

# RISING TO THE CHALLENGE:

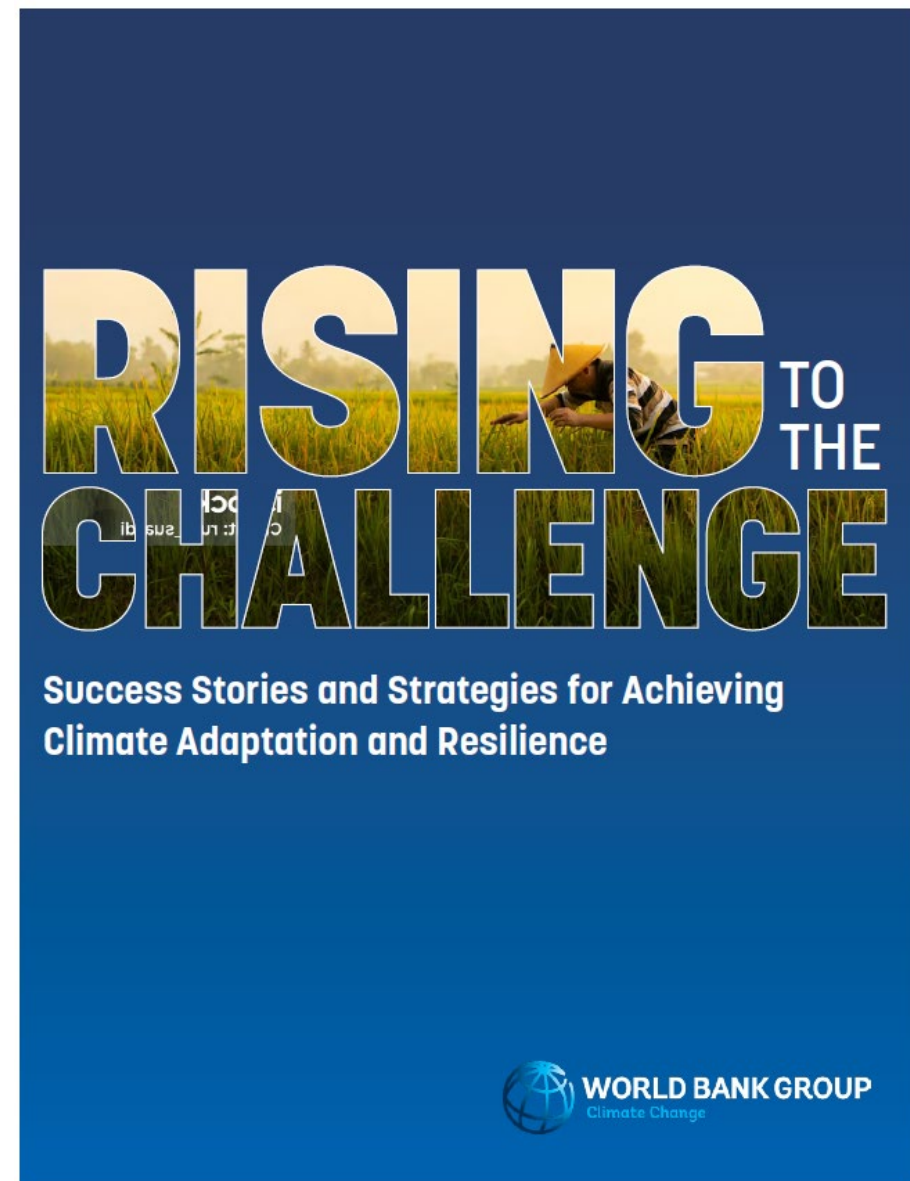
## Achieving Climate Adaptation and Resilience and the Role of Trade

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WTO TESSD MEETING  
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# World Bank Adaptation Report (forthcoming)

- Adaptation and resilience (A&R) as a **development imperative**
- **Gaps and priorities:** Insights from 44 country A&R readiness assessments
- **Case studies:** Private sector and public sector A&R action around the world



# Key dimensions of adaptation and resilience (A&R)

## Rapid, inclusive development

- Economic growth
  - Provision of basic services (water, electricity, health, education)
  - Poverty reduction
  - Access to financial services
  - Social safety nets
- *Faster development provides resources for A&R and halves people falling into poverty due to climate change by 2030*

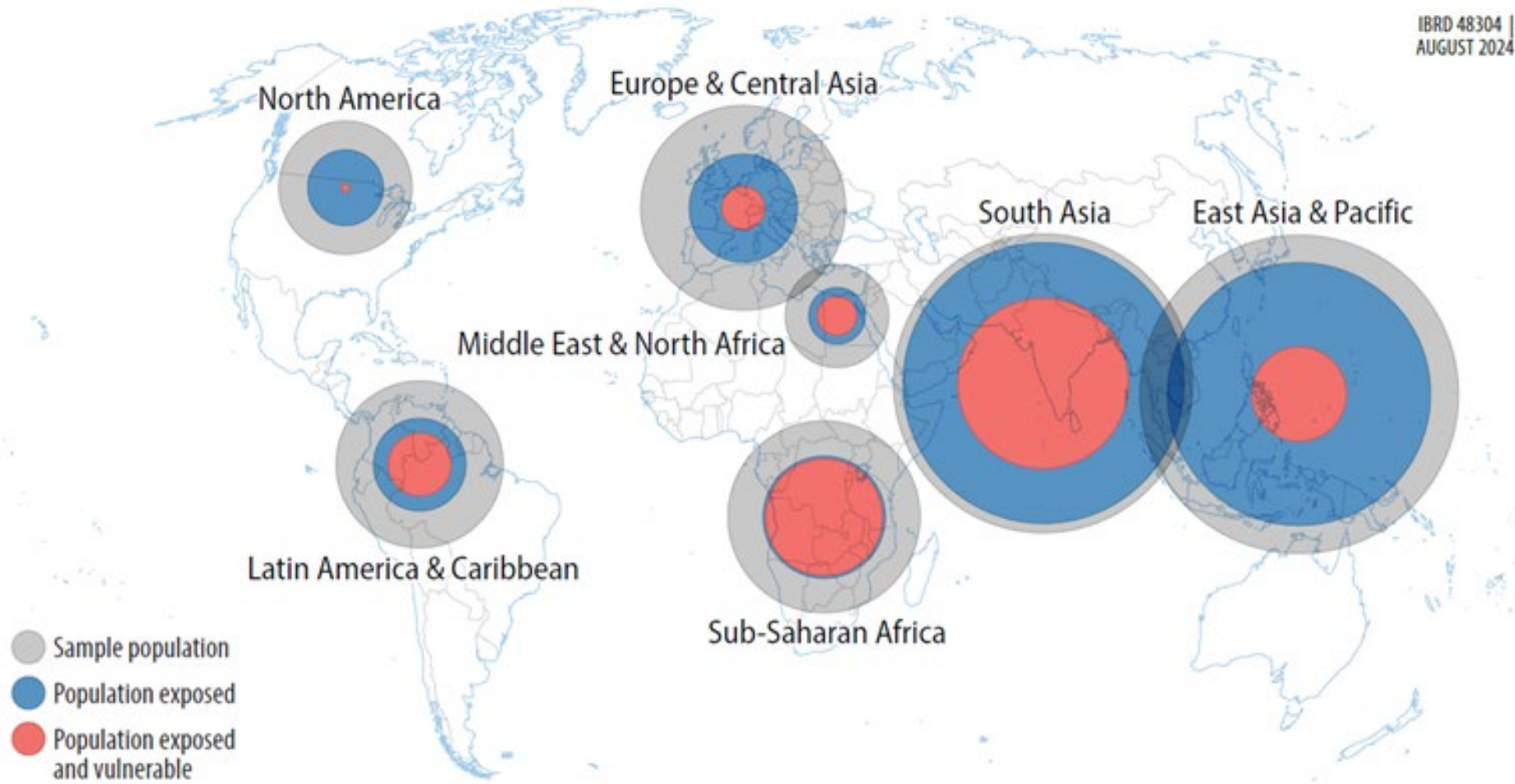
## Resilient development

- Climate-resilient infrastructure
  - Climate-informed land use planning
  - Climate-smart agriculture
  - Climate-informed development policy
- *Mainstreaming climate adaptation in development policy*
- *Each \$1 spent for higher-resilience infrastructure delivers on average \$4 in avoided economic losses.*

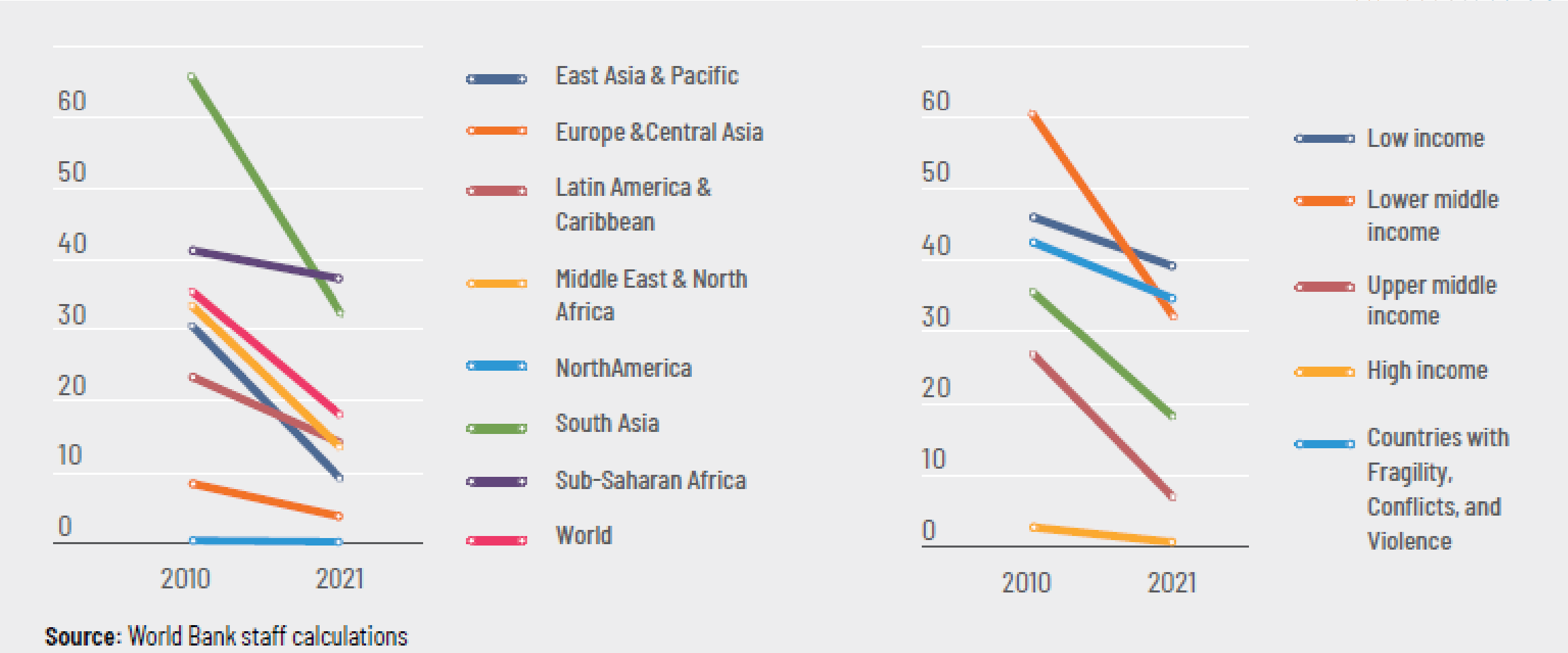
## Targeted adaptation

- Climate data services
  - Early warnings
  - Drought-tolerant crops
  - Flood defense
  - Nature-based solutions
  - Insurance
- *Adaptation country priorities are estimated at \$215 to \$387 Billion per year*

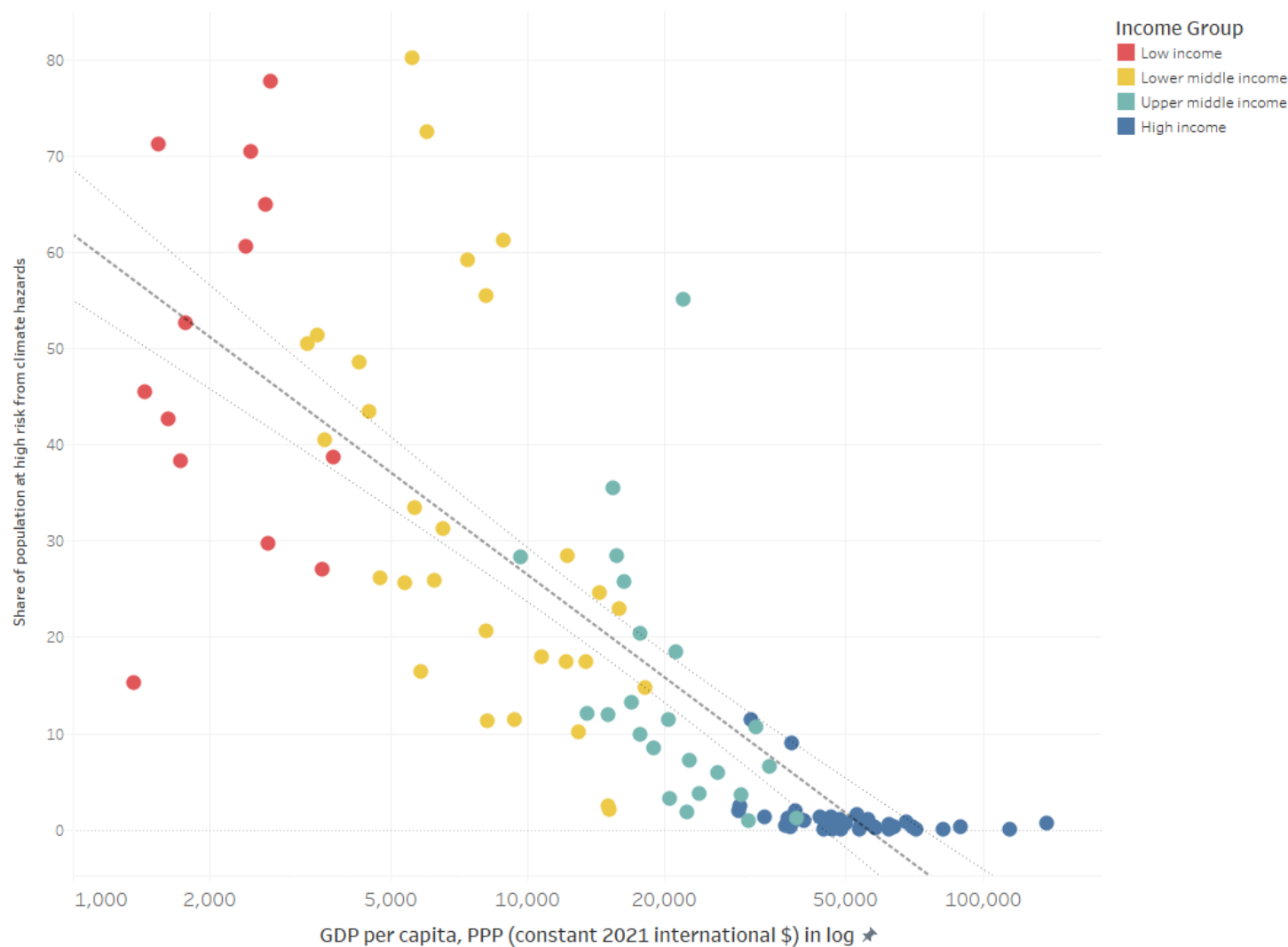
# About 20% of the world's population is at high risk from climate-related hazards



# Share of population at high risk has halved within a decade



# Share of people at high risk to climate risks declines with income growth



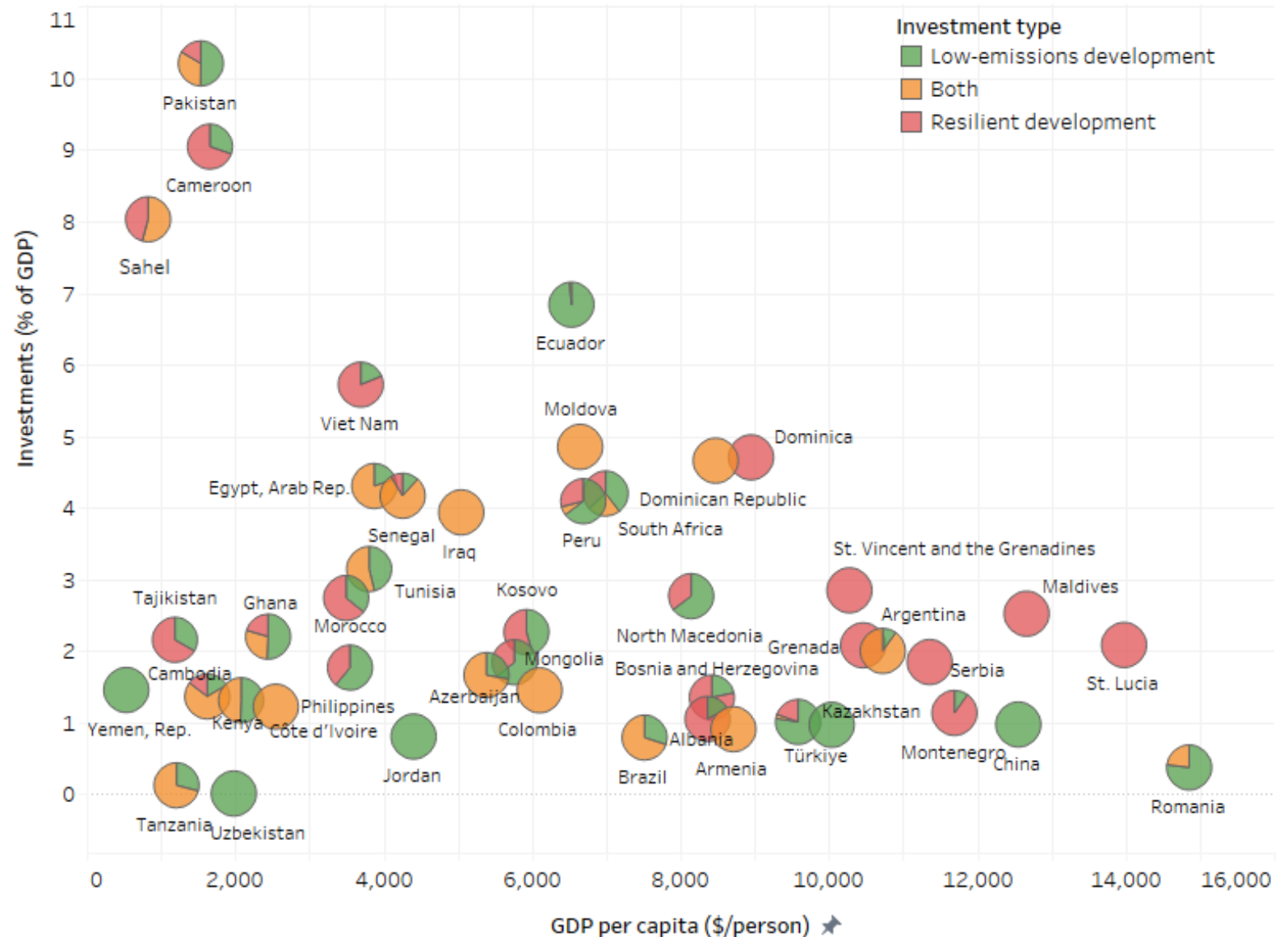
**A 10% increase in GDP per capita reduces the population at high risk by 1.5 percentage point**

(% of GDP)

| Investment type           |
|---------------------------|
| Low-emissions development |
| Both                      |
| Resilient development     |

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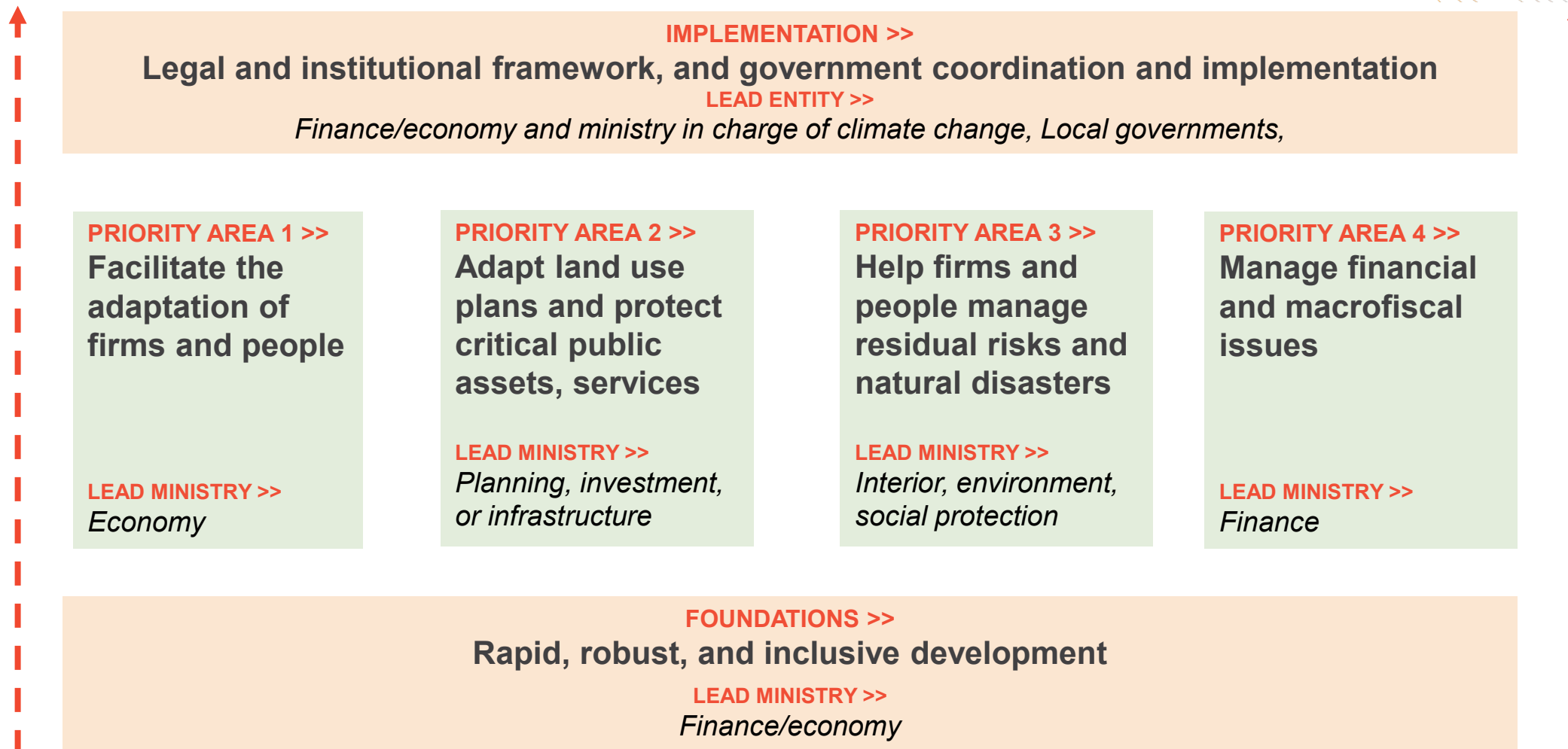
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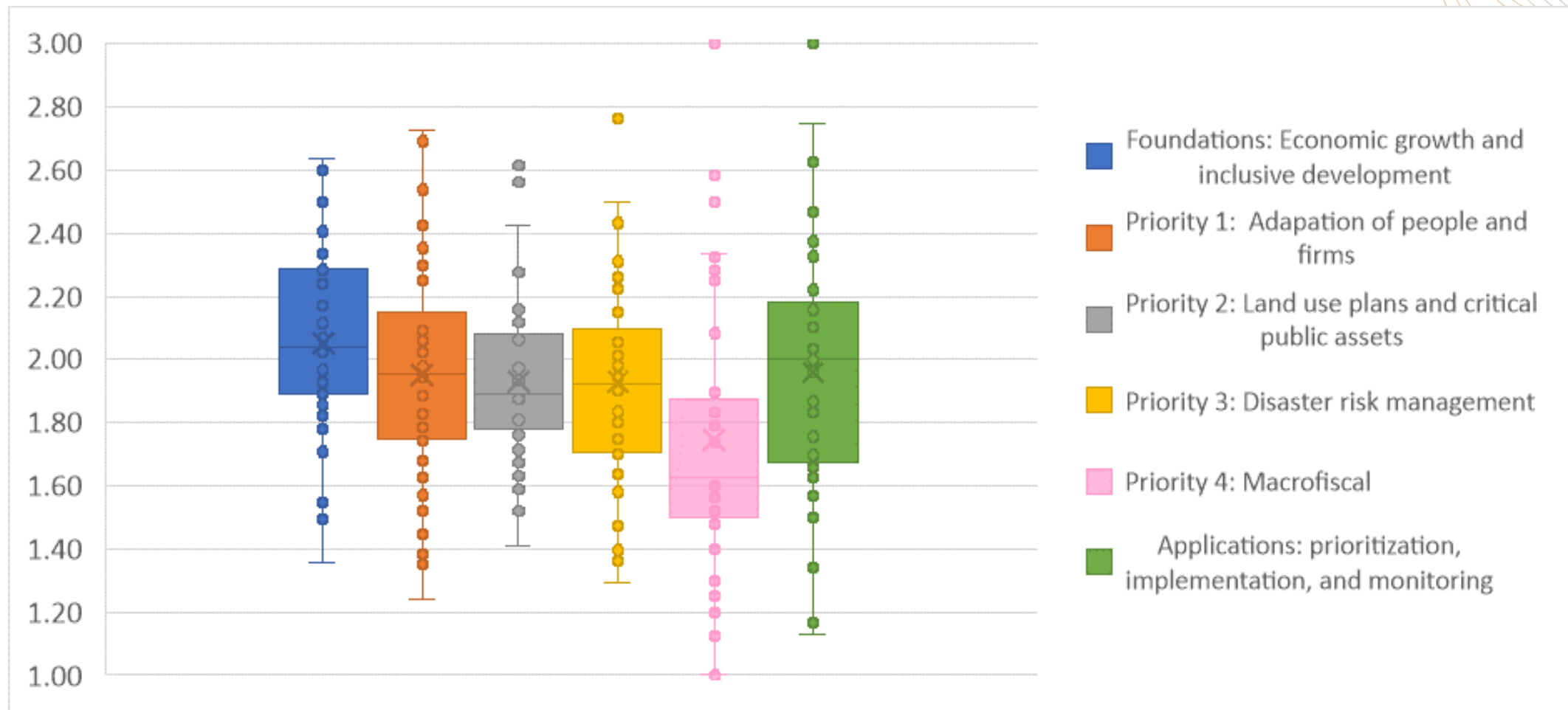
# Role of trade to support adaptation and resilience

- Support economic growth and resources for adaptation
- Promote economic diversification
- Enhance supply chain resilience
- Facilitate access to adaptation technologies
- Information and knowledge transfer
- Access to financial markets and A&R financing mechanisms
- Risk sharing

# Whole-of-society response to A&R

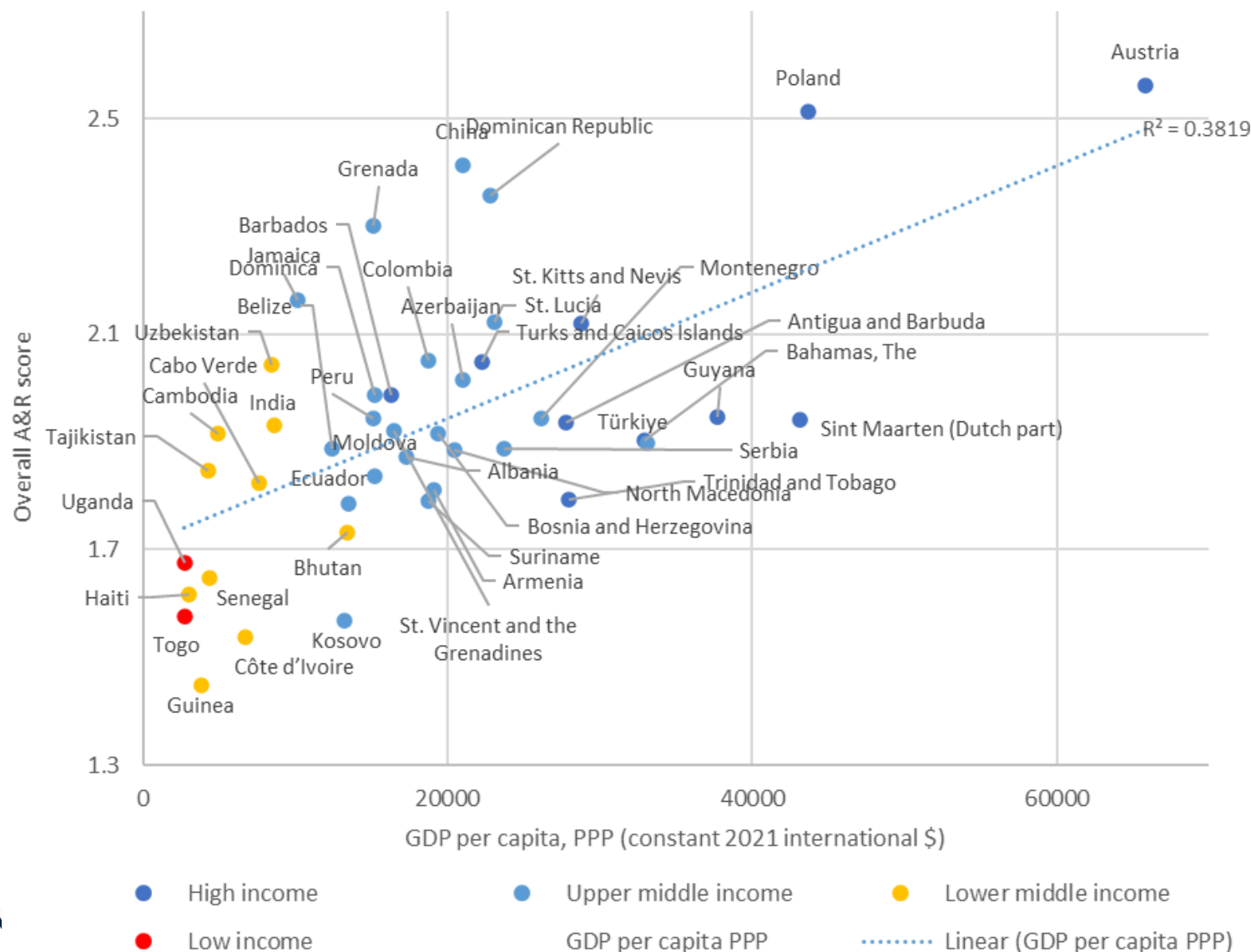


# Varying country A&R readiness – results from 44 countries



Source: *Rising to the Challenge* (forthcoming)

# Economic development boosts country A&R readiness



# Key takeaways

- Enhancing A&R requires a whole-of-society strategy that creates enabling conditions for people and businesses to adapt and build resilience
- Key gaps lie in implementing adaptation measures at sector level, addressing broader macrofiscal risks and implications, and monitoring and evaluation. Low-income countries face more constraints.
- Private sector and public actors are stepping up; there are strong examples of effective adaptation practices in all sectors, regions, and income levels.
- Trade can facilitate adaptation and resilience by contributing to poverty reduction, economic diversification, flow of technologies, information, and finance, risk sharing
- Coordination and policy harmonization with national and subnational policies are needed to ensure enabling conditions for effective A&R



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