



CHAPTER 1
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The Context

A broad scientific consensus holds that climate change is already occurring and is bound to continue, even under the most optimistic scenarios. The current pace of change in the world's climate is unprecedented in recent human history. The 1990s was the warmest decade, and 2005 the warmest year, on record since 1800. The impacts of higher temperatures are already being felt and will continue to intensify. Although crucial mitigation of greenhouse gas emissions can help to alter dramatic long-term impacts, most of the changes projected for the coming decades can no longer be avoided. Climate change is a problem that the world will have to confront.

Addressing climate change presents a daunting policy problem. At the most fundamental level, climate change is a global issue, necessitating an international response. However, there are both temporal and spatial inequities in tackling the climate challenge. Not all countries are equally affected; nor do they all have an equal capacity to respond. Developing countries, and particularly the poorest among these, are most vulnerable, with likely impacts that would implicate crucial development needs and food-security goals. More problematic is that the benefits of addressing the

problem accrue in the uncertain and distant future, while the costs weigh upon current generations. Collectively these features create unrivaled challenges of unmatched complexity.

Recognizing the risks to development from climate change, the World Bank (the Bank) has recently articulated a *Strategic Framework for Development and Climate Change (Framework)* (World Bank 2008a). The *Framework* views climate change through a development prism with an emphasis on growth and poverty reduction and defines the Bank's overarching response to the development challenge under climate constraints (Box 1.1). This



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document builds upon the *Framework* and identifies the guiding principles to address the challenges of climate change in South Asia. It is based on a consultative approach that identifies the common principles and understanding that is emerging. There is growing recognition that vulnerability to the likely impacts of climate change is high in South Asia, where there are urgent development priorities. There is therefore a need for responses to be calibrated to government priorities and socioeconomic conditions in the region.

Within the context of the global *Framework* this document identifies the climate challenges within South Asia. It outlines the broad parameters of a response that is consistent with the development priorities of the region. The main aim is to help South Asian countries begin a process that would build climate-resilient economies that grow along a low-carbon trajectory. Adaptation to climate change lies at the heart of such a climate response, because it is critical in reducing climate-related threats to development. With rapid economic progress in recent decades, there also remain wide opportunities for catalyzing low-carbon growth across the region in ways that contribute to the overall development objectives of South Asian countries. This document emphasizes the need for approaches that are aligned with country priorities and attempts to inform and support country programs by deepening knowledge of the climate-change challenge to development, expanding the policy toolkit to address climate challenges, and facilitating access to additional financial resources. The focus is on the consequences of climate change on economic growth, poverty reduction and achieving the Millennium Development Goals (MDGs).

Report Structure

The document has two parts. **Part I** defines the broad parameters, directions, and principles for addressing the climate-change challenge in South

Asia. It begins with an assessment of the global dimension of the problem. It then identifies the broad likely impacts of climate change in South Asia and the region's recent contribution to the problem. It outlines the reasons why the region is highly vulnerable to the likely impacts of climate change and the key principles that would guide a response to the climate challenge in ways that are sensitive to country needs. Many of the far-reaching climate impacts are projected to cut across sectors and national boundaries, necessitating regional approaches with integrated responses. The annex provides a snapshot of likely climate impacts in South Asian countries.

Reflecting the multisector scope of the challenge, the **Part II** provides a detailed assessment of the potential risks and responses in sectors where climate risks and consequences are high: water resources, agriculture, energy, transport, the urban space, biodiversity, and the social sphere. The links are often complex and interconnected and run both ways; many sectors are threatened by climate change and also have an impact on future climate outcomes. Likewise, climate impacts in one sector, such as water availability, can have cascading effects in other segments of



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Box 1.1 The Strategic Framework on Development and Climate Change

The *Strategic Framework on Development and Climate Change* defines the World Bank Group response to the development impacts of climate change. It identifies six broad priority actions for both adaptation and mitigation:

- Support climate actions in country-led development processes
- Mobilize concessional finance
- Facilitate the development of market-based financing mechanisms
- Leverage private sector resources
- Support accelerated development of new technology
- Increase policy research, capacity building, and knowledge

Source: World Bank 2008a

the economy, such as agriculture and industry. A common theme that emerges is the need for better information and knowledge of these links to define well-articulated responses to the climate challenge.

Process and Consultation

This document is the product of extensive consultation and intensive collaboration with inputs from all sectors in the South Asia Region of the Bank and many networks. This structure has encouraged an effective exchange of information that has promoted learning and the integration of climate issues in sectoral programs. The document has also benefited from consultations held in Bangladesh, India, and Sri Lanka for the *Strategic Framework for Development and Climate Change*. It incorporates the views and concerns of the many stakeholders that emerged during these discussions.

Following a management review of an initial draft document, a wide country and Web-based consultation process has been undertaken. There have been multi-stakeholder consultations and workshops in Bangladesh, India, and Nepal, as well as consultations with governments. The themes enunciated here were central to the first regional climate-change conference in South Asia. "From Kathmandu to Copenhagen," hosted by the Government of Nepal in Kathmandu in September 2009. To ensure broader outreach across a range of constituencies, the document has been posted on the website. There have been more than 7,000 downloads from the Bank's website and comments that cover the full spectrum of views on climate change. The approach outlined in this document reflects a wide chorus of opinion that asserts that in South Asia the development impacts of climate change are of the greatest importance.

