

**Twelfth meeting of the Adaptation Committee  
Bonn, Germany, 19-22 September 2017**

**Advancing the engagement of the private sector in adaptation**

**Results of the survey of private sector organizations**

**Recommended action by the Adaptation Committee**

The Adaptation Committee (AC) may wish to consider the information contained in this document as background to document AC/2017/17.

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## 1. Introduction

1. Towards further understanding and mapping private sector actors and their involvement in adaptation relevant activities, the secretariat undertook a survey, which was open from 14 July 2017 – 9 August 2017 to private sector actors, including networks. The results from this survey are graphically presented and discussed here.

## 2. Overview of respondents – types of companies, sectors and regions represented

2. There were a total of 208 survey responses from private sector entities. Among respondents, the majority represented small and medium-sized enterprises (SMEs) (34 per cent), followed by multinational companies (20 per cent), industry associations (18 per cent), national companies (16 per cent), microenterprises (9 per cent), and cooperatives (3 per cent).

3. Survey respondents reported operating in various regions, including Sub-Saharan Africa (20 per cent), Europe and Central Asia (17 per cent), Latin America and the Caribbean (17 per cent), North America (15 per cent), South Asia (10 per cent), East Asia and Pacific (9 per cent), and North Africa and Middle East (6 per cent) (multiple responses were allowed). Eighteen percent of respondents reported operating in all regions.

4. Sectors with the highest representation were agriculture, forestry and fisheries (40 per cent), followed by energy (27 per cent), professional services (25 per cent), and water (17 per cent) (multiple responses were allowed).

## 3. Key findings and trends

5. Respondents were most concerned about **climate risks** relating to impacts on natural resources on which their business relies, followed by disruptions to infrastructure and changes in policy and regulation.

6. Forty per cent of respondents reported that their company had a **strategy or plan in place to deal with climate-related risks**, with 33 per cent reporting that their companies did not currently, but were planning to develop one. More than half of national companies (60 per cent) reported that they already had a plan, while 50 per cent of multinational companies and 37 per cent of SMEs reported the same. Compared to these other groups, microenterprises demonstrated a lower involvement with the development of climate strategies, with only 28 per cent reporting having an existing strategy or plan.

7. To take **action to adapt to the impacts of climate change**, the majority of respondents noted that they were engaging with business associations and/or networks, interacting with government and/or civil society, and interacting with other business about climate change, resilience, and/or sustainability. About one-third (31 per cent) of respondents reported that their companies were actively investing in building resilience and/or climate-proofing their businesses at this time. Other actions by companies involved including climate change in the company's risk management policy, and strengthening duty of care policies and standard operating procedures for staff travelling for work.

8. When asked about what **actions their companies are taking to assist their clients in adapting to the impacts of climate change**, 52 per cent responded that they were providing climate adaptation services and technologies. Of companies reporting their provision of adaptation services, a large fraction were SMEs (39 per cent) followed by multinational companies (21 per cent) and industry associations (15 per cent).

9. Respondents saw that the biggest **opportunities relating to climate change** were related to business development (e.g., market growth and new markets) (56 per cent), followed by the opportunity to develop new products, technologies, and services (51 per cent) and to expand existing ones (47 per cent).

10. The most commonly cited **challenges companies reported they face in reducing climate risks and making use of opportunities**, were lack of awareness/knowledge around climate change impacts and risks (51 per cent), limited financial capacity to address risks (49 per cent), as well as policies and regulations that hinder adaptation (47 per cent), and the difficulty of demonstrating the return-on-investment (47 per cent) of actions. Other cited challenges included:

- a) Operating in an industry that is skeptical of climate change;
- b) General resistance of a specific industry to paradigm change required for adaptation (e.g., farmers in the agricultural sector);
- c) Seasonality of businesses which cannot amortize extra costs within a fixed season without pricing their services too high;
- d) Receiving client buy-in to integrate climate change considerations into produces and services; and
- e) Finding time to integrate climate change considerations into business.

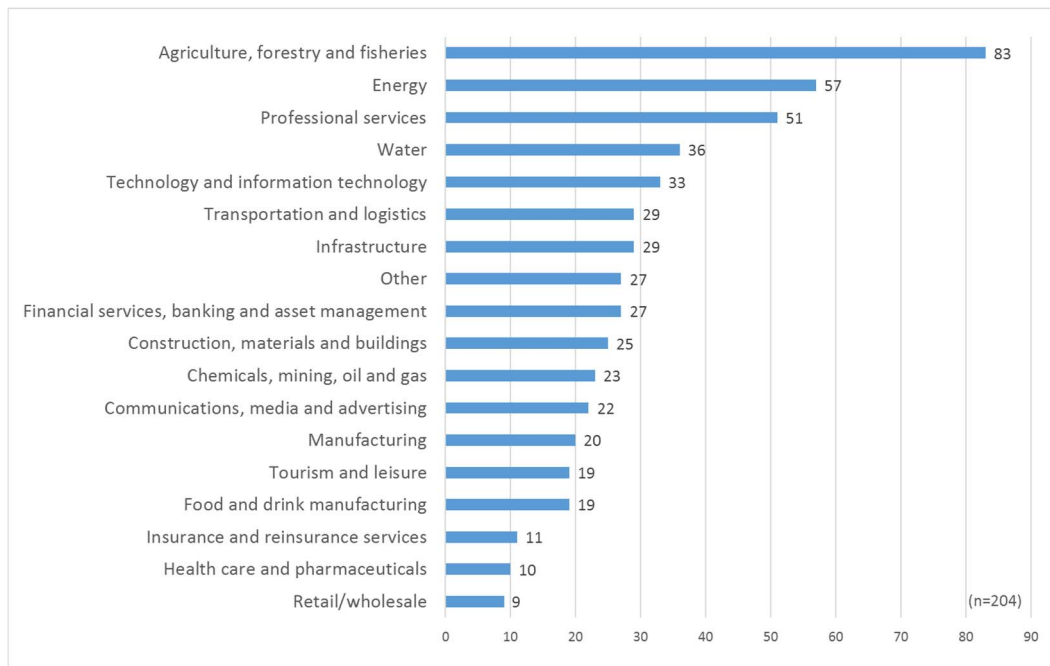
11. To **facilitate more adaptation activities, better address climate risks and make the most of climate-related opportunities**, respondents indicated that their companies need more economic and financial incentives (65 per cent), data and information (including risk analyses) (56 per cent), as well as regulatory/legal frameworks and policies that support the adoption of climate risk reduction actions (54 per cent). Other requirements that were noted include:

- a) Experts who can translate climate data & science into information relevant for end-users;
- b) Financial mechanisms, such as public-private partnerships for large-scale projects; and
- c) Creative communication to mobilize businesses to address adaptation

#### 4. Detailed results and charts

12. Figure 1 details the sectors represented in the survey

**Figure 1. Sectors represented in survey (Multiple responses allowed)**

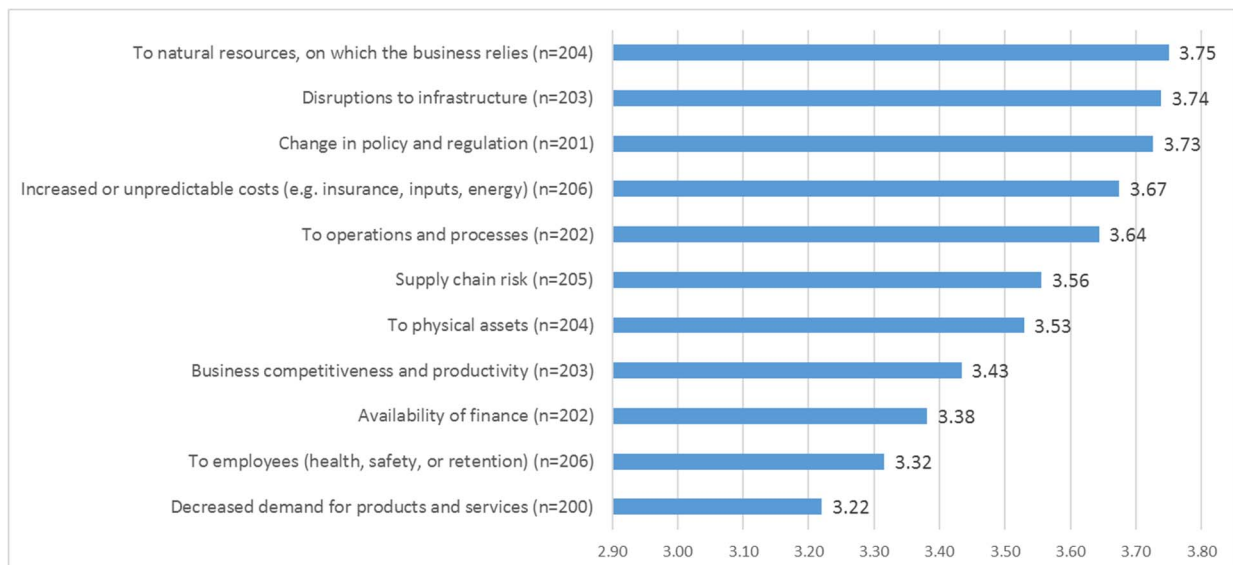


Note: n = number of respondents?

Q: What sector(s) do you operate in?

13. When asked on a scale of 1-5 **how concerned they were about specific impacts of climate change**, survey respondents reported being most concerned about impacts on natural resources on which the business relies (avg. of 3.75/5), disruptions to infrastructure (avg. of 3.75/5), and changes in policy and regulation (avg. of 3.73/5).

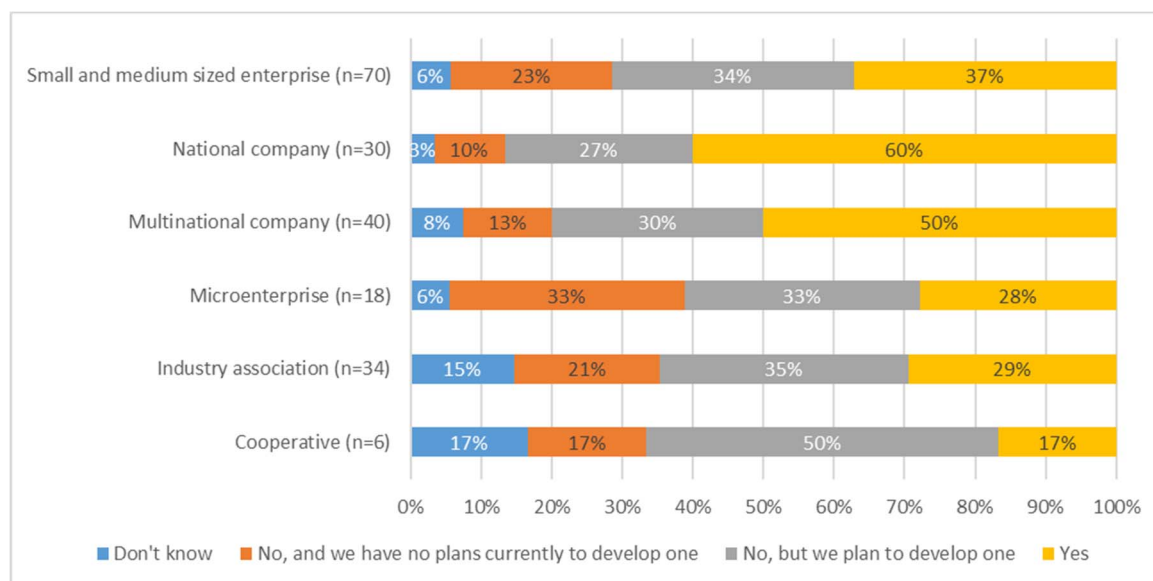
**Figure 2. Concerns around climate risks**



Q: How concerned are you by climate-related risks? Specifically, direct risks from extreme weather such as floods or storms, and slow-onset events such as sea level rise or changing weather patterns and indirect risks

14. When asked whether their company **had a strategy or plan in place to deal with climate-related risks**, 40 per cent of respondents noted that they did, while 33 per cent reported that their companies did not at this time, but were planning to develop one. More than half of national companies (60 per cent) reported that they already had a plan, while 50 per cent of multinational companies and 37 per cent of SMEs reported the same. Compared to these other groups, microenterprises demonstrated a lower involvement with the development of climate strategies, with only 28 per cent reporting having an existing strategy or plan.<sup>1</sup>

**Figure 3. Strategies to address climate risks**

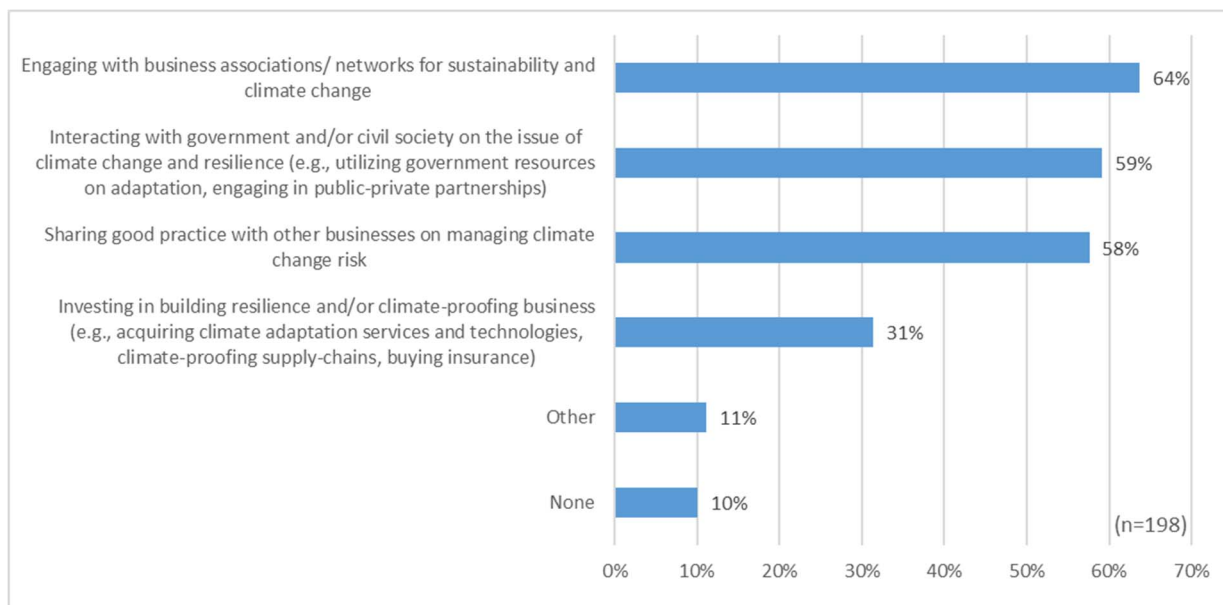


*Q: Does your company have a strategy or plan in place to deal with climate-related risks?*

15. When asked about what **actions their companies are already taking to adapt to the impacts of climate change**, the majority of respondents noted that they were engaging with business associations and/or networks, interacting with government and/or civil society, and interacting with other business about climate change, resilience, and/or sustainability. About one-third (31 per cent) of respondents reported that their companies were actively investing in building resilience and/or climate-proofing their businesses at this time. Other actions by companies involved including climate change in the company's risk management policy, and strengthening duty of care policies and standard operating procedures for staff travelling for work

<sup>1</sup> It should be noted that the sample size for this group was small at 18, making it difficult to confirm the statistical significance of the result.

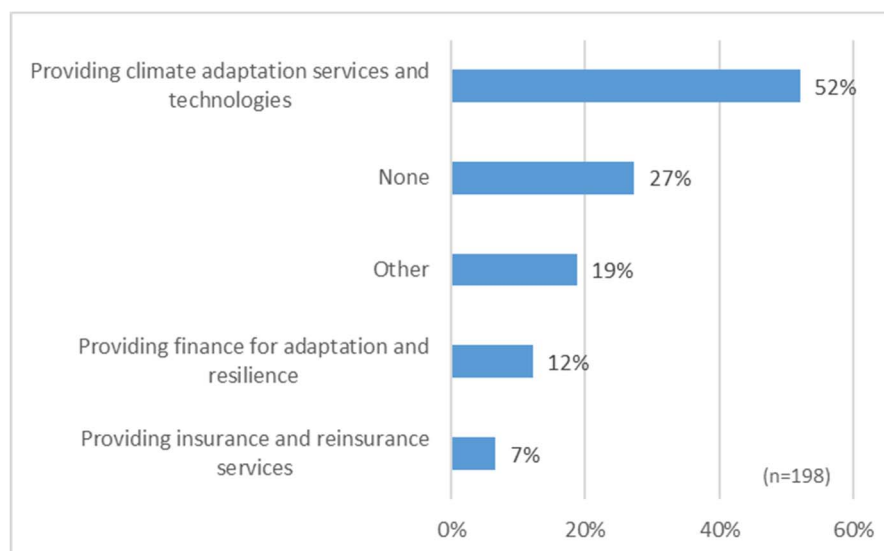
**Figure 4. Actions being taken to adapt to climate change impacts**



*Q: What kind of action are you already taking to adapt to the impacts of climate change? For your company*

16. When asked about what **actions their companies are taking to assist their clients in adapting to the impacts of climate change**, 52 per cent responded that they were providing climate adaptation services and technologies. Of these companies reporting providing adaptation services, a large fraction were SMEs (39 per cent) followed by multinational companies (21 per cent) and industry associations (15 per cent)

**Figure 5. Client-oriented actions being taken to adapt to climate change impacts**

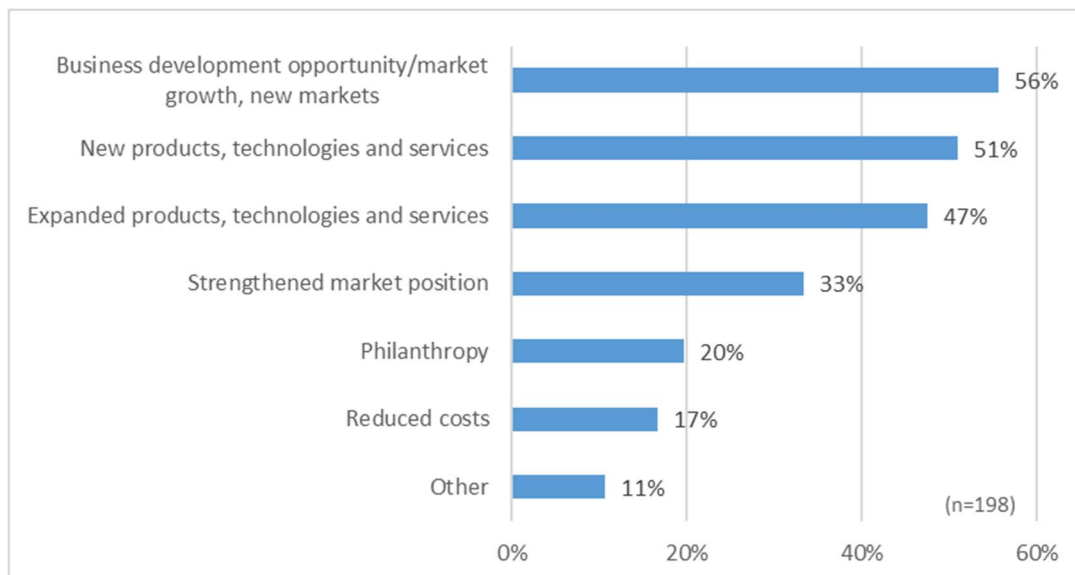


*Q: What kind of action are you already taking to adapt to the impacts of climate change? For your clients*

17. When asked about what **opportunities they foresaw as relates to climate change**, the most frequently cited were related to business development (e.g., market growth and new markets) (56 per

cent), followed by the opportunity to develop new products, technologies, and services (51 per cent) and to expand existing ones (47 per cent).

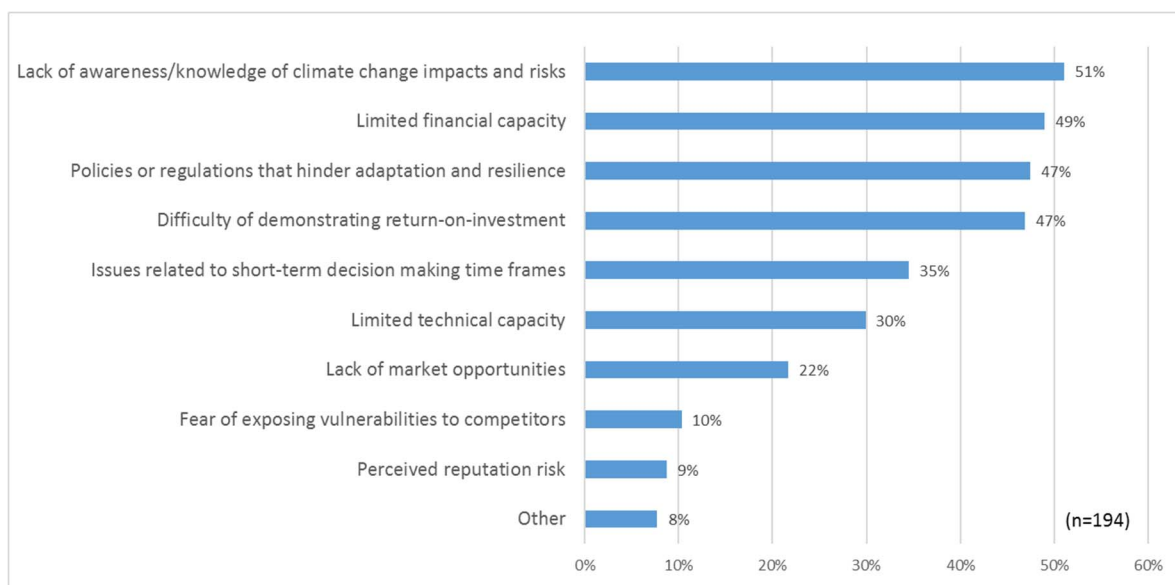
**Figure 6. Foreseen opportunities related to climate change**



*Q: What opportunities related to climate change do you see for your company or organization?*

18. When asked about what **challenges their companies faced in reducing climate risks and making use of opportunities**, the most commonly cited challenges were lack of awareness/knowledge around climate change impacts and risks (51 per cent), limited financial capacity to address risks (49 per cent), as well as policies and regulations that hinder adaptation (47 per cent), and the difficulty of demonstrating the return-on-investment (47 per cent) of actions. Other cited challenges included:

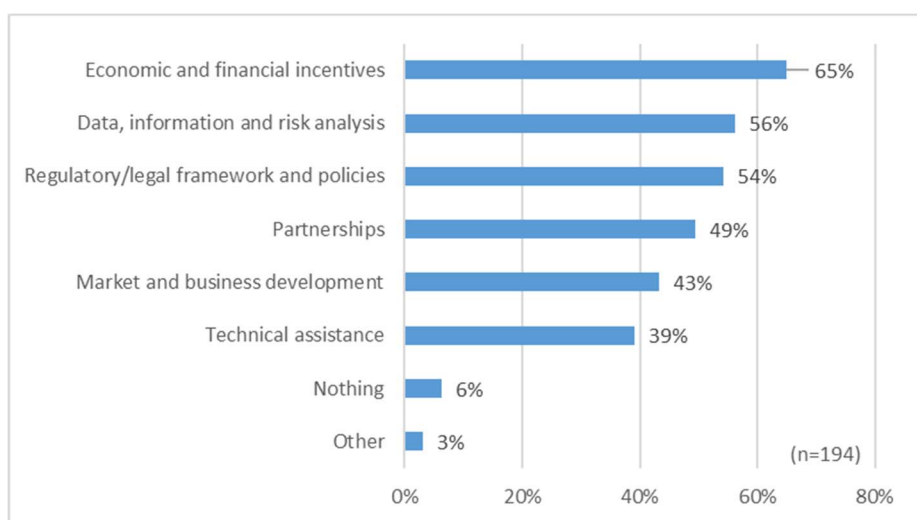
- a) Operating in an industry that is sceptical of climate change;
- b) General resistance of a specific industry to paradigm change required for adaptation (e.g., farmers in agricultural sector);
- c) Seasonality of businesses which cannot amortize extra costs within a fixed season without pricing their services too high;
- d) Receiving client buy-in to integrate climate change considerations into produces and services;
- e) Finding time to integrate climate change considerations into business.

**Figure 7. Challenges faced in reducing climate risks and making use of opportunities**

*Q: What challenges does your company or organization face in reducing climate risks and making use of opportunities?*

19. When asked about what their companies **require to better address climate risks and make use of opportunities**, the most commonly cited needs were economic and financial incentives (65 per cent), data and information (including risk analyses) (56 per cent), as well as regulatory/legal frameworks and policies that support the adoption of climate risk reduction actions (54 per cent). Other requirements that were noted include:

- Experts who can translate climate data & science into information relevant for end-users;
- Financial mechanisms such as public-private partnerships for large scale projects;
- Creative communication to mobilize businesses to address adaptation.

**Figure 8. Requirements for better addressing climate risks and making use of opportunities**

*Q: What does your company or organization require to better address climate risks and make use of opportunities?*



## 5. Case studies

20. Among private sector actors who responded to the survey, there were several which noted that their companies were already taking actions to address climate change by providing adaptation-related products and services, and/or integrating climate change considerations into their business practices. Below are some examples that were submitted to the secretariat as additional information along with the survey.

### 5.1. Supporting climate change adaptation through products and services

21. [Associated Engineering](#) is a **planning, engineering, and design** firm based in Edmonton, Canada. It assists clients in developing designs for transportation systems, infrastructure, and buildings that are climate resilient and reduce carbon emissions. It does so by integrating mitigation and adaptation considerations into all projects. Other firms that are integrating climate change considerations into planning and design services include [Ferrovial](#) and [WSP](#), among others.

22. Muchinga General Enterprises is a start-up company based in Zambia that aims to assist farmers in adapting to climate change by creating a guaranteed market of legume crops grown by smallholder farmers and sold to bulk buyers. In conjunction with the guaranteed market mechanism, the venture is designed to sell solar water irrigation systems to farmers and to provide training on increasing agricultural yield using this technology, whereby increasing farmers' income, food security, and promoting adaptation to drought-conditions.

23. Various consultancies are working to provide climate adaptation services to business as well as government clients. These consultancies provide advisory services ranging from climate risk assessments, decision analysis and support, and program monitoring and evaluation. Such consultancies include [Acclimatize](#), [DNV GL](#), and [ESSA](#), among others.

### 5.2. Integrating climate considerations into business practices

24. Several companies noted that they were integrating climate change considerations into their business practices. [Suez](#), a company that specializes in water treatment and waste water management, is integrating projected impacts of climate change into the company's risk management policies. [ESSA](#), a consultancy specializing in environmental sciences and decision support noted strengthening its duty of care policies and standard operating procedures for staff who travel for work with climate impacts in mind.

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