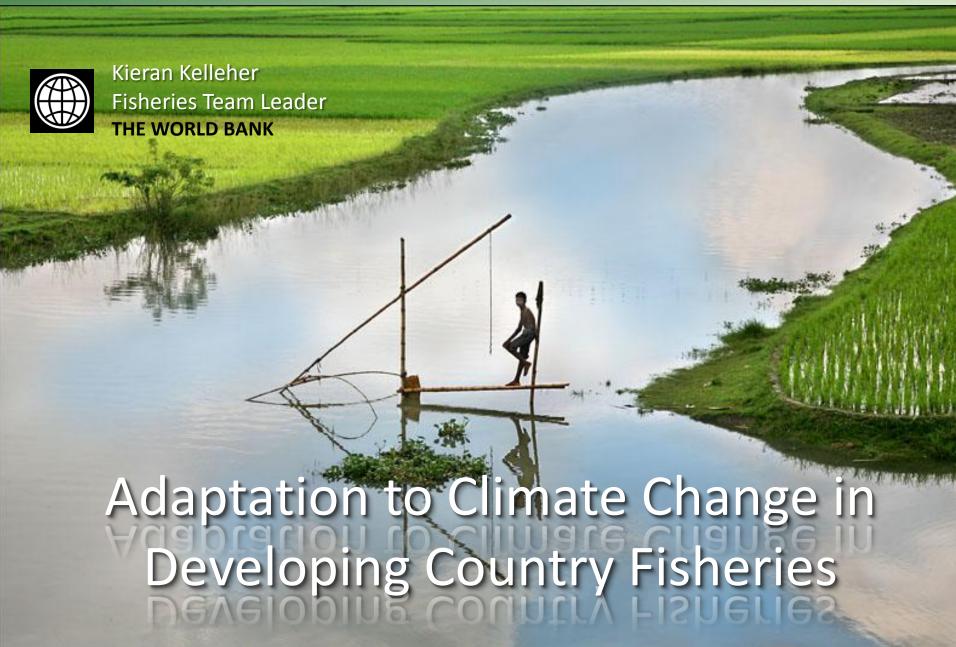
The Economics of Adapting Fisheries to Climate Change







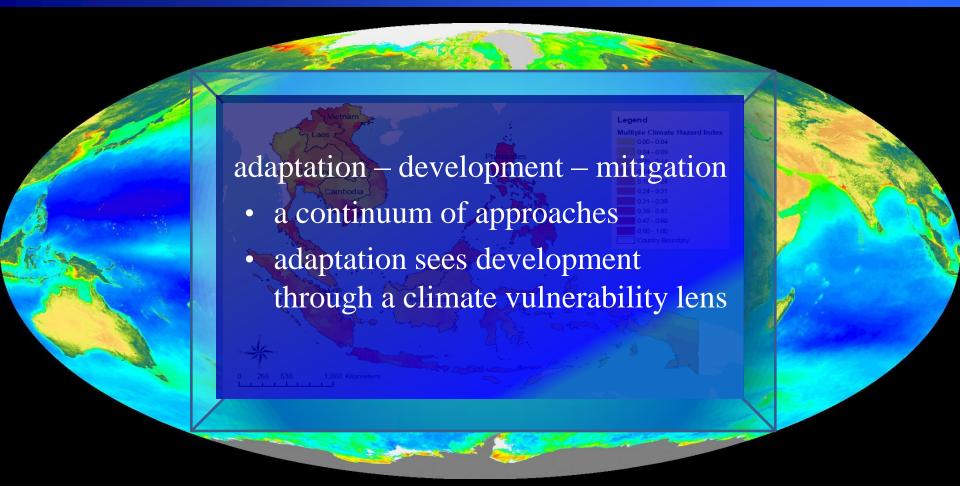
contents

- 1. impacts on the developing world
- 2. a framework for adaptation
- 3. financing and economic issues
- 4. summary and conclusions

key messages

- act now inertia limits options
- act together equity and efficiency the vulnerable
- act differently transform production systems
- adaptation is not the problem it is productivity, sustainability of systems, political consensus
- awareness informed decisions by people
- equitable fair at local, regional, and global levels
- led by rich countries

adaptation - development - mitigation



The benefits of adaptation are <u>local</u>

Multiple climate hazard risk map Southeast Asia



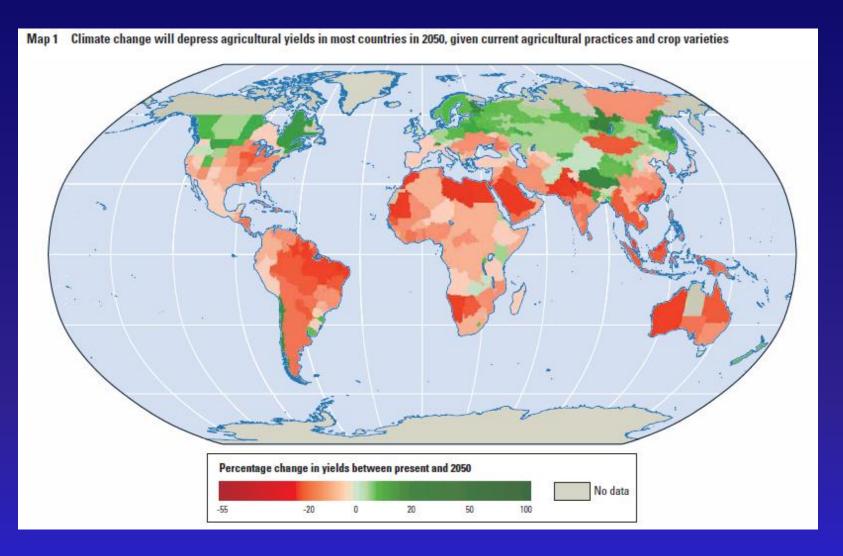
world development report

Development and

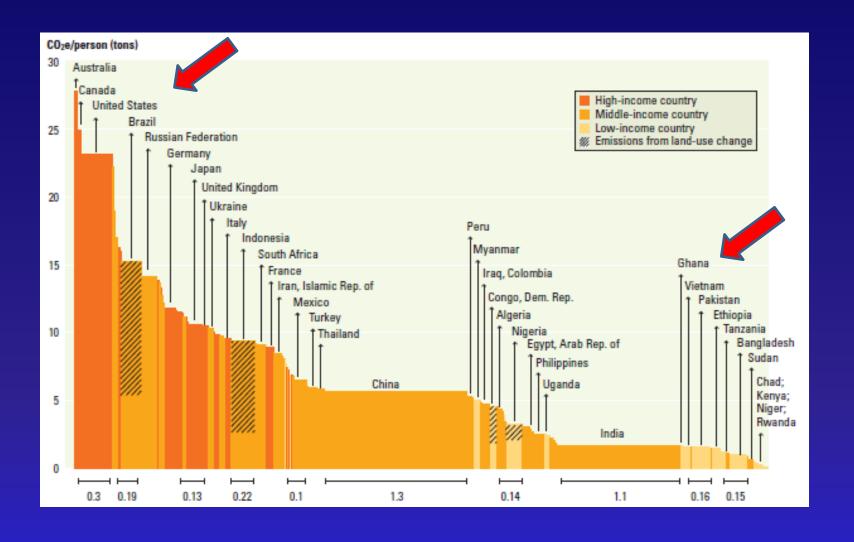
Climate Change



the developing world will bear most of the cost of climate change



but the developed world has reaped most of the benefits



messages from the WDR



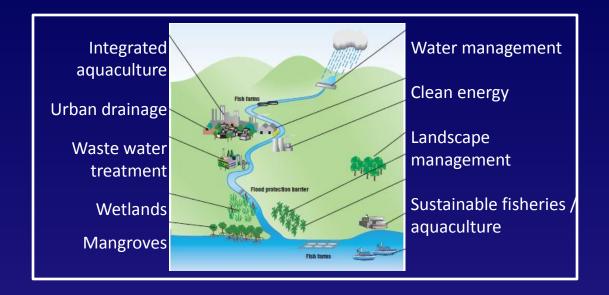
- the projected losses from CC are high
- economic growth alone cannot counter the threats
- to feed 9 billion people society will have to almost double growth in food productivity while minimizing environmental impact
- costs for developing world 2030 ... 1-12%+ GDP
 - mitigation \$170 billion / year (est.)
 - adaptation estimates vary \$30-135 billion/yr

messages from the WDR

- act now inertia limits options
- act together equity and efficiency
- act differently transform production systems
- we have some of the knowledge
- but how do we apply it?
 - address the political and economic issues
 - address the social and economic trade offs



how do we move forward?



- we know many of the solutions
- the problem is applying them we are not!
- the issues are political, social, economic and financial
- the trade offs at local level are like those between developed and developing countries in Copenhagen
- who pays, who loses, who compensates for changes in the environmental status quo?

framework for adaptation

- 1. build the case for adaptation
- 2. identify and engage communities and institutions (including political institutions)
- 3. assess climate risks
- 4. identify adaptation measures
- 5. strengthen policies, capacity, institutions
- 6. implement and monitor adaptation measures

key cross-cutting elements

- innovative decision-making tools
- applied R&D for smart food productivity
- property rights (e.g. ITQ, TURFs, water leases)
- pricing of resources (e.g. water, fishing access)
- effective markets (e.g. greening of subsidies, WTO deal)
- strong institutions to enforce rules
- shared information & knowledge at all levels
- financial and human resources

1. build the case for adaptation



- public awareness consensus?
- the business case the political case
 - e.g. 'Sunken Billions', New Orleans & wetlands
 - greening subsidies
 - adaptation 'seizing the opportunity'
- vulnerability and risk (who, what and where)
- uncertainty acknowledge, assess, reduce
- understand upstream and downstream linkages physical <u>and</u> economic

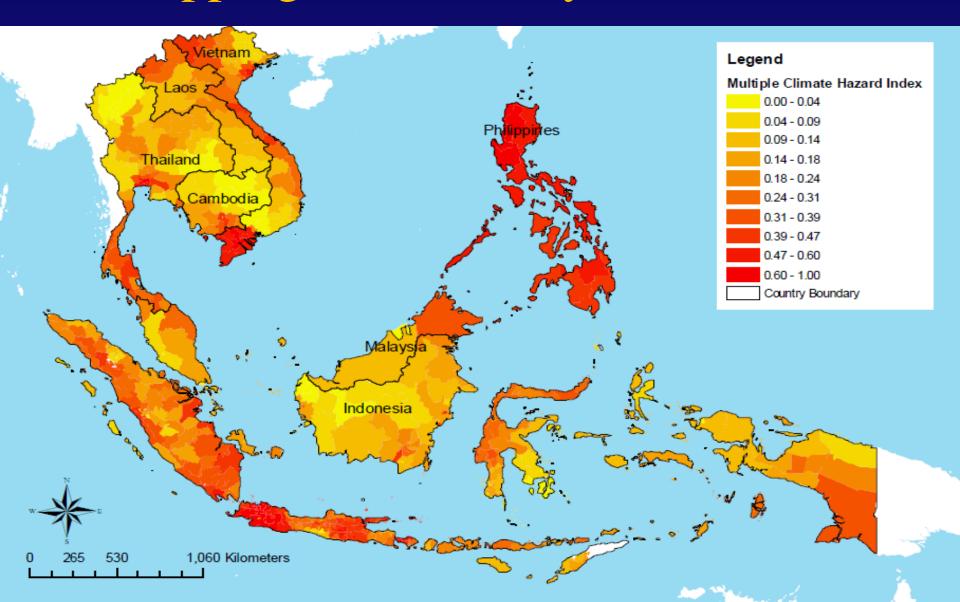
2. identify and engage communities and institutions

- ensure key ministries/ agencies are 'on the same page'
- target major concerns, e.g. food security, natural disasters
- engage private sector and civil society
- make the economic case for environmental issues
- link to the poverty & growth agendas
- link environmental governance to climate change
- maintain transparency data/ assumptions

3. assess climate risks

- define target region, fishery, coastal zone and time horizon
- assess current and future risks and degree of uncertainty
- understand key drivers variables and sensitivity to change
 - e.g. subsidies, land degradation, high dependence on fisheries, most vulnerable groups, floodplains
- are existing coping strategies effective?
 - can they be reinforced or need to change?

mapping vulnerability/ CC threats



CC response toolkits

| Tool/ Developer | Type of tool | Current Climate | Climate Change Scenarios | Climate Change Sector Impacts | Analysis of Adaptation Options | Analysis community Level | Economic Analysis |
|--|---|--------------------|--------------------------------|----------------------------------|--------------------------------------|--------------------------------|----------------------|
| ADAPT World Bank | Data generators, databases and data platforms / Computer-based | х | х | х | х | х | |
| ALM UNDP | Computer based/ Frameworks for adaptation / climate risk management processes | х | х | х | х | | |
| SERVIR USAID, NASA, CATHALAC, IAGT | Information generation, databases and platforms | х | х | х | | | |
| CCE SEI | Data generators, databases and data platforms | х | х | х | | х | |
| CRISTAL IISD, IUCN, SEI | Computer based | x | | х | | х | |
| Adaptation Wizard (UKCIP) | Computer based | | х | | х | х | х |
| ORCHID IDS | Frameworks for adaptation / climate risk management processes | x | х | х | | x | |
| CEDRA Tearfund | Frameworks for adaptation / climate risk management processes | х | х | х | х | х | |
| Climate Wizard TNC | Data generators, databases and platforms | х | х | | | | |
| ECA report Swiss Re + | Economics of adaptation Case studies | | | | х | | х |

4. identify adaptation measures

- technical <u>and</u> stakeholder assessment of options
- economic and social assessments
- sequencing priority investments
- balance 'hard' (dikes) and 'soft' (policy) measures
- prioritize/ favor
 - synergies adaptation + mitigation
 - 'no-regrets' or 'low-regrets' actions
 - safety margins for more informed investments later
 - reversible and flexible options
 - increasing resilience of vulnerable groups
 - phase/ prioritize according to costs, benefits and risks

5 ramewor

5. strengthen policies, capacity, institutions



- get the incentives right (e.g. subsidies)
- build partnerships with private sector/civil society
- decentralize planning to coherent units (river basins, cities, coastal zones, fishery management units)
- work out the financing public, private, recurrent, new investment, domestic, external
- build knowledge e.g. maintain local meteo. services, environmental economics capability
- create incentives for ministries/ provinces/ sectors to work together, e.g. conditional budget allocations



Mekong
dams
water
&
Pangasius



6. implement and monitor adaptation measures

- •
- examples
- financing adaptation
- economic issues
- monitoring/evaluation



examples

- Bangladesh maintain natural and constructed capital (dikes and drainage canals)
- Indonesia MPAs and coastal zones
- Vietnam technology saline tolerant *Pangasius*?
- Maldives concentrate communities, seawalls
- India typhoon shelters and early warning
- Fiji fisheries and coastal zones
- Latin America payment for ecosystem services
- Trinidad Biocarbon \$ for mangrove aforestation
- Peru weather insurance (crops aquaculture?)

examples 2

Peru – CC Response Strategy Process

- 4 workshops on agriculture
 - 1. identified CC implications for agriculture
 - 2. identified potential response options
 - 3. prioritized response options
 - 4. developed regional action plans
- planning to replicate for Peru's fisheries
 - focus on institutions
 - e.g. El Nino 'insurance/ stabilization', social funds, aquaculture insurance

financing adaptation/ resilience

- review public expenditure CC lens
 - greening of subsidies
 - generate economic rents 'Sunken Billions' e.g. Peru
 - improve efficiency, reduce fuel consumption phasing out older fishing vessels (China CC - 2007)
- insurance products
 - improved aquaculture governance
 - improved weather data modeling
- 'bankable' technology
 - CGIAR \$50 million / year from WB (e.g. WorldFish)
 - aquaculture breeding/ low trophic level 'GIFT' over 100% RoI
- regular development assistance projects
 - CC in 80% of WB country assistance programs
 - e.g. \$300m Indonesia (1st CC policy support loan), Peru, PNA countries



the 'climate funds'

- Strategic Climate Fund (approx \$1 billion)
 - Pilot Program for Climate Resilience
 (e.g. Pacific, Caribbean, Bangladesh, Mozambique)
 - Forest Investment Program sustainable forests + REDD
- Carbon funds (mitigation) approx \$6 billion/ year
 - Biocarbon Fund mangroves, blue/ ocean carbon
- Adaptation Fund WB sales of CERs \$100m (pending)
- Clean Technology Fund (energy, mitigation)
- Global Facility for Disaster Risk Reduction and Recovery (\$15 million 20 countries)
- Global Agriculture and Food Security Program (\$1 billion)
- IFC private sector window (water, agriculture, tourism)
- Global Environment Facility various instruments

economic issues (1)



- plausible scenarios for decision making transparent
- separate analytics from politics
- discount rate unresolved debate
 - low rate favors future, but may skew investment decisions
 - social or project discount rate?
 - Stern 1.4%, WB default 10% (cost of capital)
- actions with high RoI preferred but ...
 - ecosystem services not captured in market values
- WB does not account for global externalities in projects .. yet!

economic issues (2)

- estimating costs whole project/ activity or incremental adaptation cost?
- estimating benefits attributing the benefits to the adaptation?
- hard and soft adaptation economics
- the economics of (un) certainty the cost of delay?
- Economics of Climate Adaptation report (Swiss Re)



conclusions

- the developing world will bear the greatest cost
- act now inertia limits options
- act together equity and efficiency the poor
- act differently transform production systems
- adaptation is not the problem it is productivity, sustainability of systems, building political consensus
- awareness informed decisions at appropriate levels
- clear roles, communities, public & private sectors
- led by rich countries



감사합니다.

thank you





useful links

- World Bank Global Partnership on Fisheries (PROFISH)
 www.woldbank.org/fish
- World Bank climate change http://beta.worldbank.org/climatechange/
- World Development Report 2010. Development and Climate Change.
 http://go.worldbank.org/ZXULO9SCC0
- World Bank Climate Data Portal.
 http://sdwebx.worldbank.org/climateportal/
- Climate Investment Funds. http://www.climateinvestmentfunds.org/cif/
- Economics of Climate Adaptation (Swiss Re)
 http://media.swissre.com/documents/rethinking_shaping_climate_resilent_development_en.pdf
- Fisheries and Climate Change wiki.

 http://en.wikipedia.org/wiki/Fisheries and climate change