

Accounting for the Effects of Climate Change

Summary and Issues Filter

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Supplementary Green Book Guidance

This document summarises the key issues contained in the Green Book supplementary guidance paper “Accounting for the Effects of Climate Change”. It explains how to incorporate the effects of climate change into the development, appraisal and evaluation of policies, programmes and projects. It should be read in conjunction with the main supplementary guidance document, and the Green, Orange and Magenta Books.



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Accounting for the Effects of Climate Change: Summary and Issues Filter

High Level Filter: Consider these questions and then follow the chart as appropriate

1. Does a policy, programme or project:

- Have elements affected by the weather (including extremes) and assume a stable climate?
- Have long-term lifetimes, implications or implementation periods?
- Involve significant investment or have high value at stake?
- Have significant interdependencies with other Government
- Make decisions with significant irreversible impacts? activities or the wider economy?
- Provide or support (critical) national infrastructure?
- Address contingency planning or business continuity needs?

2. In a policy, programme or project area, are there significant barriers to individuals or organisations adapting to the effects of climate change?

If **YES** to any, then follow the steps below to identify the risks posed by climate change and appropriate responses.

If **NO** to all, this suggests climate change may not be an immediate concern, but should **monitor and review** at regular intervals.

Identify risks & opportunities

- Use the latest UK Climate Projections to determine the future climate conditions within which the activity will operate
- Undertake proportionate risk assessment to explore: how climate change will affect an activity; barriers to adapting to climate change risks.
 - o What are the direct and indirect effects (including international effects)? How are these transmitted?
 - o What are the timescales – when does the risk materialise?
 - o What are the critical thresholds? Are there interdependencies or cross-cutting effects?
 - o Consider the potential for a Real Options Analysis approach – assess the extent of uncertainty, flexibility and learning potential.
- Rank by likelihood and magnitude, to understand scale, scope and priority of risks.

Address risks

- Understand the principles of good adaptation (section 2.2.1) – effective, efficient, equitable.
- Generate options for measures to address risks – use sections 2.2.2-3 as a prompt to stimulate thinking, making sure that:
 - o Measures are appropriate for purpose and risk(s) at hand: amending an activity for climate change risks, or addressing barriers to adaptation
 - o Sequencing incorporates flexibility to change course or adapt incrementally, taking into account full range of information at key decision points (including from monitoring and evaluation)
 - o Uncertainty is addressed by: increasing resilience to widen tolerances; identifying any low-regrets or win-win measures
 - o Consideration has been given to whether a portfolio of measures could be more effective, particularly to deal with threshold effects
 - o Interdependencies across Government activities or the wider economy are accounted for – co-ordinated action may be appropriate

Appraise options

- Use the Green Book to appraise the identified options, supplemented with additional guidance on the Real Options approach (sections 2.2.4-5 and 3.1), and paying consideration to other issues raised in section 3 of the supplementary guidance.

Monitor & evaluate

- Measures should be evaluated against the principles of good adaptation to assess how successful they have been, in what circumstances and why.
- Build monitoring and evaluation into the sequencing of an activity, linked to key decision points. This means the full range of information can be used and fed back into the decision making process.
- The effects of climate change will be felt over the long-term. This means it may initially be difficult to assess outcomes; emphasis should be placed on monitoring (collecting data) and evaluating processes.