

# CLIMATE EXTREMES AND RESILIENT POVERTY REDUCTION

development designed with uncertainty in mind



## Executive summary

Building resilience to climate extremes and disasters will help ensure the success of global efforts to eliminate extreme poverty. Reaching and sustaining zero extreme poverty, the first of the SDGs, requires a collective effort to manage the risks of current climate extremes and projected climate change.

### 1. Linking efforts to combat climate change and poverty

The global climate is warming and there is now growing evidence that climate variability is increasing in many places and extremes are becoming more frequent and intense in some parts of the world. Greater seasonal variability and changes in the prevalence and intensity of climate extremes pose serious challenges for poverty reduction in the future, both in terms of impact and the increased uncertainty that intensified climate risk brings.

Three major international frameworks will guide post-2015 action on climate change, disasters and development: the 21st Session of the Conference of the Parties (COP21) in Paris, the Sendai Framework for Disaster Risk Reduction and the Sustainable Development Goals (SDGs). Together with the 2016 World Humanitarian Summit, these provide an opportunity to join up efforts and address development and climate change challenges. For all of these frameworks to deliver, countries need to ensure their development trajectories don't maintain or exacerbate climate risks.

### 2. Examining climate extremes and resilient poverty reduction

This report explores the relationships between climate change and poverty, focusing on climate extremes, on the basis that these manifestations of climate change will most affect our attempts to reduce poverty over the next 15 to 25 years. Framed by a wider analysis, three detailed studies – on drought risk in Mali, heatwaves in India and typhoons in the Philippines – illustrate the relationship between climate change, climate extremes, disasters and poverty impacts.

All three case studies show the disproportionate impact of climate extremes on those living below the poverty line and those who suffer from non-income dimensions of poverty. Immediate impacts on poor households include loss of life (and associated loss of household earnings), illness, and loss of crops and other assets. Longer-term effects include increases in the price of staple foods, a reduction in food security, malnourishment, malnutrition and stunting in children, as well as lower educational attainment.

Indirect impacts are felt by poor households living in affected areas, but also in other parts of the country through drops in productivity and economic growth, loss of government assets, service disruption and the diversion of government spending to response activities. This supports the finding that there is no simple geographical co-location of climate extremes and poverty impacts: while there are some 'hotspots' around which to target interventions, such as in urban areas vulnerable to floods or storms, there are also significant knock-on effects on poor people elsewhere.

### 3. Implications for policy and planning

This report calls for improved resilience to climate extremes as a requisite for achieving poverty reduction targets. To achieve this, planners and policy makers will need to support the strengthening of the absorptive, anticipatory and adaptive capacities of communities and societies. New ways of working are required to link institutions that have previously been poorly connected, with new criteria for decision-making, such as considering the best solutions across different possible climate futures. The scale of the challenge suggests more transformative actions may be necessary, including through the use of new risk financing mechanisms.

#### Build adaptive, anticipatory and absorptive capacity

Tackling the combined challenges of poverty eradication and climate change requires action to increase the resilience of communities and societies most vulnerable to increasing climate risks. Capacity at the local level shapes how impacts of extremes play out and affect patterns of poverty. By building the anticipatory, absorptive and adaptive capacities of those communities and societies most vulnerable to increasing climate risks, we can minimise the impact of climate extremes on poverty levels and the poor.

#### Strengthen institutions, across scales

Continued investment in local disaster risk management capacities and institutions is required, as well as efforts to strengthen coordination across different levels of governance. Decentralisation can help empower local institutions and, when coupled with efforts to integrate local units within national and regional planning systems, it can produce more effective local solutions to the risks posed by climate extremes.

#### Think globally, but assess risk locally

While regional and global assessments are essential for understanding the scope of the climate challenge, local diagnosis is needed to provide a more accurate

understanding of how risk is distributed. Analysis that connects macro-to-micro-scales, drawing on the comparative strengths offered at each level of analysis, will present a more nuanced and accurate picture of the climate change-disaster-poverty nexus.

#### Link institutions and solutions

Solutions that strengthen resilience and reduce poverty will need to link different institutions that have previously been poorly connected. Analysis of the relationship between climate change, disaster and poverty reveals some important gaps in connectivity and coordination across fields of policy and practice. More joined up ways of working across sectors and scales may be required, using climate and weather information, along with scenarios to inform planning.

#### The role of transformative action

Building resilience capacities incrementally may not be enough to secure poverty reduction in the face of climate change. The scale and scope of future climate risks will require a transformational shift in the way risk is managed. Transformational changes can be catalytic in nature, leveraging change beyond the initial direct activities. They achieve change at scale, with outcomes of a high order of magnitude relative to resource inputs, or can be sustainable over time, outlasting initial political and/or financial support.

#### Finance as a catalyst for transformation

Risk financing instruments have the potential to generate transformational changes by acting as a catalyst for further investment in disaster risk management and adaptation. Regional financing mechanisms can also help countries to scale up these investments in places where they are most needed. Finance is not a panacea and has limitations in some developing contexts, but it can and does offer opportunities for new ways to manage risk that warrant further attention as part of a portfolio of solutions.

