

## **Compensating for Climate Change: An Analysis of Weather-Related Deaths**

David Wheeler, Center for Global Development

Brian Blankespoor, World Bank

Susmita Dasgupta, World Bank

Benoit Laplante, World Bank

### **Abstract**

There seems to be widespread agreement that global adaptation to climate change will be costly, but less clarity about specifics. How much will adaptation actually cost? Under what assumptions? Who should bear this cost? We address these questions empirically, using international panel data on weather-related disasters. Our results cast doubt on two assumptions that dominate the current discussion: (1) Developed countries' carbon emissions are the source of climate change, so these countries should pay for developing-country adaptation as well as their own. (2) Compensation calculations can be separated from willingness to pay for adaptation in the recipient countries. Appropriate adaptation assistance is the investment required to neutralize the welfare impact of climate change, on the presumption that the inhabitants of recipient countries are passive agents.