

**Eleventh meeting of the Adaptation Committee  
Bonn, Germany, 7-10 March 2017**

**Concept note on the compilation of authoritative actors of the private sector  
in adaptation**

**Recommended action by the Adaptation Committee**

The Adaptation Committee (AC) will be invited to consider the information contained in this concept note and agree on further guidance to the secretariat towards next steps.

## 1. Introduction

1. As reflected in its 2016-2018 workplan, the AC agreed to identify authoritative actors from the private sector and to prepare a mapping of their influence. This would serve as a basis to identify next steps regarding private sector engagement, building on the Nairobi work programme's Private Sector Initiative, specifically towards achieving the objective of providing guidance on ways to enhance support, including finance, technology and capacity-building, in particular related to access, institutional arrangements and enabling environments, including for the process to formulate and implement NAPs.
2. As a follow up to this work the AC agreed to convene, in 2018, a meeting to foster greater contribution of the private sector to the process to formulate and implement NAPs, including examples of involvement so far. This mapping exercise will serve as background for the preparation and undertaking of this meeting.
3. In addition to a brief background section presenting a snapshot of private sector adaptation activities (section 2), this concept note presents an annotated outline and possible scope of the mapping referred to above (section 3), concluding with a recommendation and possible next steps that the AC may wish to consider (section 4), for discussion by the AC.
4. Following feedback from the AC, a full identification of authoritative actors from the private sector and corresponding mapping report will be prepared.

## 2. Background

5. The private sector contributes to climate change adaptation efforts in various ways, in general, including through:
  - a) Adapting/climate proofing private sector businesses, supply chains and investments to limit climate exposure; helping others to reduce their climate risks;
  - b) Generating and providing new finance, to help fill the deficit in available funds for adaptation;

- c) Designing, manufacturing and distributing goods and services that can help reduce the vulnerability of individuals and communities to climate change including early warning and climate observation systems and technology transfer, and,
- d) Providing risk management tools, including insurance and reinsurance.<sup>1,2,3</sup>

6. The Private Sector Initiative (PSI),<sup>4</sup> developed under the Nairobi work programme on impacts, vulnerability and adaptation (NWP), aimed to catalyse the involvement of the private sector in the wider adaptation community. The NWP currently has 60 private sector partners,<sup>5</sup> with 102 case studies of private sector actions on adaptation across a range of business sectors, adaptation activities and regions.<sup>6</sup> In cooperation with the World Business Council for Sustainable Development, PWC undertook an analysis of private sector adaptation efforts, incorporating an analysis of activities and progress made through the PSI.<sup>7</sup>

7. In addition to private sector companies themselves, various global and regional networks and centres, international organisations, development banks and research institutes have a focus on private sector engagement in climate change adaptation and have published relevant resource material, including the OECD,<sup>8</sup> UN Environment and the UNEP Finance Initiative,<sup>9</sup> the Global Environment Facility,<sup>10</sup> The London School of Economics,<sup>11</sup> The Stockholm Environment Institute,<sup>12</sup> The World Resources Institute, The World Bank, The UN Global Compact<sup>13</sup>, ISO and Caring for Climate,<sup>14</sup> inter alia.<sup>15</sup>

### 3. Proposal for identifying and mapping actors

8. Towards identifying authoritative actors from the private sector and preparing a mapping of their influence, the secretariat could undertake the following activities:

- a) A comprehensive review of authoritative actors from the private sector, as well as of relevant global and regional networks and centres, international organisations, development banks, research institutes with a focus on private sector engagement in climate change adaptation including the Green Climate Fund, Global Environment Facility and Pilot Program for

<sup>1</sup> See <[sei-international.org/mediamanager/documents/Publications/Climate-mitigation-adaptation/policybrief-privatesectorfinance-adaptation.pdf](http://sei-international.org/mediamanager/documents/Publications/Climate-mitigation-adaptation/policybrief-privatesectorfinance-adaptation.pdf)>.

<sup>2</sup> See Agrawala, S. et al. (2011), "Private Sector Engagement in Adaptation to Climate Change: Approaches to Managing Climate Risks", OECD Environment Working Papers, No. 39, OECD Publishing. <[dx.doi.org/10.1787/5kg221jkf1g7-en](https://doi.org/10.1787/5kg221jkf1g7-en)>.

<sup>3</sup> See <[unepfi.org/climate-change/climate-change/](http://unepfi.org/climate-change/climate-change/)>.

<sup>4</sup> See <[unfccc.int/4623](http://unfccc.int/4623)>.

<sup>5</sup> As of 24 February 2017 there are currently 343 NWP partners.

<sup>6</sup> See <[www4.unfccc.int/sites/NWP/Pages/Search.aspx?k=PSI&tags={%22informationtype%22:%22casestudy%22}#](http://www4.unfccc.int/sites/NWP/Pages/Search.aspx?k=PSI&tags={%22informationtype%22:%22casestudy%22}#)>.

<sup>7</sup> See <[pwc.co.uk/services/sustainability-climate-change/insights/adapting-to-climate-change](http://pwc.co.uk/services/sustainability-climate-change/insights/adapting-to-climate-change)>.

<sup>8</sup> See Agrawala, S. et al. (2011), "Private Sector Engagement in Adaptation to Climate Change: Approaches to Managing Climate Risks", OECD Environment Working Papers, No. 39, OECD Publishing. <[dx.doi.org/10.1787/5kg221jkf1g7-en](https://doi.org/10.1787/5kg221jkf1g7-en)>.

<sup>9</sup> See <[unepfi.org/climate-change/climate-change/](http://unepfi.org/climate-change/climate-change/)>.

<sup>10</sup> See Private Sector Engagement in Climate Change Adaptation: Prepared by the GEF Secretariat in Collaboration with the International Finance Corporation. <[thegef.org/council-meeting-documents/private-sector-engagement-climate-change-adaptation-prepared-gef](http://thegef.org/council-meeting-documents/private-sector-engagement-climate-change-adaptation-prepared-gef)>.

<sup>11</sup> See <[lse.ac.uk/GranthamInstitute/publication/enabling-private-sector-adaptation-in-developing-countries-and-their-semi-arid-regions-case-studies-of-senegal-and-kenya](http://lse.ac.uk/GranthamInstitute/publication/enabling-private-sector-adaptation-in-developing-countries-and-their-semi-arid-regions-case-studies-of-senegal-and-kenya)>.

<sup>12</sup> See <[sei-international.org/mediamanager/documents/Publications/Climate-mitigation-adaptation/policybrief-privatesectorfinance-adaptation.pdf](http://sei-international.org/mediamanager/documents/Publications/Climate-mitigation-adaptation/policybrief-privatesectorfinance-adaptation.pdf)>.

<sup>13</sup> See <[unglobalcompact.org/](http://unglobalcompact.org/)> and <[unglobalcompact.org/docs/issues\\_doc/Environment/climate/Business\\_and\\_Climate\\_Change\\_Adaptation.pdf](http://unglobalcompact.org/docs/issues_doc/Environment/climate/Business_and_Climate_Change_Adaptation.pdf)>.

<sup>14</sup> See <[caringforclimate.org/](http://caringforclimate.org/)>.

<sup>15</sup> This is not intended to be a comprehensive list, and can be further developed.

Climate Resilience and companies that are part of the PSI, possibly complimented by surveys and expert interviews, based on the mapping criteria outlined below;

- b) A comprehensive review of literature on private sector activities and involvement with climate change adaptation towards informing a mapping of influence of actors;
- c) Mapping of influence of actors through categorisation by various criteria, which could include:
  - i) type and size of actor (multi and transnational companies, partnerships, small and medium-sized enterprises, etc.);
  - ii) type of engagement in adaptation activities (investment, projects, provision of adaptation services, generation and provision of finance for adaptation, adapting/climate proofing private sector businesses, supply chains and investments, etc.);
  - iii) type of involvement in adaptation planning at various levels (including actors participating in national adaptation dialogues through business associations);
  - iv) region, scope and mode of operation; and/or
  - v) interest/capacities, motivations and incentives for engaging in climate change adaptation activities (climate impacts and uncertainty, ensuring security of production, distribution and supply chains, reducing costs, business development opportunity/market growth, helping others, etc.).

#### **4. Possible next steps**

9. The AC may wish to review the information contained in this note with a view to agreeing on next steps, and providing guidance towards the preparation of a revised concept note by the secretariat.

10. Based on the revised concept note, the potential activities listed in paragraph 8 above could be undertaken.