5
Pakistan	6.8	5.8	4.5	7.8	12.0	20.0	-4.8	-8.4	-8.0
Sri Lanka	6.8	6.0	6.0	15.8	24.0	18.0	-4.2	-8.2	-8.4

Key Socioeconomic Indicators

	Population (million), 2007	GNI per capita, Atlas method (US\$), 2006	Human Development Index (rank), 2005	Proportion of Population below \$2 PPP a Day (%, year)
South Asia	1,506.1*	774	0.605 (130)	76.9
Central Asia	78.2*	1,527	0.729 (101)	23.6
East Asia	1,402.3*	2,913	0.783 (79)	37.8
South East Asia	574.7*	1,778	0.728 (101)	39.0

Source: Key Indicators 2008, ADB.

* Regional total. Regional figures are calculated by weighted average except population.

South Asia: A Vulnerable Region

Socioeconomic Factors

- Large population size
- Large number of absolute poor
- Poor Human Development indicators

Geographic Factors

- Large Coastal regions (Pakistan, India, Bangladesh)
- Island Nations (Maldives, Sri Lanka)
- Large Glaciers (Afghanistan, Pakistan, India, Nepal)

South Asia's Vulnerability to Climate Change

	Food and Fiber	Biodiversity	Water Resources	Coastal Ecosystem	Human Health	Land Degradation
North Asia	Resilient	Highly Vulnerable	Resilient	Moderately Vulnerable	Moderately Vulnerable	Moderately Vulnerable
Central Asia	Highly Vulnerable	Moderately Vulnerable	Highly Vulnerable	Moderately Vulnerable	Highly Vulnerable	Highly Vulnerable
East Asia	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable	Moderately Vulnerable	Highly Vulnerable
South East Asia	Highly Vulnerable	Highly Vulnerable	Moderately Vulnerable	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable
South Asia	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable	Highly Vulnerable



Source: Adapted from National Institute for Environmental Studies, Japan

Regional Vulnerabilities to CC Impacts

- Health: vector borne and infectious indirect diseases;
- Food: risk of hunger due to reduced crop yields, droughts, agricultural land loss;
- Water Resources and Land Degradation: exacerbated flooding and depleted ground water tables and loss of forest;
- Coastal Ecosystems: increased salinity of rivers, inundated low-lying areas;
- Biodiversity: Extinction of vegetation and loss of coral reefs

Response by Developing Countries

Bangladesh:

- National Adaptation Program of Action
- National Climate Change Strategy and Action Plan

India:

- 2006 Integrated Energy Policy
- 2008 National Action Plan on Climate Change

Bhutan:

- National Adaptation Program of Action

Response: More focus needed

Sri Lanka:

- National Environmental Policy broadly embraces the need for environment protection and natural resource preservation

Nepal:

- A number of environmental laws governing environmental protection and specifically hydropower resources

Maldives:

- 1999 National Environmental Action Plan – a framework for environmental protection and sustainable development.

ADB's Response to Climate Change

ADB's Long-Term Strategic Vision (2008-2020)

- Inclusive Economic Growth
- Environmentally sustainable growth
- Regional Cooperation

ADB's Strategies to address Climate Change

Mitigation

- Low carbon Energy options
- Efficient Transport systems
- Waste management
- Sustainable Land use and forestry

Adaptation

- National Development Plans and Strategies
- Design of Infrastructure
- Sustainable Natural Resource Management
- Social Dimensions

Financing

- Mobilizing public sector resources
- Private sector capital
- Utilizing market based mechanisms

Global Partnerships

- Policy Development
- Financing
- Knowledge Management

Mitigation Thrusts

Promote transition to low-carbon economies through:

- Energy efficiency and use of low-carbon energy sources (e.g. renewables)
- Efficient transport systems
- Improved waste water management
- Improved urban sanitation and reduction of fugitive methane emissions
- Sustainable land use and forestry

Adaptation Thrusts

Help countries become **more resilient** to adverse CC impacts through **appropriate investments** and **adaptation policies**.

- Incorporating vulnerability risks into national development strategies and actions
- Designing Climate Proofing Projects
- Increasing climate resilience of vulnerable sectors
- Addressing social dimensions

Financing Thrusts

Help countries access affordable financing for **mitigation and adaptation actions** through:

- Mobilizing additional concessional resources
- Catalyzing private sector capital
- Maximizing the use of market-based mechanisms (e.g. carbon and insurance markets)

Partnership Thrusts

Support a coordinated response for mitigation and adaptation actions through:

- Policy Framework
 - Joint MDB work on the Clean Energy Investment Framework
- Financing
 - Climate Investment Funds
- Knowledge Management
 - Joint analysis of Climate Change risk on 6 coastal mega cities
 - ADB's Partnerships with leading regional research institutes

ADB's Climate Change Interventions in South Asia

Priority Interventions:

- Enhancing mitigation components in sector projects
- Developing a risk-based approach to adaptation
- Developing Low Carbon investments

Climate Change Implementation Plans (CCIP):

- Development of a regional South Asia CCIP;

Financing:

- 2008-2011: about \$3 billion public sector lending to support energy efficiency, clean and renewable energy projects

Thank you