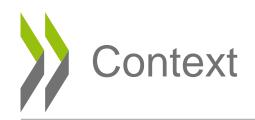


# INTEGRATING CLIMATE RESILIENCE AND DEVELOPMENT PLANNING

Michael Mullan, Eva Hübner and Britta Labuhn

The views expressed in this presentation are the sole responsibility of the author(s) and do not necessarily reflect those of the OECD or the governments of its member countries.





- This presentation provides some preliminary findings from an OECD project analysing experience to date in integrating climate resilience into development planning.
- It was informed by an Expert Workshop held in April 2013 (<a href="http://oe.cd/s8">http://oe.cd/s8</a>) and 2 country case studies: Ethiopia and Colombia
- Financial support from the UK Foreign & Commonwealth Office is gratefully acknowledged



# Economic development can be one of the best adaptation strategies...











# ... but some development paths can lock-in reduced resilience





# Development planning: key entry point for climate resilience



### Climate change

Temperature increase; rainfall variability; glacier melting; extreme events; sea-level rise,...

#### Resilience

#### Exposure

Magnitude of climate impacts; Location of productive sites,...

#### Sensitivity

Dependence on climatesensitive sectors; crop choices,...

### Adaptive capacity

Access to finance; knowledge and skills; ability to migrate,...

### Development

Fiscal sustainability; inclusive development; land-use regulations; water allocation systems; agricultural subsidies; financial deepening,...

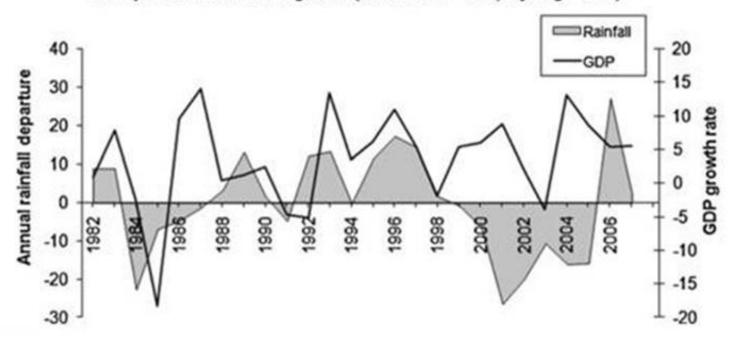
## Ethiopia – Case Study





# Visible correlation between climate variability and GDP variability

#### Ethiopia rainfall and GDP growth (correlation = 0.10, 1 yr lag = 0.24)





### Ethiopia's Climate Resilient Green Economy Strategy (CRGE)

#### National Development Plan| GTP 2010-15



### BecomeMIC by 2025

- 11% growth
- US\$ 75-79 billion investments
- Agriculture as main engine for growth

#### **CRGE**

- Reach GTP goal in sustainable way:
  - Fostering growth
  - Zero net GHGs emissions
  - Climate resilience

Green Economy Strategy (Nov 2011)

### Climate Resilience Strategy

(on-going)

#### Objectives

- identify impacts of climate variability and change
- identify and cost options to build resilience
- map steps for financing and implementation



# Climate Resilience Strategy for Agricultural Sector

1. Identifying options

- Long-list of 1000 policy options, filtered down to 41
- Criteria: » relevance and feasibility
  - » contribution to development goals (GTP)
  - » contribution to poverty eradication
  - » reduction of costs of climate impacts
- → 38 of 41 options already underway

- 2. Appraising options
- Step 1: multi-attribute analysis (CBA and other criteria\*)
- Step 2: sequencing (focus on low- and no-regret options)

- 3. Costing options
- 60% of agricultural budget already supports resilience
- Significant additional investment needs were identified

<sup>\*</sup> criteria: cost-benefit ratio, feasibility, resilience effectiveness, growth synergies, urgency



# Initial lessons learned from Ethiopia

- ✓ **Political leadership** and **vision** triggered action beyond the 'traditional' climate community
- ✓ Initial focus has been on climate-proofing GTP objectives, but intention to have an integrated process from 2015
- ✓ Prospect of **international climate finance** an important driver of the CRGE process
- ✓ **Development support providers** playing vital role through technical and financial support

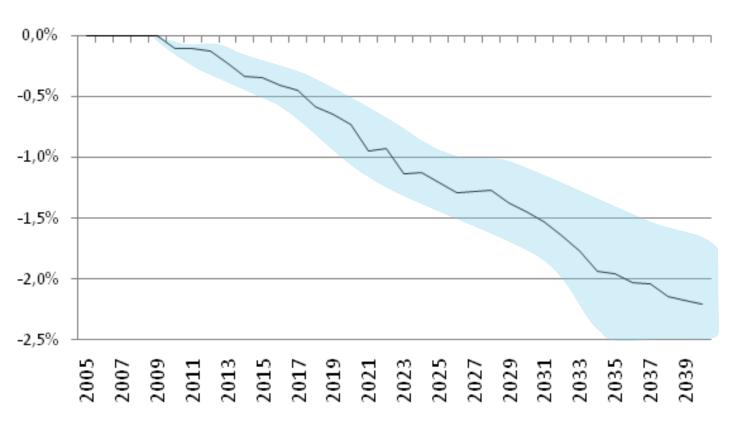
<u>Key Challenges</u>: Maintaining momentum; engaging sub-national institutions into the process; building capacities to deliver action

# Colombia – Case study



# GDP could be 2.5% lower in 2040 due to climate impacts on productivity

### Percentage loss in GDP for A1B in relation to base scenario





# But Colombia is also highly vulnerable to extreme events today



Sources: UN ECLAC 2012, El Tiempo 2010



# Colombia is taking measures to reduce its fiscal vulnerability to disasters

Risk transfer

Public insurance

Private insurance

Budget flexibility

WB Contingent credit

National Calamities Fund

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# Initial lessons learned from Colombia

- ✓ **Institutional links** being used to strengthen climate change adaptation and development
- ✓ Remaining challenges with integration of disaster risk management and climate change adaptation
- ✓ Policy reforms have clarified and improved financial management of residual losses
- ✓ **Scientific evidence** has both supported the case for action and facilitating implementation
- ✓ **Donors** playing an important role in strengthening the evidence base

Challenges: capacity at sub-national level, private sector involvement



### **EMERGING CONCLUSIONS**



### Common themes

- 1. Case study countries have a common vision of linking development & climate resilience;
- 2. Focus on current problems, with initial thinking about longer-term vulnerabilities;
- 3. More evidence would be needed to inform decisions about structural changes;
- 4. Finance & capacity remain major barriers to implementation.

Michael.mullan@oecd.org http://oe.cd/adaptation