



OECD Informal Expert Meeting on Development and Climate Change —  
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## Climate Change, Adaptive Capacity and Sustainable Development

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Climate Change, Adaptive Capacity and Sustainable Development

### OUTLINE

- Potsdam workshop “Enhancing the Capacity of Developing Countries to Adapt to Climate Change”.
- International funding of adaptation post-Marrakech: barriers and opportunities.
- (Adaptation as part of bilateral official development assistance: the case of Germany.)
- Issues for consideration by the OECD.



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2

### THE POTSDAM WORKSHOP

- “Enhancing the Capacity of Developing Countries to Adapt to Climate Change”, Potsdam, 30 Sep - 2 Oct 2001.
- 45 participants from developing countries, industrialised countries and international organisations.
- Sponsors: World Bank, EPRI, CIDA, BMZ/GTZ, UNEP, NCCSAP and Environment Canada. UNDP and OECD fund proceedings (edited volume with Imperial College Press).

### OBJECTIVES OF THE WORKSHOP

- To establish and foster an effective and cross-cutting dialogue between the relevant actors involved in adaptation to climate change in developing countries.
- To develop an agenda for research on how best to enhance the capacity of developing countries to adapt to climate change. This research agenda should be relevant for governments and institutions that wish to support developing countries to adapt to climate change.

### WHAT IS ADAPTIVE CAPACITY?

- The ability of a system to adjust to climate change (including climate variability and extremes) to moderate potential damages, to take advantage of opportunities or to cope with the consequences.
- Adaptive capacity of society refers to the ability to plan, prepare for, facilitate and implement adaptation measures. Factors that determine adaptive capacity of human systems include wealth, technology, information and skills, infrastructure, institutions, social capital and equity.

### DIVERSE COMMUNITIES, DIVERSE CLIENTS

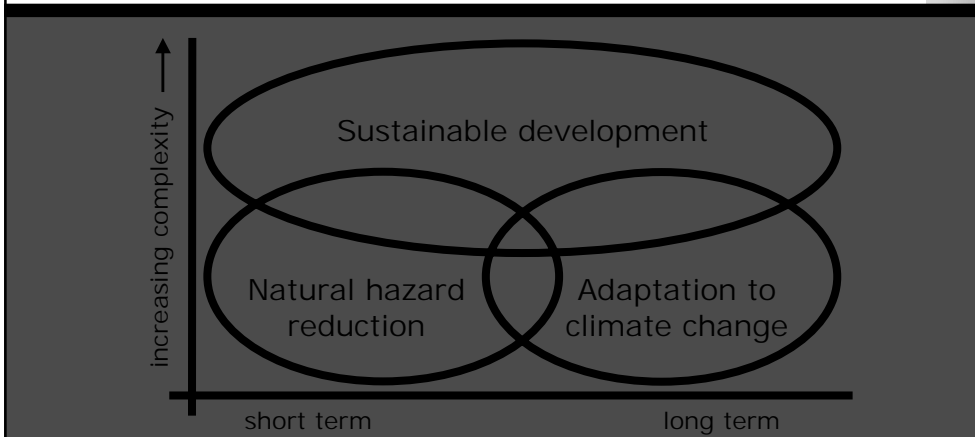
- Participants included representatives from academia, national and international non-governmental organisations and national and international funding agencies.
- Participants contributed with expertise on natural disaster reduction, sustainable development and adaptation to climate change.

### ADAPTATION IS NOT A PRIORITY

- Developing countries have more immediate concerns to deal with, such as water and food security, education and public health.
  - ➔ Can adaptation to climate change be “mainstreamed” into sustainable development activities?
- Many developing countries are prone to natural weather-related disasters today.
  - ➔ Can adaptation to climate change also reduce today’s vulnerability to disasters?

### ADAPTATION IS A PRIORITY

- Sustainable development is and will remain an objective of bilateral and multilateral assistance but the concept is still vague and not operational.
  - ➔ How can adaptation to climate change be mainstreamed into sustainable development activities?
- The UNFCCC gives a mandate and money is available now to support adaptation activities in developing countries.
  - ➔ How can donors decide in which countries and sectors adaptation funding is most needed and most effective?



#### RESEARCH AGENDAS ON ADAPTIVE CAPACITY

- Short-term questions focus on:
  - problem-specific issues (*e.g.*, reducing flood risk),
  - improving information (*e.g.*, hazard prediction, seasonal forecasting),
  - training and capacity building.
- Long-term questions focus on:
  - developing an enabling environment (*e.g.*, by improving institutions, creating incentive structures, strengthening legal frameworks, improving education and health).

### WHAT IS NEXT?

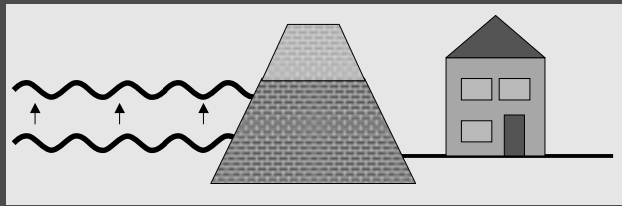
- Workshop report (Summer 2002).
- Workshop proceedings (Autumn 2002).
- A second workshop, focusing on adaptation requirements and adaptive capacity of the least-developed countries, to be hosted by IIED, SEI and the Tyndall Centre in the UK in early 2003.
- An ongoing dialogue between all relevant actors involved in adaptation to climate change in developing countries.

### BARRIERS TO INTERNATIONAL ADAPTATION FUNDING

- Uncertainty about effectiveness and appropriateness of adaptation options.
- Confusion about the position of the Global Environment Facility (GEF) following UNFCCC COP-7.
  - ➔ Global benefits.
  - ➔ Incremental costs.

### THEORY OF INCREMENTAL COSTS

- Difference between an adaptation scenario with climate change and one without climate change.



### PRACTICE OF INCREMENTAL COSTS

- Calculating incremental costs is not straightforward for most adaptation measures.
- The current situation in developing countries is often not climate-safe.
- The distinction between climate variability and climate change is impossible to make and irrelevant to victims of extreme weather events.

### OPPORTUNITIES FOR INTERNATIONAL FUNDING

- Establishing partnerships with the GEF, other funding agencies, boundary institutions and local stakeholders.
- Creating of synergies with other multilateral environmental agreements.
- Mainstreaming adaptation in sustainable development activities.
- Considering climate change in a framework of risk and climate variability.

### ISSUES FOR CONSIDERATION BY THE OECD

- Review ongoing projects directed at natural resource management and natural hazard reduction in terms of their contribution to reducing vulnerability and enhancing adaptive capacity to climate change.
- Co-ordinate activities amongst member states and with other international organisations (*e.g.*, World Bank, UNDP, UNEP, IUCN, Red Cross).
- Develop a joint adaptation funding strategy to complement GEF guidance.