

Setting the Scene:

Meeting Inputs, Objective, Structure and Expected Outcomes

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Expert meeting on livelihoods and economic diversification (LED)

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Bonn, Germany

Inputs from partners of NWP

- A total of **34 case studies** were received, with only 2 under Category II.

Category	Role of economic and livelihood diversification in NAP	Incentivizing economic and livelihood diversification through macroeconomic policy	Processes and tools promoting and integrating livelihood and economic diversification approaches into NAP	Unspecified	Total counts
Number of cases	7	2	25	5	39
Percentage share of total counts (%)	18	5	64	13	100

Case Highlights:

The role of LED in NAP

- 7 cases
- Tools and activities highlighted:
 - Natural Resource Management (NRM) techniques
 - Community-based adaptation (CBA): vulnerability and capacity assessment and community adaptation action plans
 - Skills training
 - Investment in relevant economic assets
 - Gender equality
 - Distinguishing and exploring the potential of three broad avenues of autonomous adaptation to CC: agricultural change; livelihood diversification and migration.
- The case by CARE IALPA explores the optimal mix of livelihood diversification among pastoral communities, arguing that livelihood diversification is not always the best solution for certain communities

Case Highlights:

Processes and tools for integrating LED into NAPs

- 64% of the case studies are in this category
- A wide spread set of processes and tools reported, relating to:
 - **Capacity building**: Information dissemination (e.g. radio prog); documentation of farmers' local knowledge; training courses and skills improvement; gender mainstreaming.
 - **Technology**:
 - Agriculture-related: Integrated farming system; integrating landuse and water resource planning and cross boundary coordination; climate smart agriculture; introduction of high value crops and value chain models; re-forestation.
 - Energy-related and non-agricultural activities : Distribution of solar lightening devices; charcoal substitution and efficient stove manufacturing and adoption; handcraft
 - **Action research**: project chartering; livelihood mapping; tipping point analysis; vulnerability assessment; migration studies; development and testing of planning tools; multi-pronged strategy for improving productivity, equity and women empowerment; addressing the whole cycle of community adaptation.
 - **Finance**: funding mechanisms (e.g. PPP); asset transfer and help farmers to grow the asset; risk management scheme, including stand-alone insurance scheme or microinsurance as a component
 - **Public ownership and business practice** integration livelihood consideration

Setting the case studies into perspective

- Raising questions regarding the relationship between diversification and resilience (**the ability to bounce forward**). The role of asset accumulation in supporting resilience.
- What are the **benefits** of diversification?
 - A wider range of options
 - Less affected by fluctuation in the performance of any single economic activity or livelihood option
- What are the **caveats** about diversification?
 - Too much a diversification dilutes the positive effects of those options that happen to benefit from steady market growth or fast technological progress.
 - Benefits of specialisation (e.g. specialised tools and skills) are lost.

Messages from Response to Advance Questions

Q1: How can we promote economic and livelihood diversification through macroeconomic policies or other means for increased resilience at different scales?

- **Macroeconomic policies:** important to promoting **structural change** within agriculture and across the economy; creating enabling environment; encouraging investment; building alternative skills and capacity.
- **Cautious notes:**
 - LD does not automatically lead to adaptation; nor is it the best solution for everyone
 - Important to ensure that policies promoting ED does not lock HHs into future vulnerability or lead to more CC
 - Need to avoid disabling policies that may undermine livelihood of small holder farmers
 - It is not LD per se that is important, but the ability to diversify.
- **Other means** such as gender equality; social protection; asset accumulation; access to opportunities also matter
- **Multi-factors of LD:** availability and access to assets; availability of labour; ability to manage risks; access to opportunities; vision and skills; gender relationship

Messages from Response to Advance Questions

Q2: How can we strengthen the linkages between the economic and livelihood diversification approach on the one hand, and the National Adaptation Plan (NAP) process on the other?

1. Mainstreaming LED through NAP

- NAPs to emphasise the LED approach and provide the **conceptual framework for LED**, including the development of **resilience indicators system**; to identify priority sectors and activities
- LED should be **a chapter in NAP**
- NAP needs to be informed by **detailed analysis of livelihood assets and their vulnerability to CC**.

2. Strengthening and utilising social capital

- Focus on community-based adaptation
- LD can happen either within HHs or in wider **social network** – hence the importance of **broader stakeholder engagement** in adaptation planning processes and assisting **social capital** formation

Messages from Responses to Advance Questions

Q3: What processes and tools can effectively promote and integrate livelihood and economic diversification into adaptation efforts (including the NAP) in developing countries?

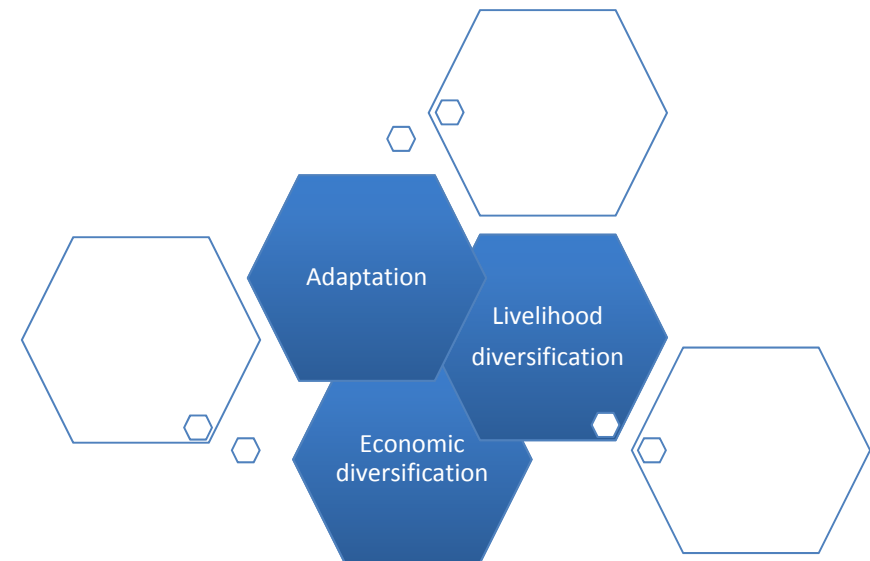
- **Processes:**
 - Capacity building, esp in environmental management and regulation at national level
 - Integrating LED into national planning processes and sectoral plans
 - Providing step-by-step guidance on how to conduct NAPs
 - Adopting participatory approach and bottom-up evidence based prioritisation process
 - Supporting the growth of SMEs
- **Tools:**
 - Vulnerability assessment
 - Community-based adaptation
 - cost-benefit analysis
 - Microcredit (is not always environmental friendly)

Objectives of the meeting

- **Overall:** To identify **recommendations** on livelihoods and economic diversification (LED) for adaptation for AC and COP consideration
- **Specific**
 - To identify effective ways to promoting economic and livelihood diversification, especially through macroeconomic policies;
 - To explore the relationship between the diversification approaches and the NAP process;
 - To identify effective processes and tools for promoting and integrating livelihood and economic diversification approaches into adaptation efforts in developing countries, including within the NAP.

Structure of the meeting

- A total of 5 sessions, four of which are substantive
- Each of the substantive sessions follows the same template:
 - A presentation plus discussants' comments, and Q&A session(30 mins)
 - Small group discussion around guiding questions (105 mins)
 - Rapporteurs' report-back (30 mins)
- Order of the sessions: We start with a session on **economic diversification (ED)** because it could set the context for **livelihood diversification (LD)** as an adaptation strategy to strengthen **resilience**.
- Session 5 is for drawing out take-home messages and identifying recommendations



Expected Outcomes

- Improved understanding of the relationship between livelihoods and economic diversification, adaptation and resilience.
- Greater awareness of different approaches, measures, processes, tools, good practices for exploring this relationship and lessons learned
- **A list of specific recommendations** for the AC as well as for other relevant bodies, mechanisms and programmes under the Convention, including the AC, the NWP, and COPs.

Code of Conduct

- This is an opportunity to bring together **different perspectives** and to take stock of **diverse experiences** on LED around the world.
- We are here for **open dialogue** and **collective learning** – there are no correct or wrong answers.
- Let's **listen** to each other and give everyone a chance to speak.
- Please turn off mobile and be punctual!