

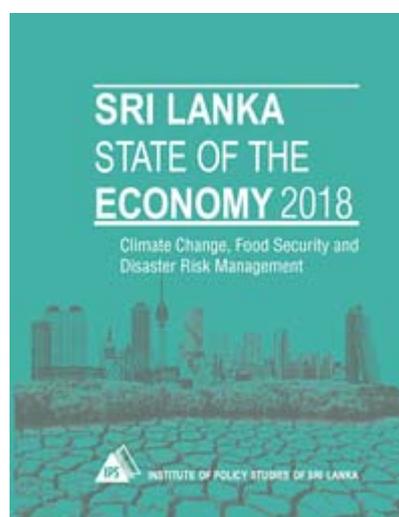


POLICYINSIGHTS

INSTITUTE OF POLICY STUDIES OF SRI LANKA

TRANSITIONING SRI LANKA TOWARDS A CLIMATE RESILIENT LOW CARBON ECONOMY

From the IPS flagship publication 'Sri Lanka: State of the Economy 2018 Report'



Policy Interventions on Climate Change and Challenges

At present, the issue of climate change is covered by two streams of policy interventions, namely, climate change policies and disaster management policies. Both are relatively new areas of government intervention, and hence, the national agendas in the two areas are still evolving.

Climate change policies in Sri Lanka have a comprehensive scope, covering both mitigation and adaptation interventions. Adaptation actions in the NAP-CC 2016-25 as well as NDCs cover both extreme events and slow onset impacts. Disaster risk management policies complement climate change policies by providing an operational framework to address losses and damages due to climate-induced disasters. The country has launched a

national initiative to face disaster situations by formulating a policy framework and establishing an institutional setup.

Mainstreaming Climate Change Adaptation into National Development Policies

Climate change is a national development challenge with cross-cutting impacts on several economic sectors. It spreads over all levels of governance - national, provincial and local. The only way to overcome this challenge is to mainstream climate change adaptation to build up a climate resilient economy. A climate resilient economy is an economy that can cope with adverse impacts with minimum losses/damages, and recover quickly after facing a shock. In essence, it refers to an economy with a reduced risk of climate change.

There are unmistakable signs to indicate that Sri Lanka is a highly vulnerable country to climate change. Massive losses due to disasters within a relatively short period time has seen Sri Lanka climbing up the ranks to fourth place in the Global Climate Risk Index for 2018 with an annual climate risk index (CRI) of 11.50. Annual losses due to climate-induced disasters have been estimated at USD 1,623 million (PPP) in 2017. The growing understanding of climate change emphasises the necessity of planning for a risky, unruly future that is overshadowed by the persistent threat of climate change, unlike in the past.

As far as key economic sectors are concerned, agriculture is likely to face the impacts of climate change most. The agriculture sector is the main source of employment in the country providing livelihood for around 30 per cent of the population.



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A logical approach of policy interventions is necessary to build up a climate resilient economy. The economic risks of climate change can be considered as a combined outcome of exposure to impacts, vulnerability and adaptive capacity. Reducing climate change impacts cannot be achieved through national efforts alone, and successful global efforts on mitigation are required. Even in case of successful mitigation of GHG emissions that maintains temperature within tolerable limits, some level of climate change impacts can be expected. Hence, a logical approach towards a climate resilient economy should primarily focus on reducing vulnerability, and raising the adaptive capacity of vulnerable economic sectors and communities through mainstreaming climate change adaptation.

The NAP-CC 2016-25 identifies six conditions necessary for mainstreaming adaptation; prioritised, comprehensive, informed, timely attended, coordinated and ensured with sufficient allocation of resources.

Increasing the Adaptive Capacity of Affected Sectors and Communities

Adaptive capacity of vulnerable sectors and communities has to be raised through appropriate policy interventions. This requires undertaking strategic investments in selected areas. Climate



The overall economic costs of climate change will be around **8.8%** of South Asia's GDP by year 2100.

change impacts involve deep uncertainty. Hence, it is necessary to focus on investments that can offer no-regret solutions. Otherwise, it may lead to maladaptation costs. Two areas that need special attention are development of climate-smart technologies and climate information systems.

Development of climate-smart technologies: All vulnerable sectors need investments on climate-smart technologies.

However, the necessity of climate-smart technologies in agriculture can be considered as more urgent.

Climate information systems: Another critical need for successful adaptation is availability of reliable weather and climate information products (CIP), namely; short, medium, long-term, and seasonal weather forecasts. A systematic programme for development of CIPs is necessary to achieve this.

Reducing the Vulnerability of Communities, Economic Sectors and Ecosystems

Investments on systems that can reduce the vulnerability of stakeholders in different economic sectors are also necessary. This involves improving the capacity for strategic surveillance and monitoring of impacts, and increasing the preparedness through disaster planning and management.

Building the capacity for surveillance and monitoring of climate change impacts: Establishing surveillance and monitoring facilities for early detection of climate change impacts and climate-induced hazards is an important step to reduce vulnerability. A few areas that need special attention in this regard are: monitoring of sea-level rise and shoreline changes; early detection of emergence of climate-induced diseases and spread of vector-borne and pathogenic diseases on humans; early detection of outbreaks of pests, diseases and emergence of weeds affecting crops and animal populations; monitoring impacts on

Overall loss due to climate change on net revenue per ha of land



Rs. 17,612

\$ 119

Rs. 27,528

\$ 186

Depending on the scenarios of climate change

biodiversity and ecosystems; and monitoring impacts on cultural and archeological assets.

Increased preparedness through disaster planning and management: The anticipation of climate change impacts in advance, and planning to minimise the losses and damages help to reduce vulnerability to such impacts. Some of the key steps towards achieving this include: identification of vulnerable sectors and communities and preparation of vulnerability maps; establishment of early warning and hazard communication systems; and preparation of strategic management plans for minimising losses and damages associated with impacts.

This Policy Insight is based on the comprehensive chapter on "Transitioning Sri Lanka Towards a Climate Resilient Low Carbon Economy" in the 'Sri Lanka: State of the Economy 2018 Report' - the flagship publication of the Institute of Policy Studies of Sri Lanka (IPS). The complete report can be purchased from the publications section of the IPS, located at 100/20, Independence Avenue, Colombo 7. For more information, contact the Publications Unit on 0112143107/0112143100.



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