

Supporting adaptation to climate change among businesses and households in semi-arid lands: an agenda for the Talanoa Dialogue

Kate Gannon, Florence Crick, Sam Fankhauser,
Declan Conway and Estelle Rouhaud

April 2018



The Centre for Climate Change Economics and Policy (CCCEP) was established in 2008 to advance public and private action on climate change through rigorous, innovative research. The Centre is hosted jointly by the University of Leeds and the London School of Economics and Political Science. It is funded by the UK Economic and Social Research Council. More information about the ESRC Centre for Climate Change Economics and Policy can be found at: www.cccep.ac.uk

The Grantham Research Institute on Climate Change and the Environment was established in 2008 at the London School of Economics and Political Science. The Institute brings together international expertise on economics, as well as finance, geography, the environment, international development and political economy to establish a world-leading centre for policy-relevant research, teaching and training in climate change and the environment. It is funded by the Grantham Foundation for the Protection of the Environment, which also funds the Grantham Institute for Climate Change at Imperial College London. More information about the Grantham Research Institute can be found at: www.lse.ac.uk/GranthamInstitute

PRISE – Pathways to resilience in semi-arid economies – is part of the Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA) and has financial support from the UK Government’s Department for International Development and the International Development Research Centre, Ottawa, Canada. More information about PRISE can be found at: <http://prise.odi.org/>



This paper is intended to inform decision-makers in the public, private and third sectors. The views expressed represent those of the authors and do not necessarily represent those of the host institutions or funders.

Supporting adaptation to climate change among businesses and households in semi-arid lands

In article 7 of the Paris Agreement on climate change, the following goal: 'enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change [...] taking into account the urgent and immediate needs of those developing country Parties that are particularly vulnerable to the adverse effects of climate change'.

In this context, semi-arid lands (SALs) in developing countries have been characterised as climate change 'hotspots' resulting, at least in part, from a combination of high levels of poverty, lack of development and high climate risk. Globally, more than 1 billion people live in SALs. SALs indeed face specific adaptation challenges as a result of often widespread poverty, dispersed and rurally located populations, high levels of business informality, weak institutional environments, binding natural resource constraints, poorly developed infrastructure and broader political and economic marginalisation.

If we are to successfully implement the Paris Agreement and at the same time achieve the Sustainable Development Goal pledge that 'no one will be left behind', SALs can no longer be neglected and it is vital that we rapidly upscale support for climate-resilient development and adaptation in these areas.

The Pathways to Resilience in Semi-Arid Economies (PRISE) international research programme, part of the broader Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA), has spent five years deepening understanding of the adaptation challenges that arise in SALs via robust, evidence-based and stakeholder-driven research. Most adaptation decisions in SALs are made privately by actors in households and businesses. But they cannot do this alone. As we move through the Talanoa Dialogue process, we share PRISE learning on supporting private adaptation of households and businesses in SALs to address the questions 'where are we?', 'where do we want to go?' and 'how do we get there?'. More detailed findings will be submitted for the Talanoa Dialogue October intake.

Where are we?

The commitment

- All parties have agreed to a global goal on adaptation with a focus on the needs of developing country parties that are particularly vulnerable to the adverse effects of climate change. All parties also recognise the importance of support and international cooperation (article 7.6).

Progress

- Semi-arid lands have faced longstanding underinvestment and have been given limited attention so far in the Paris Agreement/international climate policy. Yet, more than 1 billion people live in SALs and these regions are expanding and so too are the populations within them.
- SALs face distinct adaptation challenges from the rest of the world and there are common characteristics between them.
- People in SALs have always experienced climate risk and variability and have always had ways of responding to the variable natural resource base. Today people in SALs continue to take action in an attempt to manage climate risk and build resilience to climate shocks.
- Yet people in SALs face multiple barriers to effective adaptation.

- As a result, the action being taken at present is not always sustainable – indeed some coping strategies may reduce future adaptive capacity or may result in actors being drawn into risky activities.
- Existing private adaptation also does not necessarily take future climate into account.

Impact

- Semi-arid lands have been characterised as climate change hotspots. Actors are highly exposed to climate risk (especially from droughts and floods), but experience differential vulnerability arising from multidimensional inequalities around gender, age, political identity, geographical location and income and assets.
- Climate risk may also be unevenly concentrated within value chains. SAL economies are characterised by a mixture of small-scale agriculture and pastoralism and risk is often focused at the producer level. But SAL producers are also linked to large, and sometimes highly competitive, value chains spread across formal and informal sectors that incorporate a range of different sized businesses within and outside of SALs. Vulnerability to climate risk may also propagate to other actors within these value chains.

Where do we want to go?

Vision

- PRISE's vision is to achieve a future where semi-arid lands are growing in a way that is inclusive, equitable and resilient to climate change.
- Effective removal of barriers to adaptation will always be context-specific and developing enabling environments for private adaptation will require extensive consultation to develop locally appropriate solutions.
- Nevertheless, PRISE research suggests that adaptation and development are linked and building climate-resilient development in SALs requires a holistic approach that addresses a range of development and adaptation-specific barriers in combination (Koochafkan and Stewart, 2008).

New commitment

- Greater attention should be paid to the specific challenges of semi-arid lands, and support should be provided in particular to households and businesses to help them with sustainable adaptation solutions (Crick et al., 2018).
- Mobility – of people and livestock – and the sending of remittances by migrants (from rural-to-urban and rural-to-rural migration) are important coping strategies in SALs. This mobility and remittance transfer needs to be supported and enabled.
- But mobility can also present challenges and it needs to be a choice rather than a necessity for people in SALs.
- Therefore we also need to provide enabling conditions for other forms of autonomous adaptation and business development. This needs to include structural planning and infrastructure investment that limits hazard exposure. It also needs to include access to finance, improved inputs, technology and markets, as well as business and policy environments that are conducive to supporting private sector actors in SALs.
- To support inclusive and equitable adaptation this needs to especially target informal micro, small and medium enterprises which make an important contribution to female employment and the social integration of marginalised groups.

How do we get there?

Ways in which UN Climate Change process, Parties and other stakeholders can help

- In line with articles 9 and 11 of the Paris Agreement, all parties and development partners have a role to play in enhancing the capacity of developing country parties, who are faced with limited resources, to enable autonomous private adaptation in their SALs.

Solutions

- Business linkages and market development among private sector actors may offer an important resilience mechanism in SALs (e.g. through increasing access to improved inputs, new technologies, finance/insurance and other safety nets, as well as post-production services such as feeding and fattening lots for livestock).
- Therefore, a key aim is to provide business-enabling conditions that allow private actors to also invest in action that builds resilience in SALs. This may include the use of risk-sharing partnership mechanisms to support the private sector to incorporate more marginalised groups and to remove barriers to business development.
- Interventions need to be designed in a way that accounts for the dynamic social and environmental change that occurs in SALs and remains flexible and responsive to different actors' needs (including those of informal enterprise, women and female entrepreneurs and actors who move in and out of the market economy).
- Action that seeks to address structural weaknesses that limit adaptive capacity also needs to avoid lock-in and operate with a higher degree of contingency, given uncertainty surrounding future climate.

Collaboration models

- Designing a new approach will require extensive, and inclusive, consultation of those impacted by decisions.
- Both individuals and collective groups have important potential to unlock resilience. Women's groups and farmers cooperatives serve as important sites of knowledge transfer in SALs and may help marginalised actors overcome barriers such as access to finance (e.g. through table banking).
- Action is needed across multiple scales and institutions and requires vertical and horizontal integration across government agencies and sectors. Thus, coordination of action is also key, especially to avoid duplication of structures and actions, as is better delineation of responsibilities. Coordination and collaboration between local authorities is also needed as climate change impacts transcend administrative boundaries. The potential for multi-stakeholder partnerships (MSPs) to unlock coordinated and coherent action needs to be explored further. However, MSPs also have the potential to further marginalise and exclude certain groups and therefore require sensitive implementation.

References

- Crick F, Gannon KE, Diop M, Sow M. (2018) Enabling private sector adaptation in sub-Saharan Africa. *WIREs Climate Change*. 9(2)
- Koohafkan, P. and Stewart, B.A. (2008) Drylands, people and land use. In: *Water and Cereals in Drylands*. Rome: Food and Agriculture Organization of the United Nations (FAO) and Earthscan