

# Table of Contents

List of Abbreviations .....	9
Executive Summary .....	11
<b>Chapter 1. Putting Climate Change Adaptation in an Economic Context .....</b>	<b>19</b>
Introduction .....	20
The costs and benefits of adaptation .....	21
The timing of adaptation .....	23
Dealing with uncertainty .....	25
Incentivising adaptation .....	25
Focus of the remainder of this volume .....	27
References.....	28
<b>Chapter 2. Empirical Estimates of Adaptation Costs and Benefits:     A Critical Assessment .....</b>	<b>29</b>
Introduction .....	30
Sectoral estimates.....	31
Multi-sectoral estimates at the national level .....	62
Global multi-sectoral estimates.....	68
Concluding remarks .....	76
References.....	79
<b>Chapter 3. Economic and Policy Instruments to Promote Adaptation.....</b>	<b>85</b>
Introduction .....	86
Scope of adaptation policy instruments .....	87
Risk sharing and insurance.....	89
Price signals and environmental markets .....	104
Public private partnerships .....	115
Concluding remarks .....	125
References.....	128

## Boxes

Box 2.1. Description of the eight sectors/categories chosen.....	63
Box 3.1. Rainfall variability and the challenge of pricing insurance.....	101
Box 3.2. Australian water markets.....	108
Box 3.3. Informal water markets in India.....	109
Box 3.4. Community-based watershed protection: the case of Columbia.....	111
Box 3.5. The Vittel PES scheme.....	112
Box 3.6. PPPs for R&D.....	118
Box 3.7. The Thames barrier.....	121

## Tables

Table 1.1. A hypothetical classification of adaptation costs and benefits.....	23
Table 2.1. Coverage of sectoral estimates of adaptation costs and benefits.....	31
Table 2.2. Physical impacts and examples of potential adaptation responses to sea level rise.....	33
Table 2.3. Costs of coastal protection.....	35
Table 2.4. Adaptation strategies in agriculture.....	44
Table 2.5. Quantified adaptation benefits in agriculture from selected studies.....	47
Table 2.6. Estimates of costs of adaptation on a global scale.....	69
Table 3.1. Climate impacts, adaptation options and policy instruments.....	90
Table 3.2. Summary of index-based risk transfer products in lower income countries.....	95
Table 3.3. Types of private sector participation.....	116
Table 3.4. Private sector participation in developing country infrastructure, 1990-2006.....	119
Table 3.5. Share of private infrastructure projects cancelled or in distress, 1990-2006.....	121
Table 3.6. Vulnerability of private infrastructure projects.....	123

## Figures

Figure 2.1. Adaptation benefits for cereal crops in temperate and tropical regions.....	46
Figure 2.2. Summary of total costs for priority adaptation activities identified in NAPAs.....	65
Figure 2.3. Distribution of adaptation costs by sector for each country.....	66