



**Launch of the World Bank's Latest Report on the Costs of Adaptation
Bangkok, 1 October 2009**

**Address by Yvo de Boer, Executive Secretary
United Nations Framework Convention on Climate Change**

Excellencies.

Ladies and gentlemen,

Thank you for inviting me to the launch of this important report, which is timely indeed.

Last week, the Secretary-General's Summit on Climate Change ended with a clear and decisive call by world leaders for a climate-resilient, low-emissions future.

Adaptation finance is the essential requirement for a climate-resilient future and is one of the issues in the negotiations that urgently needs to be resolved.

In that context, this World Bank study is most welcome.

The report has made good progress on the methodological issues related to cost estimation up to 2050.

At the same time, it is equally important to consider adequate support for adaptation in the short and medium term.

There is no doubt that very large sums will be required each year in the decades ahead, and agreeing the ways and means to deliver stable and predictable finance in the long term is a requirement.

But estimating how much is required in the long term is not an exact science and we should not get bogged down in these sums.

There must, however, be a strong focus on short- to medium term finance needs, to get concrete money on the table in Copenhagen to trigger action now.

Adaptation and mitigation are both given high priority in the negotiations. The amount of mitigation done today will have a direct impact on the magnitude of adaptation needed in the future.

But even under the most ambitious mitigation scenario, adaptation will remain an undeniable necessity, especially for the most vulnerable.

Any delay in taking adaptation measures - and that includes any delay in helping to support immediate adaptation action in developing countries - will mean increased costs and greater risks in the future.

The negotiations have made good progress on adaptation. There is growing convergence on the need for a strong adaptation programme, supported by scaled-up financial resources to address the concerns of the vulnerable, as well as a risk reduction mechanism.

These need to be key adaptation deliverables at Copenhagen.

Yet while there is global agreement on the increasing importance of adaptation for the long term, current support and adaptation efforts are woefully inadequate.

As we have just heard, impacts are already being felt in developing countries. The tragic floods in the Philippines are perhaps an example of the kind of disasters that science has said will increase in frequency and magnitude.

Impacts are disproportionately affecting the most vulnerable, including the Least Developed Countries and Small Island Developing States.

At the moment, adaptation costs are primarily borne by the affected countries. This is increasingly draining money away from other development priorities and undoing development gains already made.

Clearly, new, additional and predictable funding is needed to begin urgent adaptation planning and implementation.

Developing countries have been calling for an increased focus on implementation. It is a necessity that adaptation actions agreed at Copenhagen will be implemented immediately, and that significant funds are put on the table at once to kick-start action.

I believe around USD 10 billion is urgently required to help developing countries move quickly enough.

As your report says, much more, new and predictable funding for adaptation is pivotal in the long term.

The report estimates that between USD 75-100 billion per year will be needed in developing countries, averaged over the next 40 years to 2050. A large proportion of this funding will need to be additional, international public funding.

Multilateral and bilateral sources of funding represent an important option for mobilizing funds. But it is critical that these are new and additional, given that adaptation is a new and additional burden on top of key development priorities.

Merely repackaging Official Development Assistance will endanger the achievement of existing development goals.

Large-scale public finance must undoubtedly lead adaptation efforts, but it is important not to forget the potential of the private sector.

There are already many ideas how private finance can participate in mitigation action, but not so many insights into how private finance can stimulate adaptation action. Further thought and innovation here would be useful.

This report, to me, also shows two important points.

First, that timely adaptation action is far less costly in the long term than inaction now.

Second, that economic growth - as long as it is sustainable, clean, green growth - is a powerful form of adaptation because adaptation costs decline as a percentage of GDP as economic conditions improve.

However, I look forward to the second phase of your project, which aims to help decision-makers in developing countries understand and assess the risks, and design the strategies to adapt to climate change, based on seven country case studies.

It is important that the top-down approach of the first phase is complemented by clear and practical proposed ways of assessment and action at ground level.

In summary, this World Bank project has brought us to a closer understanding of WHAT is needed to implement adaptation actions towards the climate-resilient world that world leaders have called for.

The HOW will ultimately be determined by the negotiating process.

Thank you.

- - - - -