

Investing in Urban Climate Resilience

The story of the Urban Climate Change Resilience Trust Fund (2009-2015)

The multi-donor Urban Climate Change Resilience Trust Fund (UCCRTF) aims to build resilience to the effects of climate change and reduce the vulnerability of the urban poor in 25 medium-sized cities in Asia. In addition to infrastructure investments, the trust fund provides grants that enable cities to prioritise actual resilience needs in their planning processes and service delivery. The partnership was initially founded by DFID, the Rockefeller Foundation and the Asian Development Bank (ADB) and has since welcomed USAID and SECO.

We want to get roughly 25 cities in 7 countries: India, Pakistan, Vietnam, Indonesia, Bangladesh, the Philippines, and Myanmar. We have will mobilise \$1 billion through the ADB, by co-financing and using domestic resources at city level.
Shailaja Annamraju, DFID

The insights emerging from this story are:

- 3 ▶ Building a shared understanding amongst diverse institutions and cultures to lay the foundation for an effective partnership
- 4 ▶ Negotiating tradeoffs within a multi-sector partnership to deliver climate resilience at scale
- 5 ▶ Using practical actions to come to a common definition for a new and complex topic
- 6 ▶ Finding the right language and incentives to engage multiple actors in delivering urban climate resilience

Context

The Rockefeller Foundation had pioneered work on urban climate change resilience in Asia and could leverage their knowledge and experiences around resilience planning.

Through our ACCCRN programme, we had engaged city level stakeholders on the issue of climate change resilience in 10 different cities. We wanted to make resilience tangible because there weren't many examples of how to build urban resilience, and not many locally embedded professionals, who had experience with it. In addition to developing expertise, there was always an ambition to replicate or facilitate new financing streams for urban resilience. Cristina Rumbaitis del Rio, formerly Rockefeller Foundation

Asian Cities Climate Change Resilience Network (ACCCRN) needed more practical institutional backing to achieve scale. Many other donors and leading practitioners recognised that urban climate change resilience is an emerging field. There was a need to understand common challenges, coordinate better to increase impact and identify what joint action might look like.

[The conference in Bellagio] was a serendipitous event: a lot of players were at a point in their strategies on climate change or urban development where they could come together. People with enough decision-making power were in the room so that the ideas discussed didn't get dissipated after the meeting. Cristina Rumbaitis del Rio, formerly Rockefeller Foundation

DFID's internal preparation was crucial to strengthening organisational buy-in and informing the structure of the Trust Fund.

DFID and most other donors had exited out of urban poverty in the last 20 years, thinking the marginal dollar was better spent on rural development. That is changing as we're learning more about rural and urban poverty measurements, costs and location of climate and disaster impacts and how urbanisation brings all of this together. Shailaja Annamraju, DFID

Key stakeholders and their roles

The role of the UK's Department for International Development (DFID)

DFID focused on mobilising the financial resources needed to make this partnership possible. This included a background study on Future Proofing Cities and building a compelling business case. At the same time DFID leveraged its knowledge resources around programme development and M&E. They guided the structuring of the Trust Fund and its operationalisation.

In addition to DFID, the following stakeholders were interviewed for this story:

Rockefeller Foundation

The Rockefeller Foundation provided the conceptual thought leadership around urban climate change resilience and brought stakeholders together. We spoke with Cristina Rumbaitis del Rio, former Senior Associate Director of the Rockefeller Foundation, and the current Regional Programme Manager, Action on Climate Today.

The **Asian Development Bank** (ADB) provides the institutional framework for the trust fund, and brokers the investments. We spoke with Sam Kernaghan and Sasank Vemuri, who are both consultants to the UCCRTF.

"We brought in some know how on this issue and partners to work with. DFID brought obviously the lion's share of the financial resources, much more than Rockefeller could ever put in, and they also brought knowledge in terms of programme development as well as around urban development. Really, they did the hard work of figuring out how to operationalize the fund. The ADB brings in the relationships, the infrastructure in terms of country offices, engineers, loan officers and government relationships that we rely on to get access to cities and develop infrastructure proposals."
Cristina Rumbaitis del Rio, formerly Rockefeller Foundation.



Department
for International
Development

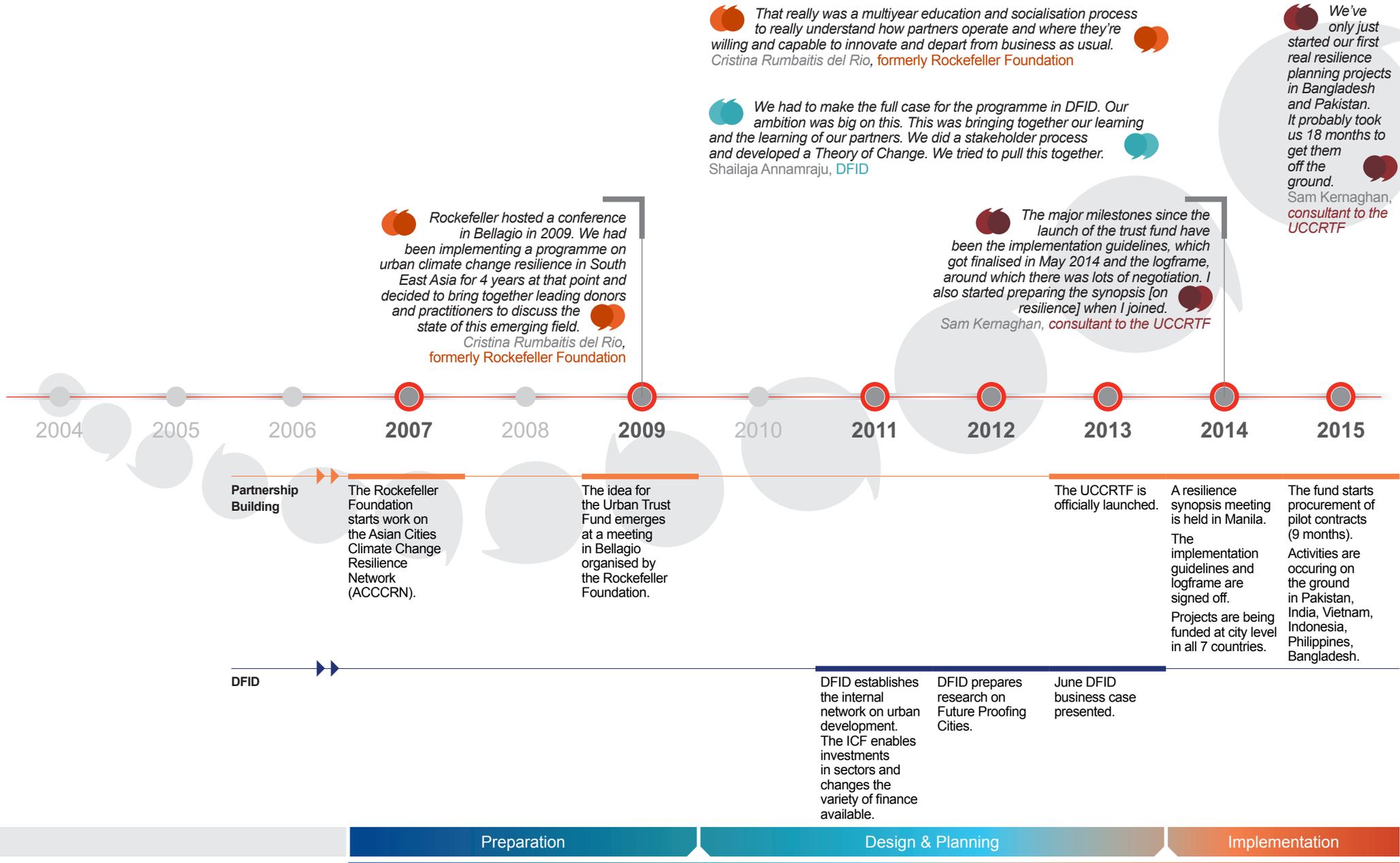


Timeline

Preparation

Design & Planning

Implementation



Emerging Insights

Building a shared understanding amongst diverse institutions and cultures to lay the foundation for an effective partnership

It took the partners 4 years to get the institutional sign-off within their respective organisations. For some, it was the first time they worked together. Behind the scenes, enough people believed in the project to move it forward. What helped was finding mavericks within the organisations, who have a high level of influence to champion the issue and are willing to take risks. In some organisations the more innovative, risk-taking and outward looking departments provided useful entry points during this planning and design phase.

The formation of the partnership was quite long, but it was a really crucial phase as well. Before a project gets interesting for the outside world, everyone's negotiating their interests and advocating for different approaches that might be similar. One of the key milestones for us is probably the passing of the implementation guidelines.

Sasank Vemuri, consultant to the UCCRTF.

It's been a really slow process for us to pick cities: cities have to decide firmly that they want to borrow money for a project. That's a very different commitment than a donor saying: 'hey, we're gonna choose cities to help you build capacity and do resilient planning'.

Shailaja Annamraju, DFID.

Partners had to learn about each other's organisational culture. At the same time, each partner brought clear value to the project. They learned quickly that focusing on difference can be just as important as focusing on commonality. Understanding the operational differences between philanthropic organisations, international donors and multilateral banks and flexibility to move beyond business as usual was important for consolidating the partnership. While agreement came easily on some issues others require negotiation and compromise.

The ADB is set up to prepare and implement large (\$100million loan) projects. This means that they are not as nimble or agile in funding the small, community-driven projects that some of the donors were looking for. It doesn't mean it's not possible, but the transaction costs are potentially high.

Sasank Vemuri, consultant to the UCCRTF

Rockefeller is obviously a big knowledge organisation on resilience. They want to expand their views on resilience, they're the driving force for the push towards more knowledge and more community participation. That's where this partnership work comes from. DFID brings a lot of credibility and pragmatism to the table. We can coax the institutions because we have a broader shareholding relationship.

Shailaja Annamraju, DFID

ADB needed to be at the table to really leverage their infrastructure portfolio and to make more of that infrastructure investment yield climate resilience dividends.

Cristina Rumbaitis del Rio, formerly Rockefeller Foundation

Working in the emerging field of urban climate change resilience meant partners had a lot of different understandings of the concept and how it might work in practice. To dive into implementation there was a real need for internal capacity building and learning. Finding the right mix of approaches often depends on the organisational culture.

The lead person at ADB started a soft socialisation process to get the urban development departments and loan officers to really understand resilience. She did it in her own way, with weekly emails to her peers to describe what resilience is about. This is a soft skill that we look at fostering. How do you communicate in the right way to the people whose attitudes and behaviours you want to change, but also, who is the right messenger for that?

Cristina Rumbaitis del Rio, formerly Rockefeller Foundation.

On Day 1 the donors wanted to see the Knowledge Plan for the Trust Fund. We decided that we needed Knowledge Management specialists to support us in developing this plan, and initiated the procurement process to bring them on. In the interim we worked highly informally with project officers to say: "How can we help you understand these concepts so you can bring it into your work?"

Sam Kernaghan, consultant to the UCCRTF.

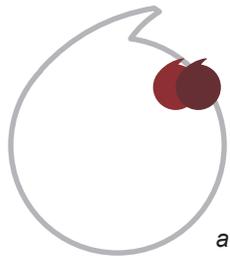
It's been really interesting to talk to ADB Project Officers about how they learn: a lot of it was peer-to-peer. They called their peers internally and asked questions. They don't have a whole lot of time to read a long documents or interact with external websites.

Sam Kernaghan, consultant to the UCCRTF.

Emerging Insights

Negotiating tradeoffs within a multi-sector partnership to deliver climate resilience at scale

The partnership is driven by the ambition to deliver change at scale: scaling the number of cities that are reached; the size of the investments in urban climate resilience; and, the number of people involved in making cities more resilient. Using infrastructure loans provides a huge opportunity to achieving scale. At the same time, it also means negotiating tradeoffs and balancing short and long term goals.



The volume of money has been one of the most important enablers. With the current partnership, the Trust Fund is at about \$150million. Enough for a large development bank to take things seriously: if you bring 10 million to a development bank, they won't even notice it, it's not even a rounding error. I think it's a fairly large amount for a development project, but I think it was incredibly strategic and the trust wouldn't have gotten the commitment from ADB's management if it wasn't for the volume of the money.

Sam Kernaghan, consultant to the UCCRTF

Even if you're putting 100 million into a city, that city might have an annual spend of a couple of hundred million or so. And your money is not 100 million in a year, it's 100 million over 7 years, across 3 cities. You need to be realistic about the amount of money that you're pumping in and the amount of change that you can expect as a result.

Sam Kernaghan, consultant to the UCCRTF

As a development bank, ADB is set up to generate loans and fill infrastructure deficits. Providing grants to cities as part of loans is a new experience. Existing systems are not always fit for purpose and testing new ways of working is essential.

The initial Regional Capacity Development Technical Assistance that we developed was basically a way of extracting money out of the Trust Fund so that we could get things going. We had hoped it would allow us to do more community-driven pilot projects or action research. The reality is just: if it's not attached to a project leading towards a loan, there is much less incentive inside the bank to do that.

Sam Kernaghan, consultant to the UCCRTF

Sustainable development planning needs to happen at multiple layers. If you don't have the right players at the table early on, it's very difficult to plan for their needs going forward. It's quite difficult to bring someone like the ADB into a planning process that starts a year in advance, because they're very investment driven. We've tried to wrap activities around this investment, so they don't just go ahead without thinking about resilient processes and issues.

Shailaja Annamraju, DFID

Procurement is an enabler if you follow the path of least resistance. If you want to do something innovative, or just something that best meets what you're trying to do, then there are barriers asking: is this really the best way forward?

Sam Kernaghan, consultant to the UCCRTF



Emerging Insights

Using practical actions to come to a common definition for a new and complex topic

While urban climate resilience is a new and emerging field, the concept of sustainable development is deeply rooted in all partnering organisations. Understanding the relation between the two concepts has helped them in tackling the more challenging questions.

There are a lot of questions about what we mean by resilience. Everybody's very much internalised the idea of sustainability, and the concept of sustainability has been mainstreamed into development organisation. The more challenging part was around the question of resilience: what is the added value of a concept like resilience as opposed to sustainable development or as opposed to climate change adaptation?

Sasank Vemuri,
consultant to the UCCRTF

Resilience is more about building capacities to respond to changing conditions and even thrive in phases of shocks and stresses. Sustainable development is powerful because it's reframing the development paradigm. Resilience is more of a set of capacities and systems that are needed to help people thrive in an increasingly dynamic and unstable world.

Cristina Rumbaitis del Rio,
formerly Rockefeller Foundation

With the Rockefeller Foundation bringing the theoretical and conceptual background of resilience, the partnership is working hard to build a common understanding and apply resilience in practice. They have learned to accept the concept as work in progress and learn rapidly from ongoing implementation of activities.

The advice I'd give is to keep focused on building resilience in tangible ways, it's a specific mindset - you have to make sure that you're really truly building resilience in people and places in a very specific way.

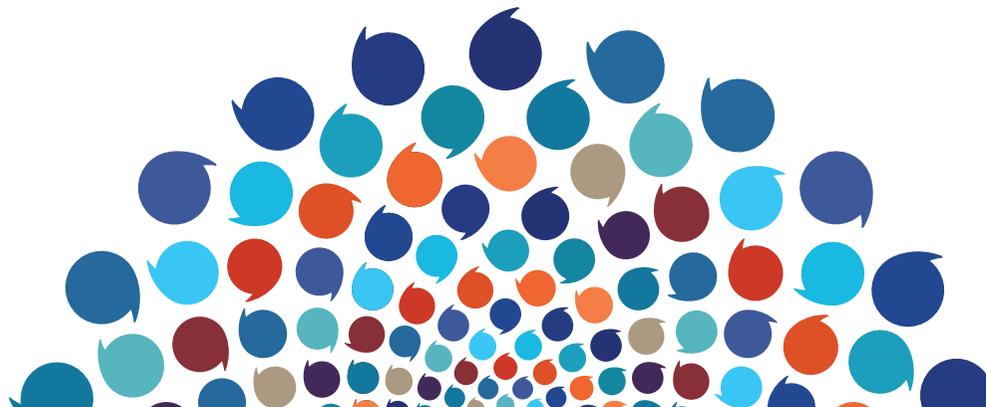
Cristina Rumbaitis del Rio,
formerly Rockefeller
Foundation

One of the core principles of resilience is iteration. Don't get caught up in definitions too early on. Have the intention be clear, but absolutely let the process and the iterations that happen within the process define the specifics over time. This is something really interesting for a lot of development projects. You commit to a long frame at some point, right? In 6 or 7 years, things can considerably change. Adjusting the project through the course of implementation isn't seen as a failure, right?

Sasank Vemuri,
consultant to the UCCRTF

The concept of urban climate resilience is permeable: different entry points all lead down different paths. The concept might be contested, but when you start explaining what resilience looks like in practice, people agree with it and understand it. Sometimes you need to forget the concept and just start doing it.

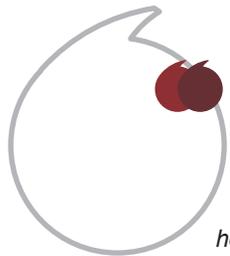
Sam Kernaghan,
consultant to the UCCRTF



Emerging Insights

Finding the right language and incentives to engage multiple actors in delivering urban climate resilience

The first climate change resilience activities are now in preparation at the city level. In the process, partners focused on a whole system approach, trying to understand how each city works. Focusing on the qualities of resilience instead of its definition helped them when speaking with decision-makers within the city.



At the moment we try to go down to the city level and identify the people who need to understand the city as a system, whether it's the mayors or commissioners or the chairmen of people's parties in Vietnam. Everybody should feel they're part of the system. We're learning now who needs to understand how much about resilience.

Sasank Vemuri, consultant to the UCCRTF

We would never use the word resilient because I don't even know what that would be in all languages. Talking about the qualities of resilience is much more useful when you actually deal with the project. Even then you talk about spare capacity, not redundancy. What if this fails? Do you have another source of energy? Can you backup the system with solar powered batteries?

Sasank Vemuri, consultant to the UCCRTF

Communities particularly in poor areas are sometimes far more resilient than we are. Rigidity is a detriment to resilience. People in poor communities usually draw on 3 or 4 different sources of income. They're more flexible, they're better integrated with their communities. It's the systems in which the communities find themselves that are not resilient: infrastructure, governance, management systems aren't flexible, integrated, redundant, or inclusive. Through that rigidity, people become affected. It's trickle-down of the nonresilience. In 2008 there were these awful floods in Mumbai and you could see poor communities recover really fast, actually.

Sasank Vemuri, consultant to the UCCRTF

Implementation at city level relies on identifying the right entry points, incentives and good leadership. Embedding incentives in the design process could strengthen projects even more.

There's the entry point of climate change: if cities are experiencing more or more intensive natural hazard events than before, they might be interested in talking about climate change and adaptation. On the other hand, there's the entry point of rapid urbanisation. Because the city is growing so fast and the infrastructure is not keeping pace, you can talk with people about how to build resilience in terms of urban systems. The third entry point is moving from assets to systems. Engineers have been trying to make infrastructure strong, robust since the beginning of time. What we want them to think about is the wider system in which a piece of infrastructure is sitting.

Sam Kernaghan, consultant to the UCCRTF

The only time mayors get interested in planning and resilience is if they are disaster prone. We had to bring disasters, planning and investments a lot closer together. Even though we're looking at long term impacts of climate, we need some of these entry points to engage at city level. The real prize is also looking at resilience not only through a disaster lens but also from the point of view of economic development.

Shailaja Annamraju, DFID

Imagine talking to a mayor who's interested in getting a new road. You're thinking about the displacement of communities and the livelihoods of people who might be losing their shops. You have to find a way to get him enough of what he wants so he can help you with the other issues. How do we incentivise people and help them achieve their own goals through us achieving ours?

Sasank Vemuri, consultant to the UCCRTF

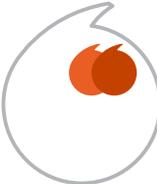
At the same time, cities proved to be at a suitable scale to achieve practical impacts on climate resilience.

What makes urban resilience different is that it is actually possible to have really good case studies and learning at a city level. It's the right scale. Political will matters. You get the mayor, the planning people, the municipal corporation on board and you're a long way ahead in planning [resilience] into investments. Building resilient cities is actually possible if you have good leadership.

Shailaja Annamraju, DFID



Perceived outcomes



Resilience is becoming part of the new thinking in the ADB and its partners and it's trickling down to the city level, city governments, government officials. To take one example that has come through the ADB pipeline: Vietnam has decided to do sand dune restoration in one of its cities because it's increasingly facing storm surges and saltwater inundation, and they realised that if they don't protect that ecosystem, they are going to have neither protection nor tourism. As part of an infrastructure loan programme they have actually embedded a soft measure: ecosystem restoration.

Cristina Rumbaitis del Rio, formerly Rockefeller Foundation



Designing these partnerships takes a lot of energy and others recognise that. Therefore our design ended up bringing in more donor money to the table. The same week DFID approved the fund, USAID joined regionally. They agreed to plonk \$5million in including co-finance some of the investments. For some of the work in Vietnam and Pakistan ADB is providing additional resources at country level. One year on, Swiss SECO corporation came in with \$10million. The French AFD pretty much co-financed the Myanmar work even before it started. This is what we wanted to be doing: build a partnership, get people to harmonise around good investments in the region.

Shailaja Annamraju, DFID



Increasingly, ADB staff talk confidently about the concept and engage with their counterparts whether they are government or non-government organizations on the ground. Most of these didn't know anything of resilience when they started talking to us about funding for their projects.

Sam Kernaghan, consultant to the UCCRTF

Questions for reflection

1

How do we communicate to the people whose attitudes and behaviours we want to change? Who is the most effective messenger?

2

How is resilience different from sustainable development and climate change adaptation?

3

How do you do adaptive programming with partners?

4

How do we measure progress towards these ambitious urban climate change resilience targets?

5

What are the differences between resilience infrastructure and resilient cities?

6

How do you get city planners and investors to the table and align the different timeframes?

Closing thoughts



It's about those capacities and qualities that enable you to manage disruption. Resilience is highly complex and we don't quite understand how to implement it or make it work for us. You've got to keep that sustainable development objective in mind at all times, taking into account the short term and long term view. I do struggle with the question of development outcomes versus sustainable development outcomes. At what cost do we choose?

Sam Kernaghan, consultant to the UCCRTF

About

This story is part of the DFID's sustainable development learning dialogue. As part of the dialogue we spoke to 5 stakeholders about their experiences and perceptions of building urban resilience in Asia. This is the story we heard. All stakeholders helped us review the story and quotes before publishing it. For more information and to participate, go to www.sddialogue.net.

Story contacts

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