



#CAIP2025

CLIMATE ADAPTATION INVESTMENT PLANNING FORUM 2025

Climate Adaptation Investment Planning

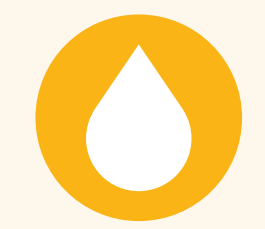
A Program to Bridge the Gap between Climate Adaptation Planning and Financing in Asia and the Pacific



BHUTAN

Bhutan's Climate Adaptation Investment Plan (CAIP) for the Water Sector was developed in 2024–2025, to enable financing to operationalize the adaptation priorities from Bhutan's National Adaptation Plan (NAP) by identifying strategic, investment-ready packages to build resilience across water and related sectors.

KEY FACTS



SECTOR
Water



GEOGRAPHIC SCOPE
Entire country



FOCAL MINISTRY
Ministry of Finance, but CAIP was overseen by a cross-government Inter-Agency Working Group, led and coordinated by the Department of Water



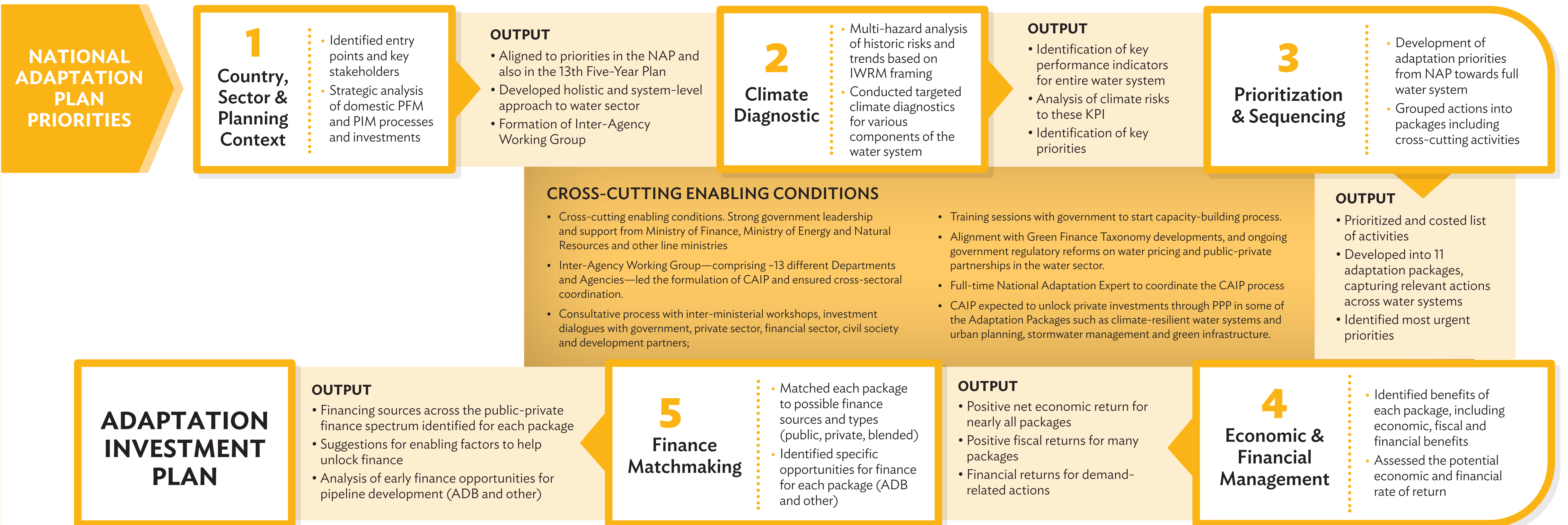
SCOPE OF CAIP
Water system: water supply → water demand → water-induced disasters (under IWRM framing) including cross cutting linkages



TOTAL FUNDING NEED
US\$850 million over a 15-to-20-year period.

WHAT WE'VE LEARNED

- 1. Mainstream with national priorities:** Coordination with latest five-year national plans ensured national integration and focused on government priorities
- 2. Use system approach:** The analysis expanded the NAP water sector to the overall water system, capturing up- and down-stream aspects in climate diagnostics, and moving beyond fragmented projects to strategic / programmatic level
- 3. Strong national ownership is key:** Formation of a cross-government group and strong ownership (whole-of-government approach) drove forward the process and helped present a unified, nationally owned plan to development partners.
- 4. Economic justification is critical:** The need to focus more on economic and financial benefits goes beyond existing NAPs, but is critical to provide investment confidence
- 5. Scaling up finance requires enablers:** Discussions with local financial institutions helped shaped the financial matchmaking and also identified need for technical assistance and credit mechanisms. Delivering at scale also requires policy and regulatory reforms.
- 6. Capacity building and ongoing support is a must.** The process does not stop with the plan: investment in skills, institutional strengthening and continued support is needed to deliver opportunities identified.
- 7. Development partner coordination.** A more coordinated approach from the DPs—working together behind government plans rather than following individual priorities—will be required to deliver NAP priorities at scale.



INVESTMENT PACKAGES

PLANNING		
<ul style="list-style-type: none"> Integrated Water Resources Management (IWRM) [\$25 million] Adaptation policy and planning [\$7 million] Research and education [\$3 million] 	Water Supply Climate-resilient water systems (including sewage) [\$159 million]	Water demand <ul style="list-style-type: none"> Energy [\$87 million] Agricultural irrigation [\$181 million] Forestry [\$9.4 million]
ADDRESSING WATER-INDUCED DISASTERS		
Flood risk management [\$68 million]	Urban planning, stormwater management and green infrastructure [\$225 million]	Disaster management and emergency response [\$20 million]
CROSS-CUTTING		
National climate services and early warning systems [\$62 million]		

