



## A new approach to urban adaptation: upgrading resilience

**Adaptation to climate change** in urban regions is a major policy concern. Rather than focus specifically on risk reduction, a new report has reframed the adaptation challenge, giving it a broader focus of increasing an area's resilience and performance and proposing local-level approaches to leveraging finance for adaptation initiatives.

The report was prepared in response to the 2011 Resilient Cities congress<sup>1</sup> and was developed to outline strategies to improve the deployment and leverage of limited adaptation funds and make them responsive to local challenges. Amongst other knowledge sources, its proposals are based on the piloting of regionally applicable approaches to local climate change adaptation carried out in 30 to 40 cities around the world, which was done as part of the Cities for Climate Protection initiative<sup>2</sup>.

Generally speaking these efforts have indicated that bottom-up approaches to greenhouse gas (GHG) mitigation and climate adaptation are more effective and efficient. They also suggest that a demand-driven approach to investment planning proves to be more successful than a supply-driven approach. Currently the situation tends to be supply-driven, whereby money is allocated into a special adaptation fund from which it is dispersed to various initiatives. This has three problems: firstly it often fails to marshal sufficient funds; secondly it deploys funds inefficiently due to the top-down nature of fund administration and lack of targeting; and thirdly it focuses exclusively on risk reduction rather than broader revenue-generating opportunities that could attract more investment. In comparison a demand-driven approach proposes to integrate climate with other disaster risk and sustainability considerations, into urban development projects that are attractive to private investors and turn challenges into opportunities through harnessing synergies, multiple benefits and fostering collaboration.

This is a fundamental shift and the report suggests that to facilitate this requires reframing the adaptation challenge to focus more broadly on increasing the performance of an urban area and proposes to capture this element with the concept of 'resilience'. This is the ability of an area to provide predictable performance in terms of benefits and utility to residents and users, alongside predictable returns to investors. The report proposes that urban areas should upgrade their resilience by making the urban system more effective, efficient and more attractive to investors. This means taking all components of urban systems into consideration and mainstreaming risk reduction into other initiatives. For example, flooding and health risks are not addressed effectively by storm drains unless they go alongside effective solid waste management and support for a back-up water supply. Similarly it is inefficient and ineffective to dig up a road for new drainage infrastructure without also improving the road as a traffic corridor. As such it makes no sense to decouple adaptation from broader projects to improve urban performance.

Stressing the importance of a local approach the report suggests three 'inversions' of development assistance to aid the upgrading of urban resilience:

1. Bottom-up planning processes to identify vulnerabilities and risks and to integrate risk reduction measures into related improvements of urban systems performance.
2. Bottom-up technical and institutional capacity to design, manage and execute the 'resilience upgrading' projects, as well as preparing the different options for investment.
3. Bottom-up procurement of investment through managed, competitive sources, mechanisms and processes.

The report proposes that investment should focus on funding initiatives to mainstream urban resilience upgrading into conventional urban development projects, funding local planning and project preparation in known vulnerable urban areas and developing innovative financial products necessary to encourage private investment flows and funding projects such as portfolio-based loans, catastrophe bonds and re-insurance.

1. See <http://www.eea.europa.eu/themes/urban/events/resilient-cities-2010-1st-world-congress-on-cities-and-adaptation-to-climate-change>
2. See <http://www.iclei.org/index.php?id=800>

**Source:** ICLEI (2011) Financing the Resilient City: A demand driven approach to development, disaster risk reduction and climate adaptation – An ICLEI White Paper, *ICLEI Global Report*. Downloadable from <http://iclei.org/index.php?id=837>

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