

Committee on Climate Change
Adaptation Sub Committee
4th Floor, Manning House
Carlisle Place
London
SW1P 1JA

7th January, 2010

Dear Hilary,

ASC advice on the evolving methodology for the Climate Change Risk Assessment (CCRA) and Adaptation Economic Assessment (AEA)

I wrote to you on 20th November to give you the ASC's advice on the evolving methodology for the ASC and CCRA. I said that I would write to you again in December after Committee members raised specific issues with your officials and the contractors, and further discussions with the contractors at the ASC's December meeting. The main points arising from the December meeting were:

- The CCRA method presented to the Committee on 18th December has developed significantly since the 10th November. Your officials and the contractors are to be congratulated on their hard work. The method demonstrates greater awareness of the relevant literature and previous assessment exercises. It draws upon relevant guidance and they have adopted the ASC's recommendation to pilot their approach. The approach for mapping risks is clearer and more comprehensive.
- The AEA method has advanced considerably and the process of integrating it into the CCRA has begun. There are challenges going forward, particularly accounting for autonomous adaptation, valuing ecosystem and human welfare impacts, estimating higher order impacts (e.g. on GDP) and dealing with uncertainty and extreme events, which will need to be addressed.
- The Committee notes that the remaining uncertainties in the methodological approach are best addressed through actually doing the assessment. Indeed it is likely that the process of doing the work will throw up other, unanticipated, challenges. The Committee therefore urges Defra to start piloting as quickly as possible. The main areas to keep under review are:
 - The complexity of the method: to ask if any additional complexities are introduced whether these are necessary.
 - Whether the pilot in a data rich sector familiar to the contractors needs to be

supplemented with a pilot in an unfamiliar, data poor, sector, which could provide a useful contrast, new challenges and an opportunity to modify the approach.

- The balance of effort between quantification of risks at the tier two level and in depth analysis of risks at a deeper, tier three, level. The Committee believes that, in the first CCRA, the priority should be to focus quantification efforts at tier two to ensure a minimum level of data to allow comparisons between risks.
- Whether the approach to measuring adaptive capacity is sufficiently broad for Defra's policy purposes; what the PACT method will contribute given existing ACC initiatives and whether it will generate sufficiently robust results when generalised beyond the relatively small number of interviews.
- The sector framework should be revisited once the initial data collection phase is complete. Different ways of assessing those things of importance to national Governments and Parliaments should be explored, including but not limited to Governments' published objectives, recognising that these may change and usually cover shorter timescales than those implied by climate change. For example, impacts on UK food supply, covering production, distribution and imports, are of greater policy interest than impacts on UK agricultural production.
- The Committee believe that the absence of named individuals responsible for collating information on cross-cutting risks means that these could easily be overlooked. For example bio-diversity and sustainability issues have implications both for the risk and choice of adaptation option.
- Whilst the Committee acknowledges that time is tight, it believes that a **peer review process** should validate the analysis. This could be organised on a rolling basis to minimise delays to the programme. It is still not clear how the CCRA will **build capacity** by ensuring that analytical tools are transferred to officials in Defra and other end users, including the ASC.
- The Committee believe that the contractors should produce a summary of the methodology (no more than one or two pages) to aid communication with stakeholders, or interested parties overseas, during the CCRA process.

My secretary will be in contact with your officials to arrange a meeting to discuss the Committee's advice on the CCRA and the Committee's programme of work for 2010. A copy of this letter goes to Peter Unwin and Robin Mortimer. As required under the Climate Change Act I am also copying this advice to the other national authorities.

Yours ever,



John Krebs
CHAIRMAN