

Economic Aspects of Adaptation: An Assessment of Costs, Benefits and Policy Instruments

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Adaptation is now widely recognised as an equally important and complementary response to greenhouse gas (GHG) mitigation in addressing climate change. How much adaptation might cost, and how large its benefits might be, are issues that are increasingly relevant both for on the ground projects as well as in a global context where trade-offs might need to be considered between the costs of adaptation, the costs of mitigation, and the residual damages resulting from climate change. This presentation provides a critical assessment of adaptation costs and benefits in key climate sensitive sectors, as well as across sectors at the local/regional, national and global levels. It also moves the discussion beyond cost estimation to examining market and regulatory mechanisms that can be used to incentivise adaptation actions by private actors. Synergies and trade-offs between adaptation and mitigation will also be examined.