

AGENDA 6: ADAPTATION GOAL

COST OF SURVIVAL

Given the frequency and severity of extreme weather events, the world needs to adapt to climate change

The cost of building resilience against weather-related devastation is massive

The ever-increasing adaptation cost has outpaced the flow of funds to developing countries

IT IS now clearer than ever that the world will have to adapt to changing climate. It is not enough to only talk about mitigation, because extreme weather events are happening with such rapidity and with such force that countries and people have to find ways of coping and managing the fallout of the calamities. But what must the world do together?

Article 7 of the Paris Agreement establishes a Global Goal on Adaptation of “enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change”. The core components of the goal are interconnected and overlapping. Their progress will be assessed every five years under the Paris Agreement’s Article 14, Global Stocktake.

Under the Global Goal on Adaptation, countries have to develop National Adaptation Plans (NAPS), which would identify activities that need support. These are then recorded in a public registry by the UN Framework Convention on Climate Change (UNFCCC).

In April 2021, the Adaptation Committee, set up under UNFCCC, brought out a technical paper on how it would review the overall progress made in achieving the Global Goal on Adaptation. It details the many challenges of doing this at the global and national

levels. The paper concluded that a collation of local efforts spread spatially, rather than just aggregating numbers from these locations to come up with a national total, is a far better approach for the assessment of adaptation activities. The paper defines collation as “to bring together different pieces of written information so that the similarities and differences can be seen”. This would bring the necessary local context to the assessment of adaptation efforts and progress.

The fact is there is no clear definition of what the world means by “adaptation” and perhaps there can never be. This is why the work of the Adaptation Committee is becoming highly technical, so much so that it will be difficult for countries to apply this on the ground to measure, both impacts and monitor the programmes for implementation.

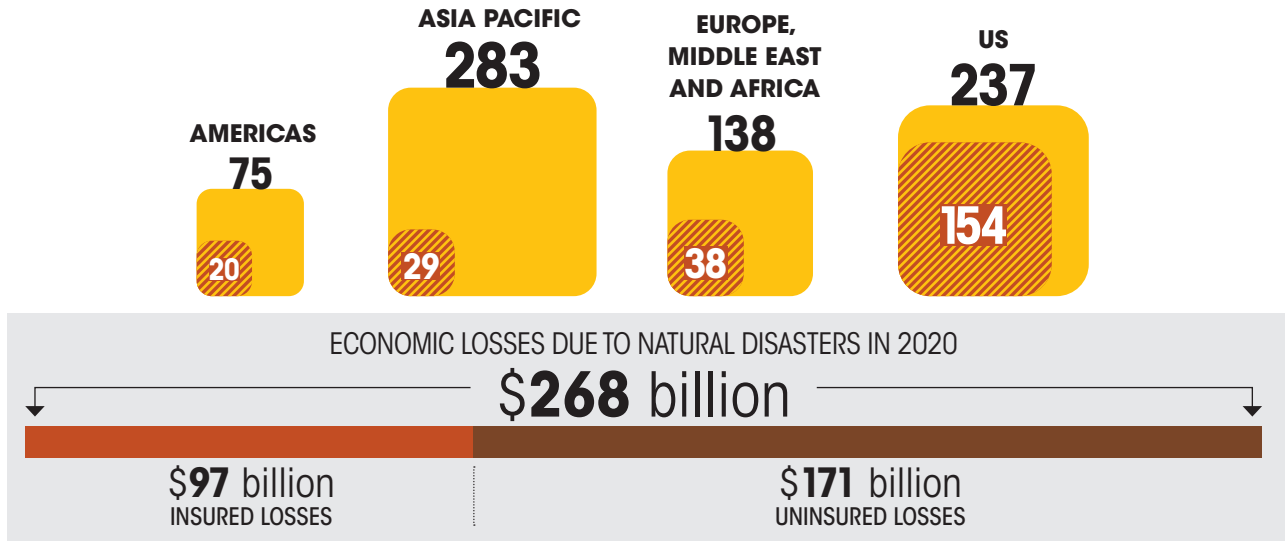
In the Pre-COP Chairs’ Summary—a meeting held in Italy in late September with ministers and officials to discuss expectations from COP26—it was agreed that there must be a greater action on adapta-



COVERAGE COMFORT

The US had insurance cover for nearly 65 per cent of the billion-dollar economic loss events it faced in 2000-20

■ Global billion-dollar **economic loss** events (2000-2020) ■ Global billion-dollar **insured loss** events (2000-2020)



Source: Weather, Climate & Catastrophe Insight Report by AON, 2020

tion. Ministers wanted more discussions on the need to clarify the global goal on adaption; how progress could be assessed and the urgent need to address scaled-up finance for adaptation. This then will be the agenda for COP26.

But the real issue—the elephant in the room—is finance, or the lack of it. The cost of building resilience against weather related devastation is massive; it needs revamping of existing infrastructure to withstand storms and floods; building of advanced forecasting and early warning systems for cyclones and extreme weather events; and then, of course, development with speed to build resilience. This will need huge investment, not just in research but in supporting communities when disasters hit. We know that every disaster is not a single day event, but it cripples local economies and takes away the development dividend.

The Adaptation Gap Report 2020, released by the United Nations Environment Programme (UNEP) earlier this year, states that the adaptation finance gap is not closing—not by a long shot. The annual adaptation costs in developing countries alone are

currently estimated to be in the range of US \$70 billion and will reach \$280-500 billion by 2030, the report says. This is possibly a gross underestimate of the costs which countries are already incurring with increased frequency of extreme weather events. Insurance broker, Aon, has estimated that in 2020, the world suffered economic losses of \$268 billion from weather-related disasters, most of it uninsured and unprotected. Countries are paying the bill for this and it is costing them dearly (see ‘Coverage comfort’).

The Adaptation Fund, which was set up 2001, to fund projects in developing countries was financed with a share of the proceeds from the Clean Development Mechanism (CDM), established under the Kyoto Protocol. With CDM now dormant and defunct, the fund, though little, continues to be in operation under the Paris Agreement. It’s a game of shells.

The issue of adaptation—the goal to make the world less vulnerable and more resilient—needs urgency and finance. This is the real agenda for the 2021 UN climate change conference (COP26).