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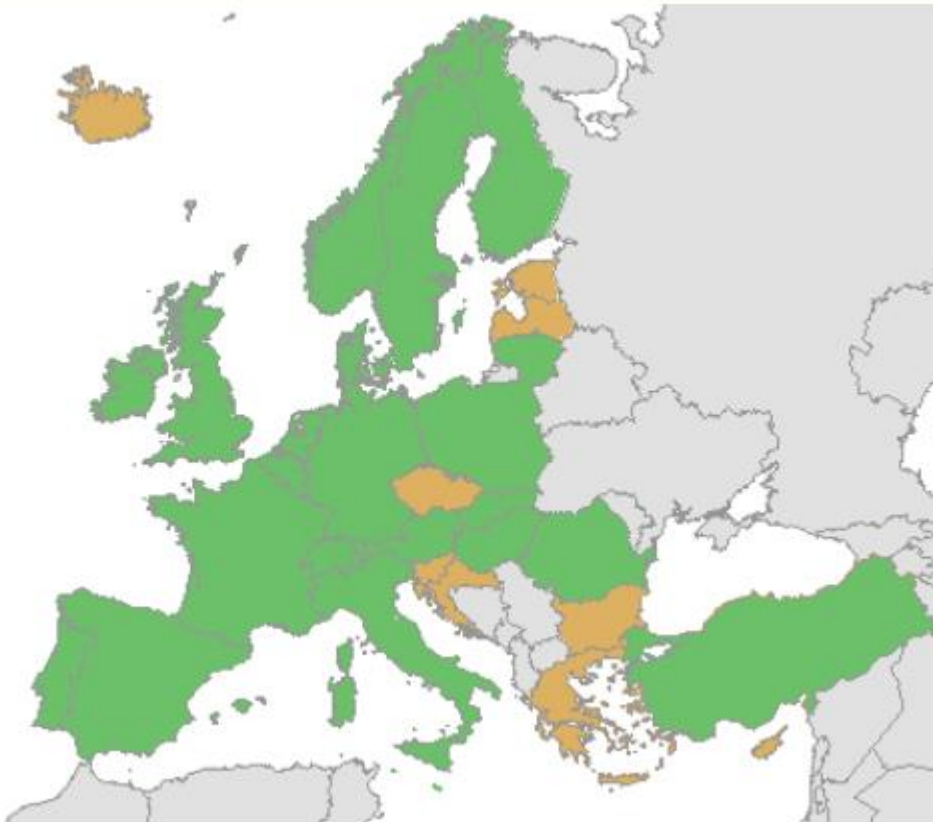
# POLICY AND ECONOMICS: IMPLEMENTING ADAPTATION IN OECD COUNTRIES

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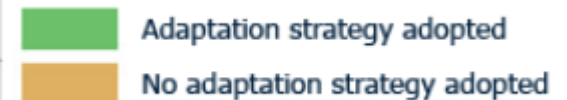
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# Status of preparations across EU (plus EEA) member countries








- All OECD & EU countries have national strategies – either ready or under development
- EU adaptation strategy (2013)





# Status of non-EU OECD countries

Country	
Australia 	National Climate Adaptation Framework (2007)
Canada 	Under development
<i>Chile</i> 	National Adaptation Plan (2014)
Iceland 	-
<i>Israel</i> 	Under development
<i>Korea</i> 	Climate Change Adaptation Plan (2011)

Country	
Japan 	National Plan for Adaptation (2015)
<i>Mexico</i> 	National Climate Change Strategy (2013)
New Zealand 	Framework for Adapting to Climate Change (2014)
Turkey* 	National CC Adaptation Strategy and Action Plan (2011)
USA 	Climate Action Plan (2013)

Countries in italics are non-Annex 1

\*Annex 1 with special circumstances

Source: Updated from Mullan et al (2013) –  
National Adaptation Planning: Lessons from OECD Countries



## Policy response amongst OECD countries at the national level...

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- Convergence between OECD and developing countries
- 29 of 35 countries have produced national strategies or plans – 5 more in progress
- Implementation expected to occur at local and sectoral levels
- Limited discussion of financial resources
- Monitoring and evaluation strategy to be elaborated subsequently



## ... and sectoral level

- Forthcoming OECD paper on infrastructure adaptation

Policy levers	How much are they used?	Future challenges?
Evidence provision	<u>High</u>	Capacity-building
Accounting for climate risks in projects financed by governments	<u>Low</u>	Transparency
Enabling resilience through policy and regulation	<u>Med</u>	Cost-effectiveness
Disclosure of climate risks	<u>Low</u>	Coordination with financial sphere

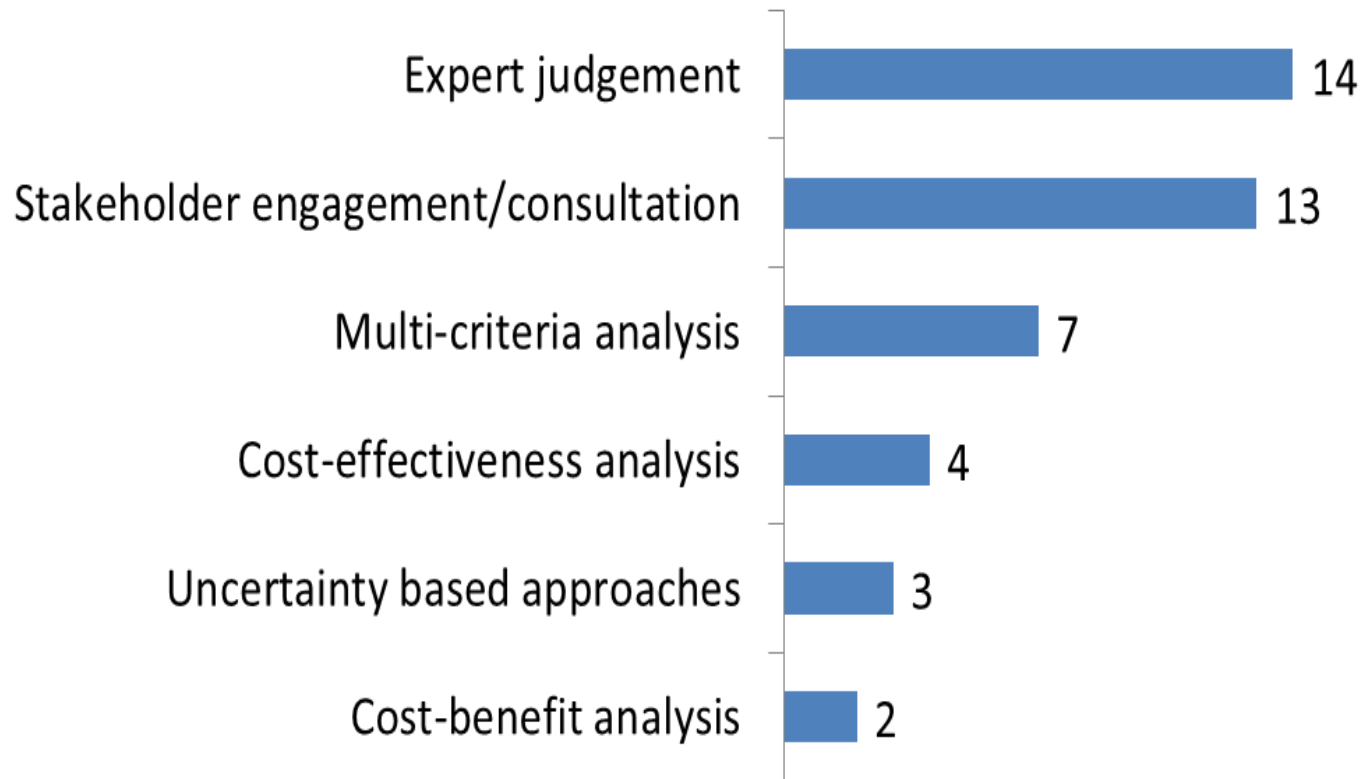
- Increasing levels of action... but limited evidence on effectiveness



# EVIDENCE USED TO DEVELOP STRATEGIES



# Few countries used economic analysis to facilitate strategy development

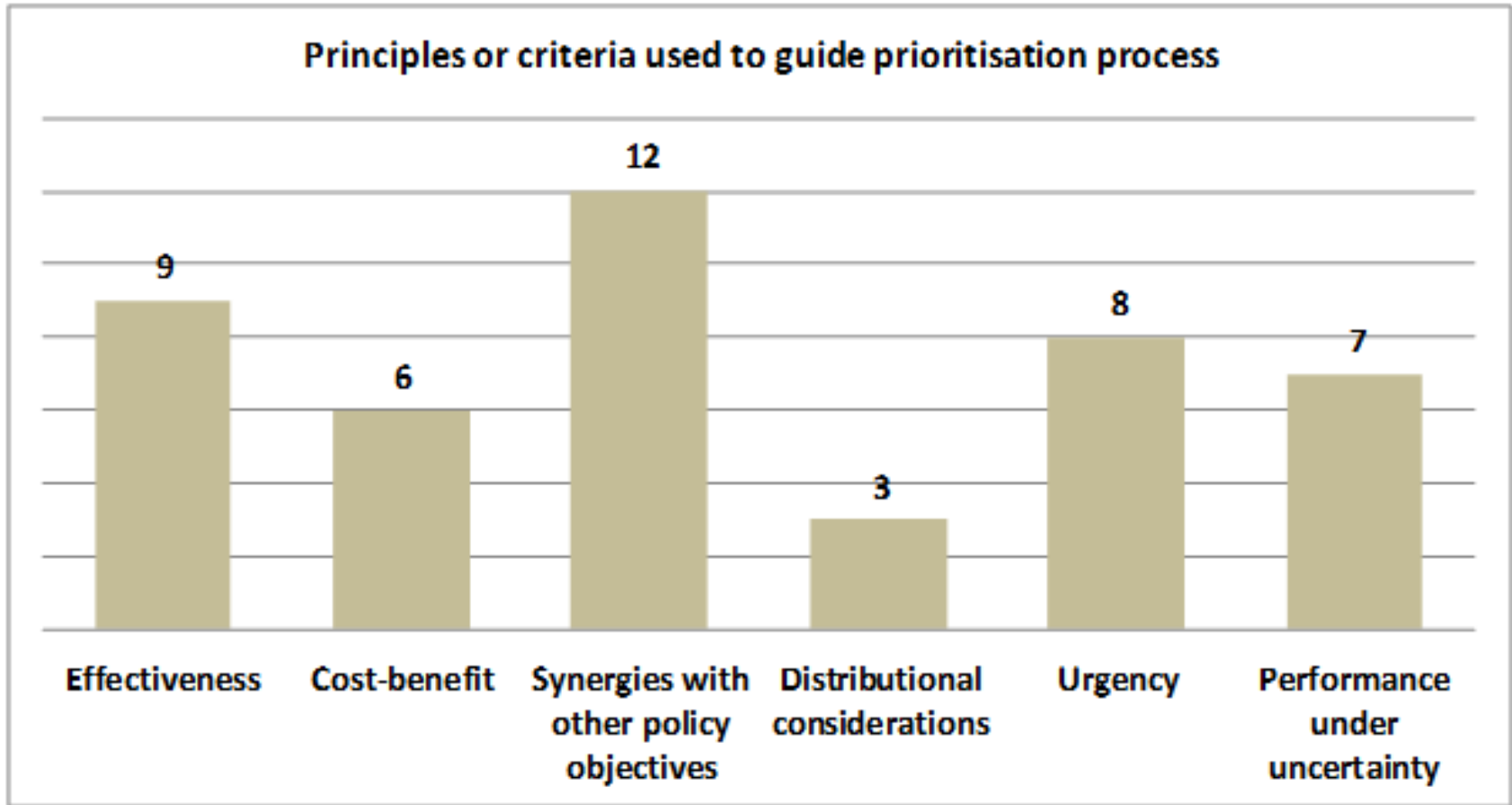


- Expert judgement and involvement of stakeholders are the most widely used techniques for prioritisation
- Limited uptake of cost-benefit / cost-effectiveness tools

Source: OECD country survey – preliminary results; multiple choice; 14 respondents had undertaken some form of prioritisation



# And limited emphasis on distributional issues

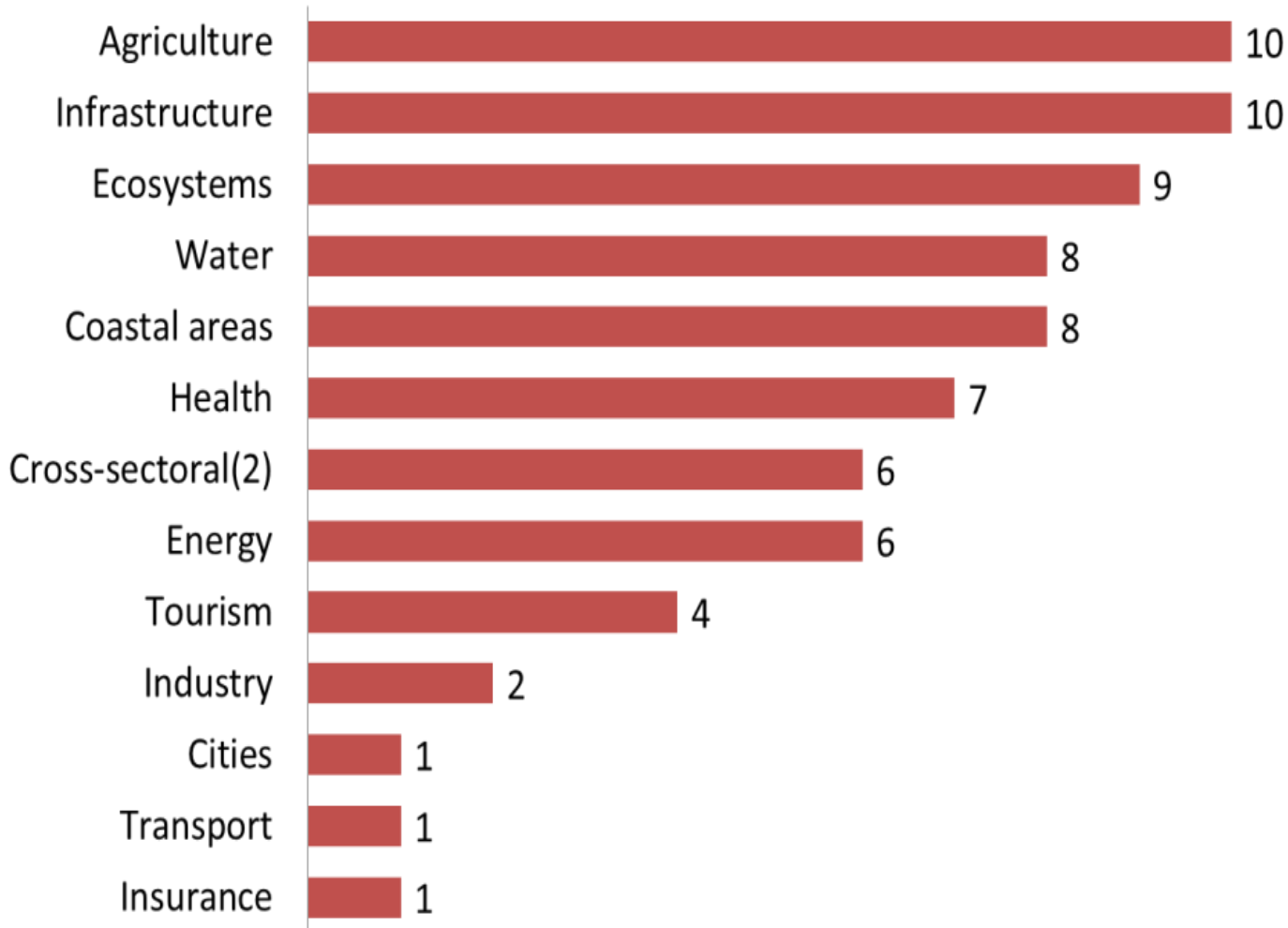


Source: OECD country survey – preliminary results; multiple choice; 14 respondents had undertaken some form of prioritisation





# What are the priority sectors for improving the evidence base?



Source: OECD country survey – preliminary results; multiple choice; 14 respondents had undertaken some form of prioritisation



# FOUR AREAS FOR IMPROVING IMPACT OF ANALYSIS



# Linking analysis to political priorities



Disasters have been a major spur to action, but how to support a more proactive approach?

- Identification of co-benefits / near-term benefits
- Greater emphasis on distributional analysis
- Bringing in new stakeholders (e.g. businesses) to serve as ambassadors for the analysis



# Strategic targeting of capacity constraints

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## Institutional context:

- Recognising constraints on capacity and conflicting institutional incentives
- Supporting resilience-by-default : integration into standards, norms and processes

## Tools and evidence:

- Strategic overview of main potential vulnerabilities (e.g. x-sectoral)
- Simplified approaches to risk screening and development of response options



# Better understanding the financial implications of adaptation

	Direct	Indirect
<b>“Visible”</b>	<ul style="list-style-type: none"><li>• Compensation payments</li><li>• Damage to public assets</li><li>• Provision of data and public goods for adaptation</li></ul>	
<b>“Invisible”</b>	<ul style="list-style-type: none"><li>• Impact on costs of infrastructure provision</li><li>• Impact on operations and maintenance costs of public assets</li><li>• Contingent liabilities</li></ul>	<p>Taxes:</p> <ul style="list-style-type: none"><li>• Impacts on trade</li><li>• Tax revenues</li><li>• Tourism</li><li>• Productivity</li></ul> <p>Expenditure:</p> <ul style="list-style-type: none"><li>• Social security payments</li></ul>



# Making the case for investment (/ cost of inaction)

	Direct	Indirect
“Visible”	<ul style="list-style-type: none"><li>• Compensation payments</li><li>• Damage to public assets</li><li>• Provision of data and public goods for adaptation</li></ul>	
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# Supporting learning and accountability

1

Climate risk and vulnerability assessments

2

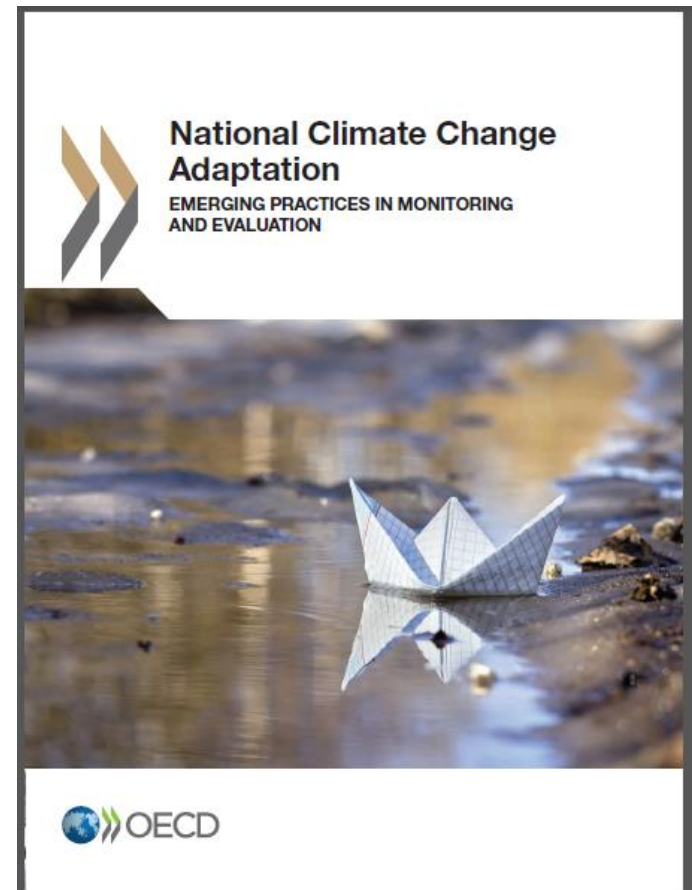
Indicators for monitoring prioritised climate change risks and vulnerabilities

3

Learning from adaptation approaches

4

National audits and climate expenditure reviews



Available at:

<http://oe.cd/10j>



# Conclusion: considerations for building the knowledge base

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## Political commitment

- Increasing resonance with political imperatives and constraints
- More distributional analysis
- Engagement of external actors

## Capacity, tools and data

- Identification of key interdependencies
- Data presentation aligned to responsibilities

## Financing agenda

- Making the case for funding adaptation measures
- Identifying the scale of contingent liabilities / residual risks

## Monitoring and evaluation

- Learning what works





# Thank you!

## Climate Change Risks And Adaptation: Linking Policy And Economics

1. Risks in a changing climate
2. Approaches to climate change risks in OECD countries
3. Overview of costs and benefits at the regional and national level
4. Framework for risk-based approaches to informing adaptation planning
5. Financing adaptation in OECD countries
6. Tools to mainstream adaptation into decision-making processes

Available now from:

<http://oe.cd/adaptation>

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