Financing Adaptation in Agriculture and Water Sectors in Asia: An Overview

Ancha Srinivasan and Abul Quasem Al-Amin

1Institute for Global Environmental Strategies (IGES), Japan
2Faculty of Economics and Administration, University of Malaya, 50603 Kuala Lumpur, Malaysia

Adaptation financing is a major challenge for developing countries, including emerging economies in Asia. No single mechanism can bridge the adaptation funding mechanism. Focusing on climate change, many reports recently published intensifying potential climate change impacts on agriculture and suggests where investments are needed to better climate-proof agriculture. There are many researches, which indicate that diversification of rural livelihoods through agricultural micro-enterprise development can reduce exposure to climate risks; farmer access to credit and information are important for adaptation to climate change; and increased flooding poses the greatest potential risk from climate change. It is well obvious that these mechanisms need enormous funding and instruments especially for the agricultural and water sectors in LDCs. Together with funding there is a need to pay solemn attention to use indigenous knowledge for adaptation, local initiatives for natural resource conservation and is necessary to support reducing vulnerability. Therefore this paper raised the issued related to financing adaptation in agriculture and water sectors in Asia and discussed some financial initiatives for climate change related issues, problems, and challenges.

Keywords: Adaptation, Finance, Climate change, Asia.

1. Introduction

The World Bank published a report intensifying potential climate change impacts on agriculture in the developing world, which discusses the causes of vulnerability, and suggests where investments are needed to better climate-proof agriculture. The conclusions of the report are as follows; diversification of rural livelihoods through agricultural micro-enterprise development can reduce exposure to climate risks; farmer access to credit and information are important for adaptation to climate change; and increased flooding poses the greatest potential risk from climate change. Why is funding for adaptation in agriculture and water sectors

1Disclaimer: The views expressed in this presentation are those of the author and do not necessarily reflect the views and policies of the Asian Development Bank (ADB).