

Adaptation in a Post-2012 Climate Framework

Side Event
organized by the
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Adaptation to Climate Change: International Policy Options

Prepared for the
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Overview

- Adaptation: An Evolving Challenge
- Adaptation Policy: Needs and Issues
- International Adaptation Efforts to Date
- Options Going Forward
 - Adaptation under the UNFCCC
 - Integration with Development
 - Climate "Insurance"

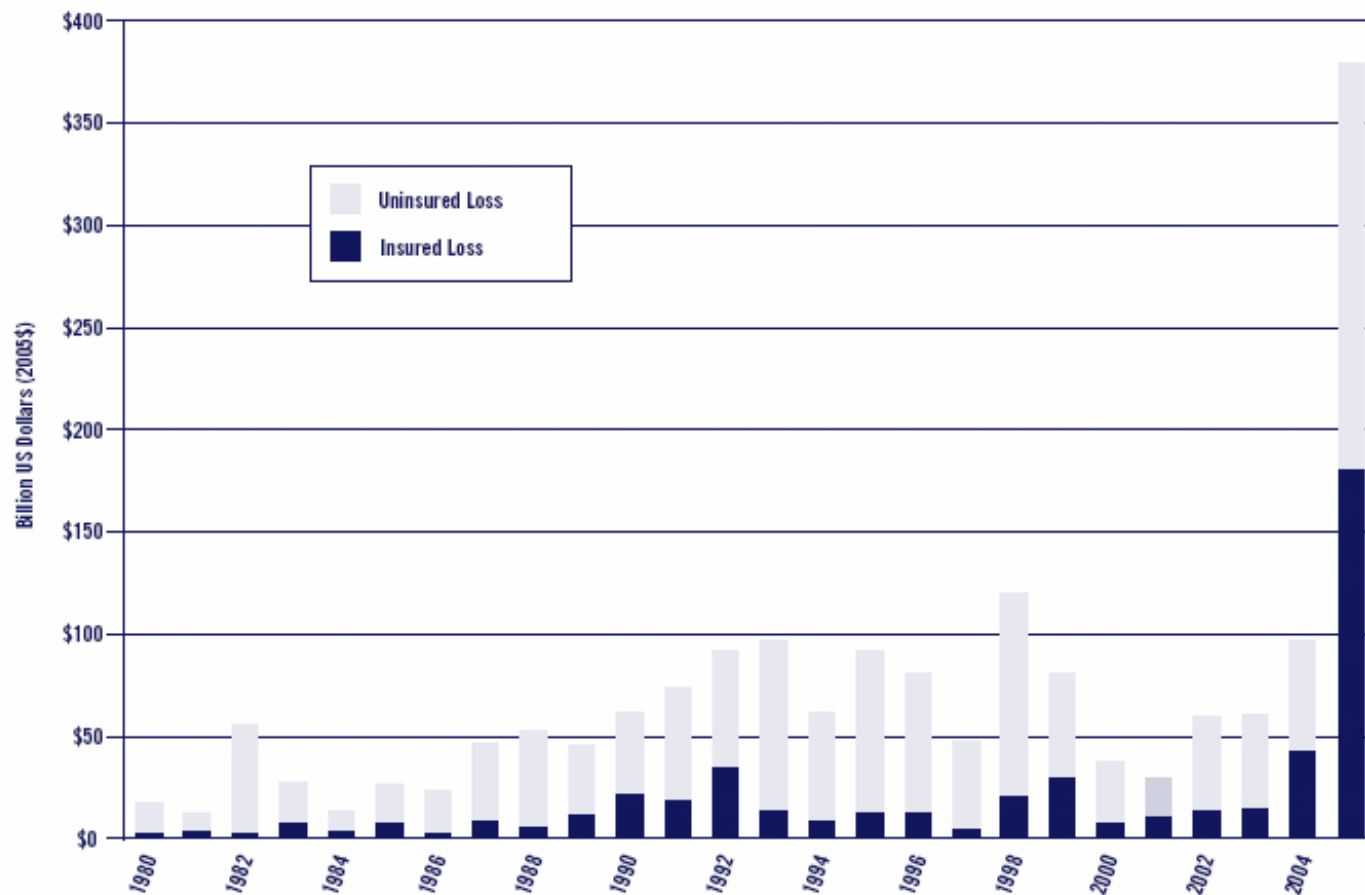
Adaptation: An Evolving Challenge

- Societies have adapted to natural climate variability throughout human history
- Vulnerability reflects exposure and capacity
 - Both a function of level/nature of development
- Globally, exposure to climate risks is rising with income and population growth and heavier settlement of high-hazard zones
 - Increasingly, climate losses pose a threat to development

Rising Losses

Figure 1

Losses from Global Weather Catastrophes 1980-2005



Source: © 2005 Munich Re NatCatSERVICE®

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Adaptation: An Evolving Challenge

- Added challenge of climate change is partly one of degree
 - Response strategies similar to those for natural variability
- Critical differences
 - Human causality complicates question of who pays
 - Now must adapt to uncertain climatic future
- Success depends heavily on development options and choices

Adaptation Policy: Needs and Issues

Key Needs:

- Information
- Capacity
- Financial resources
- Institutions
- Technology

Adaptation Policy: Needs and Issues

Reactive and Proactive Adaptation

- What is the stimulus?
 - Adaptation historically “reactive” – a response to conditions experienced, not forecast
- What is the response?
 - Priority should be reducing risk through “proactive” action, but “reactive” approaches also needed for unavoidable impacts

Adaptation Policy: Needs and Issues

Specific Adaptations and Adaptive Capacity

- Specific: infrastructure, warning systems, etc.
 - Most effective in many cases, but few ancillary benefits
- Capacity
 - Climate can be a driver for improvements with broader benefits – i.e., strengthening public health systems
- For specific adaptations to succeed, must be coupled with stronger adaptive capacity

Adaptation Policy: Needs and Issues

Climate Change and Climate Variability

- Politically:
 - The difficulty of distinguishing between them complicates issues of cost and burden-sharing
- On the ground:
 - The distinction is in many cases irrelevant
- From policy perspective:
 - Goal should be a comprehensive approach to managing all climate risks, regardless of their source

Adaptation Policy: Needs and Issues

A Cross-Cutting Challenge

- Adaptation challenge cuts across a wide range of sectors and policy areas
- Discrete institutions are needed to marshal information/expertise, set priorities, drive action
- But to be effective, adaptation must be integrated across economic and development decision-making

Options Going Forward

Three broad and potentially complementary approaches:

- Adaptation under the UNFCCC
- Integration with Development
- Climate “Insurance”

Adaptation under the UNFCCC

- Framework Convention is natural venue
 - Sensible to build on existing efforts
 - Politically, bound to mitigation
- But has constraints
 - Hasn't traditionally engaged adaptation "actors"
 - With inherent focus on climate change, may not lend itself to a comprehensive approach addressing both change and variability

Adaptation under the UNFCCC

Convention-based approach could include:

- Support to vulnerable countries for development of comprehensive national adaptation strategies
- Reliable funding to countries with approved strategies to implement high-priority measures
 - Target impacts reasonably attributable to climate change
- New or designated body to provide support, approve national strategies, and allocate funding

Integration with Development

Development-centered strategy could closely complement Convention-based approach

- Work through multilateral, bilateral aid channels to integrate adaptation across development
- National strategies done under UNFCCC can guide investment decisions
- May leverage far more resources than likely through UNFCCC

Integration with Development

Routine climate risk assessments

- Could be simply informational
- Or could condition project approval on performance against vulnerability criteria
 - Vulnerable projects financed only if risks reduced
- Criteria could be established at MDBs, then adopted by bilateral and private lenders

Climate “Insurance”

International response fund

- Donor countries commit regular contributions to relief fund for extreme/long-term impacts
- Could target only impacts attributable to climate change – i.e. sea-level rise
- Or could establish a response fund for major climate-related impacts regardless of cause
 - Addresses climate change impacts
 - Substitutes predictable, timely funding for ad hoc post-disaster pledging

Climate “Insurance”

Insurance “backstop”

- Donor countries subsidize premiums and/or reinsure governments or primary insurers
- Range of possible instruments:
 - Index-based insurance for drought, etc.
 - Catastrophe bonds to reinsure acute losses from hurricanes, other extreme events
- Can promote proactive adaptation by requiring risk reduction efforts or by rewarding them with discounted “premiums”

Conclusions

The three strategies could be complementary elements of a comprehensive international adaptation effort

- UNFCCC – Support proactive planning and high-priority implementation
- Development – Promote integration with the broader development agenda
- Insurance – Provide safety net to cope with unavoidable impacts

Conclusions

- A fundamental challenge: the gap between political and policy contexts
 - Much of the action must take place in arenas outside the climate framework
 - But the strongest political drivers are in the climate change arena
- Commitments in climate framework may require corresponding decisions, action in other venues
- Necessary political momentum may be achieved only through a broader package encompassing both mitigation and adaptation

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