

Private Sector Initiative of the Nairobi work programme

**Showing successful adaptation activities and related challenges
in the private sector**

For additional information and presentations, please visit:

unfccc.int/4623





Information, Adaptation and the Private Sector

Ian Noble

UNFCCC

Doha, Qatar

30 November 2012

Who is the private sector?

Developed countries
and developing

Not just the multi-
nationals

Local businesses and
SMEs

Farmers, vendors,
service providers



Private sector and the \$100Billion and the GCF



Not dealing with
“GCF accounting”

Much of the action on adaptation must and will come from the private sector – large & small...

- Protecting their supply chains
- Protecting their value chains
- Including staff and customers
- Seeking opportunities

How should the “science community” engage with the private sector on adaptation?

Uncertainty

Uncertainty

Uncertainty

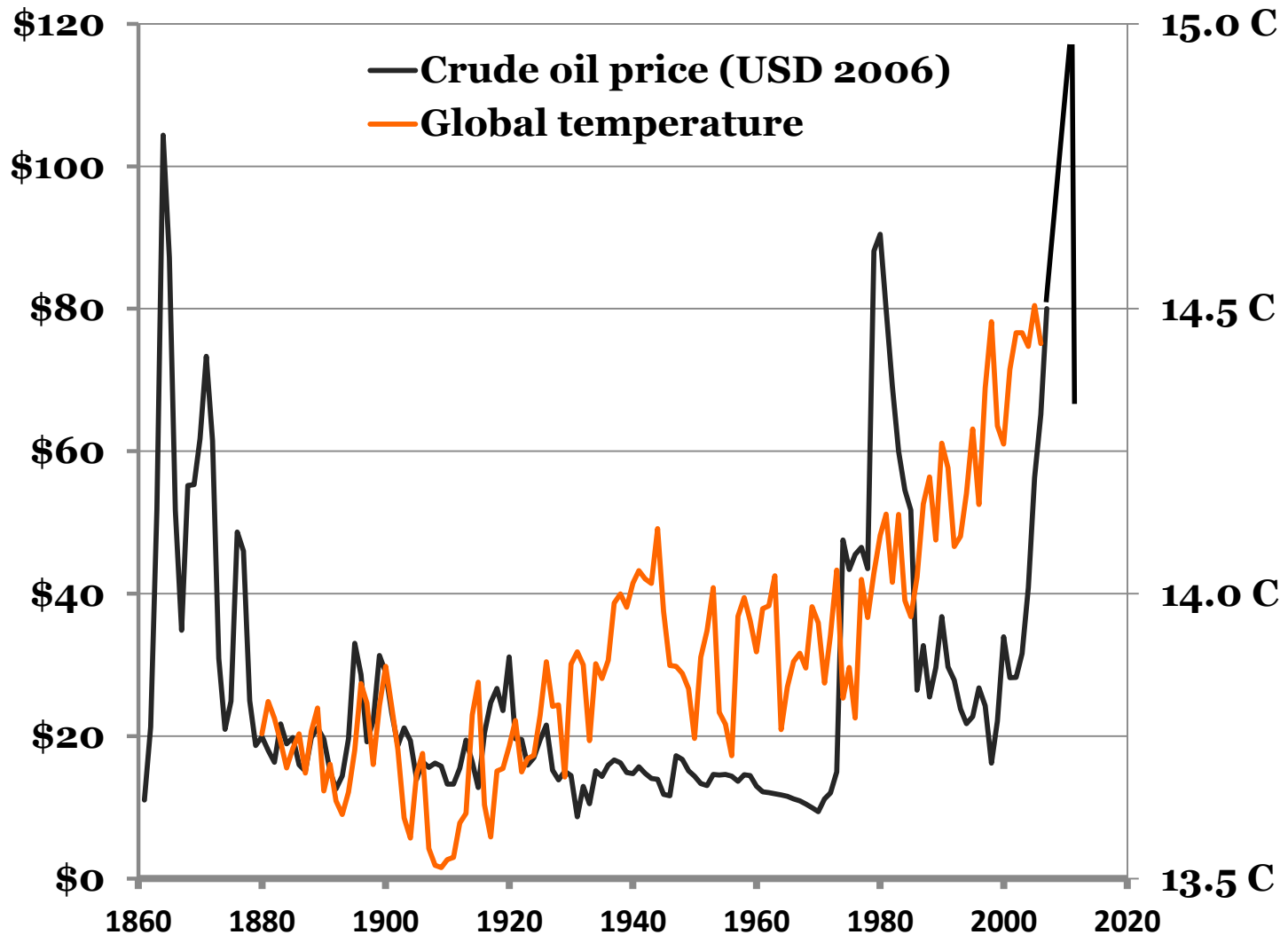
Uncerta



The future is completely uncertain...

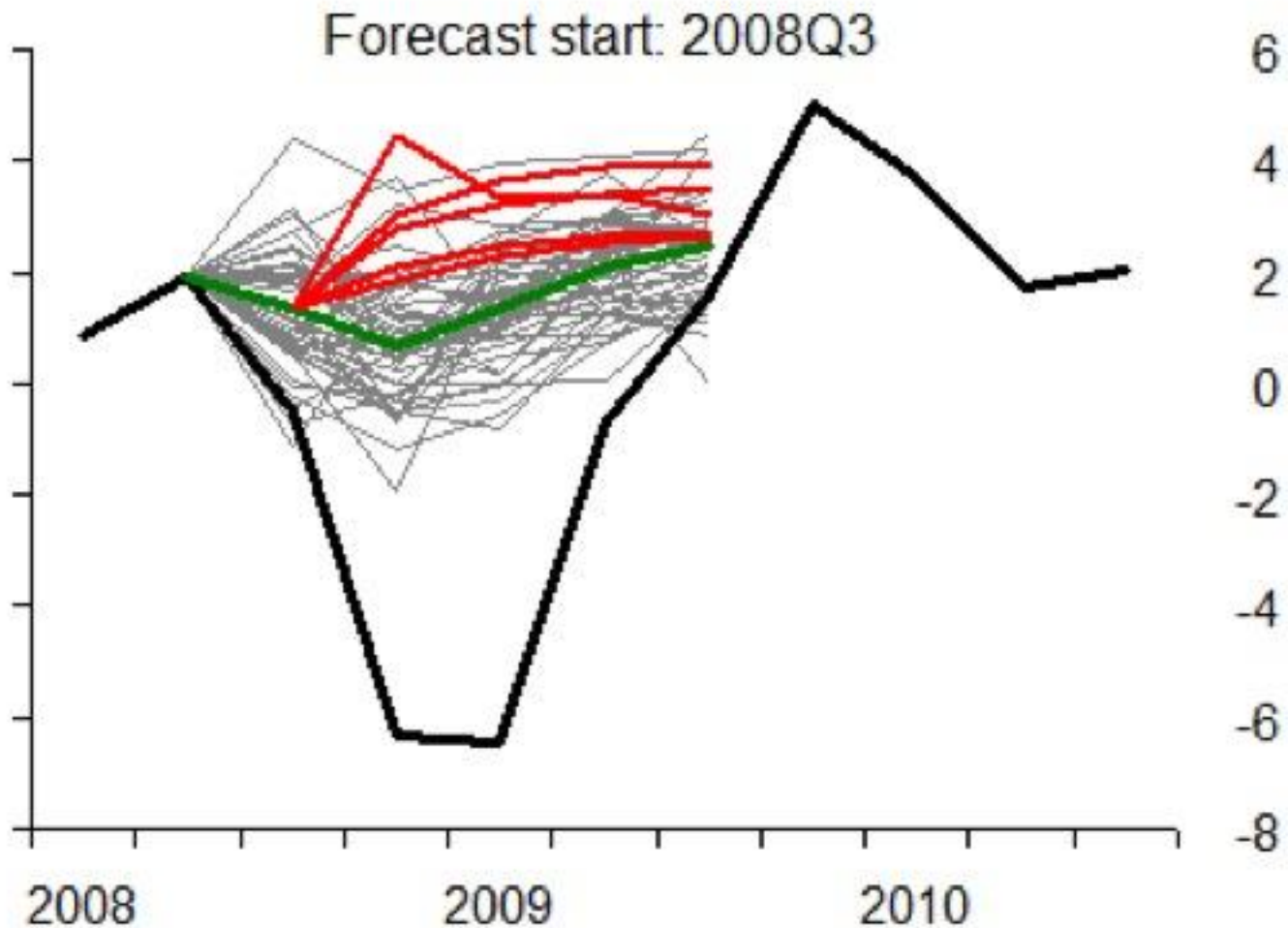
...I am completely certain of this.

Climate must be treated like other volatilities in development planning



How do other fields fare?

Projections of GDP Growth



How should the “science community” engage with the private sector on adaptation?

Uncertainty

Uncertainty



Uncertainty

Need to emphasise what
do we do know?

What type of information does the private sector need?

What are the purposes for the information?

- Raise awareness
- Explain the nature of the threat
- Elaborate within the context of their business
- Deliver information for decision making
- Help to measure and monitor effectiveness

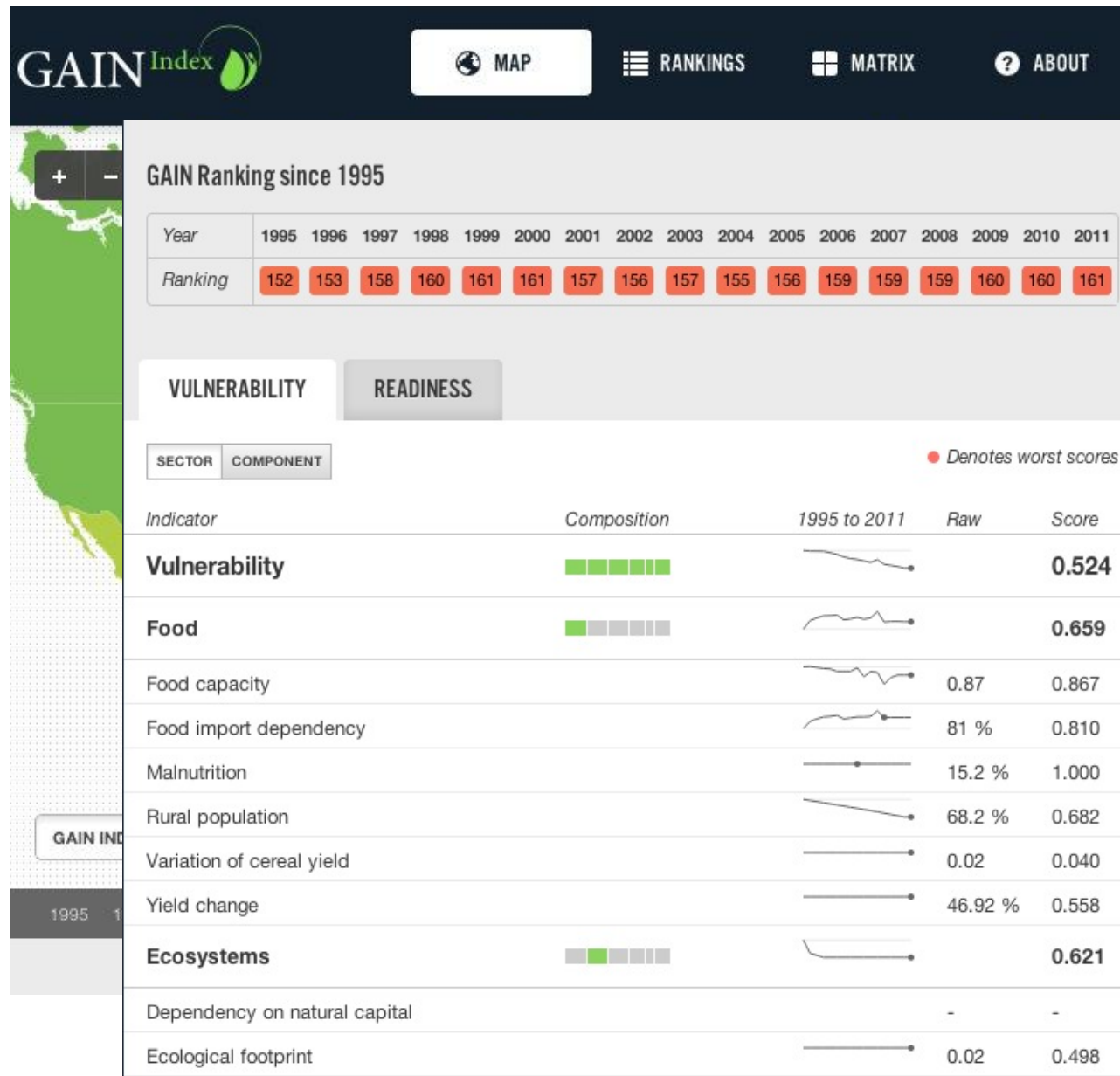
Raising Awareness

Simple iconic index

Elaborated to
Vulnerability &
Readiness

Then to underlying
measures

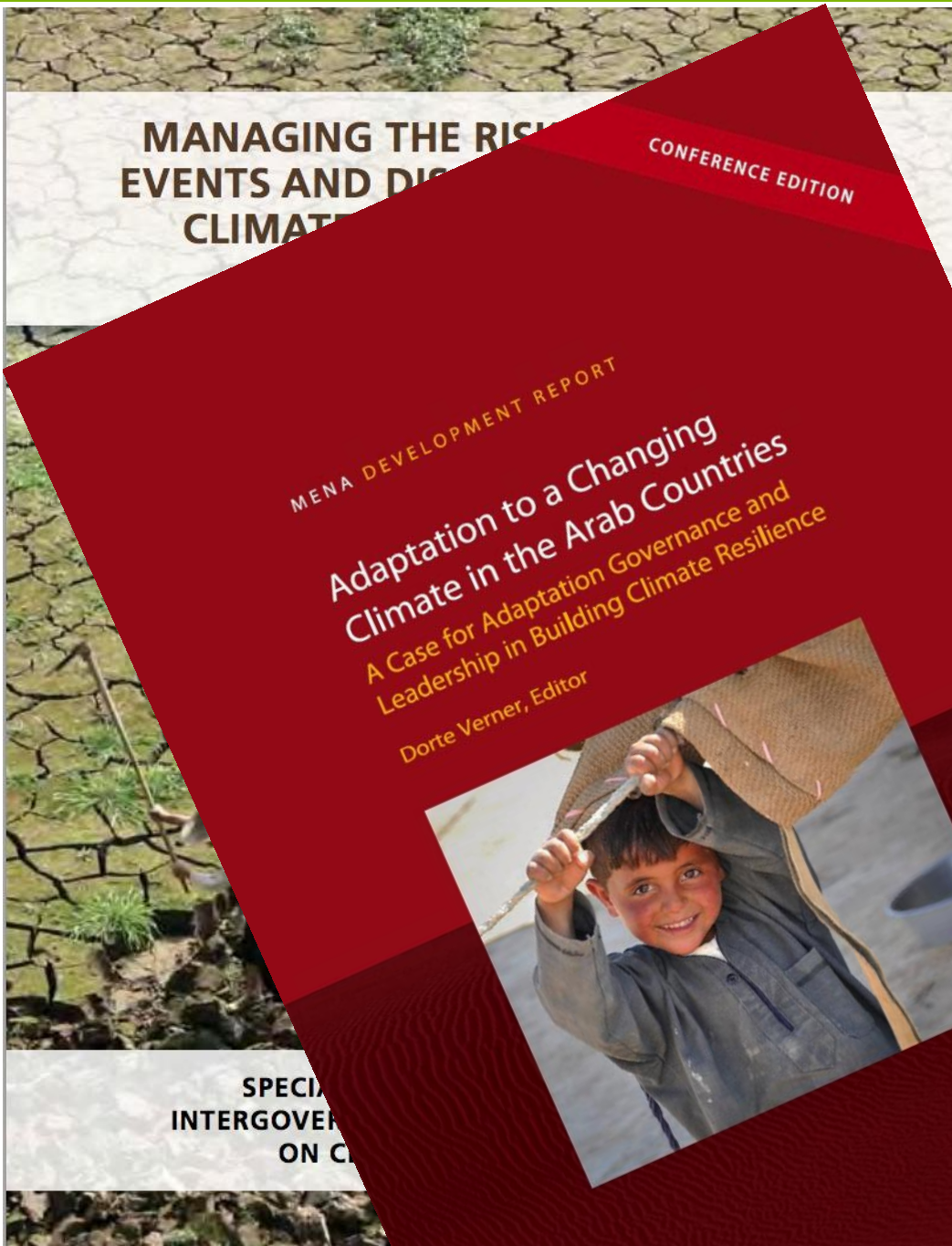
Then to probing
deeper as to what
underlies those
measures



What type of information does the private sector need?

What are the purposes for the information?

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**MANAGING THE RISK
EVENTS AND DISASTERS
CLIMATE**

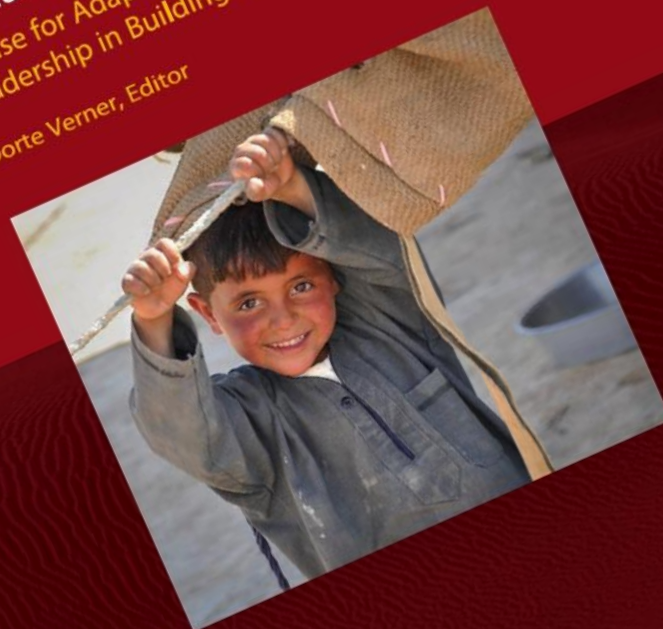
CONFERENCE EDITION

MENA DEVELOPMENT REPORT

Adaptation to a Changing Climate in the Arab Countries

A Case for Adaptation Governance and
Leadership in Building Climate Resilience

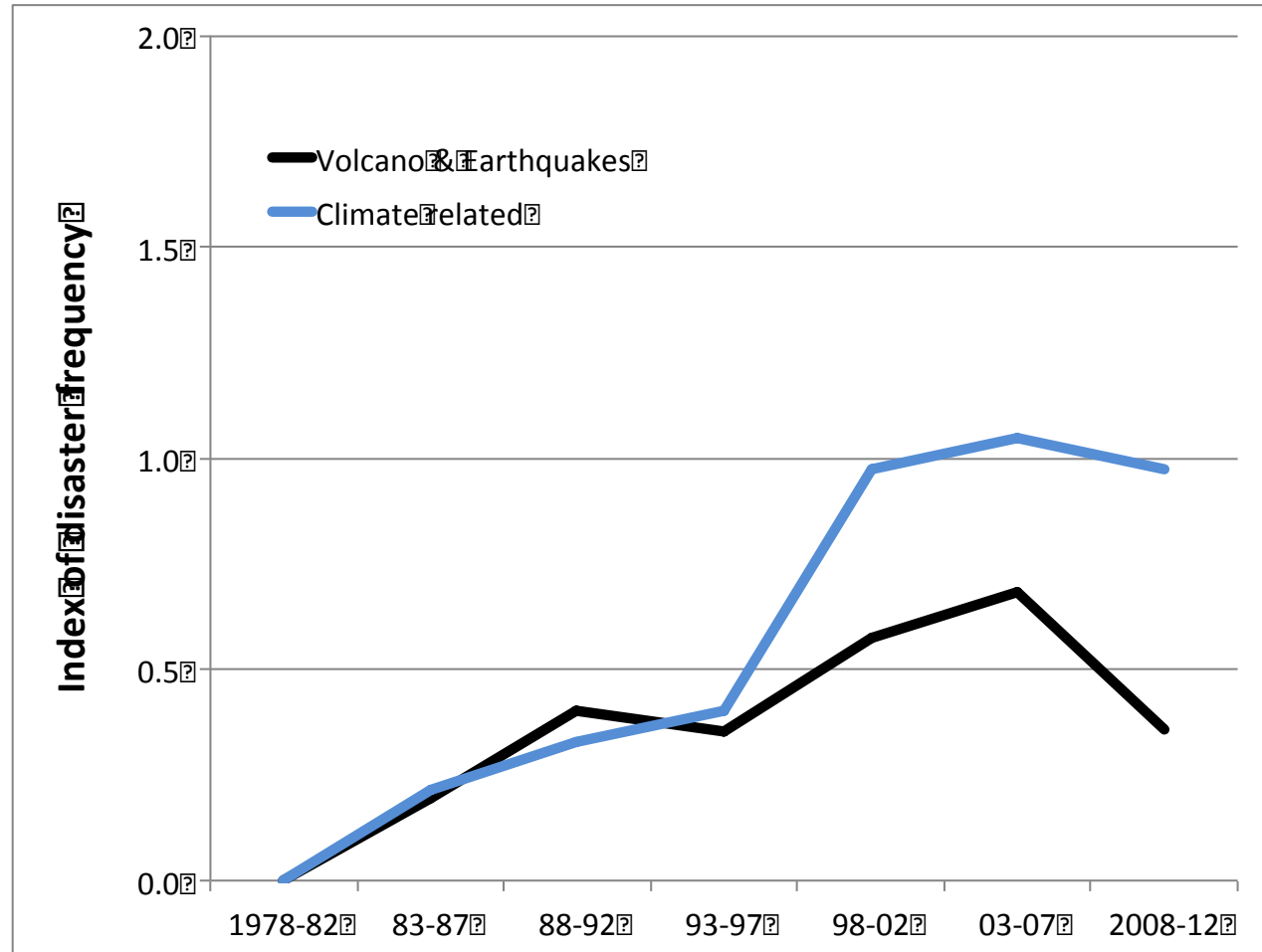
Dorte Verner, Editor



SPECIAL
INTERGOVERNMENTAL
ON CLIMATE

Climate extremes

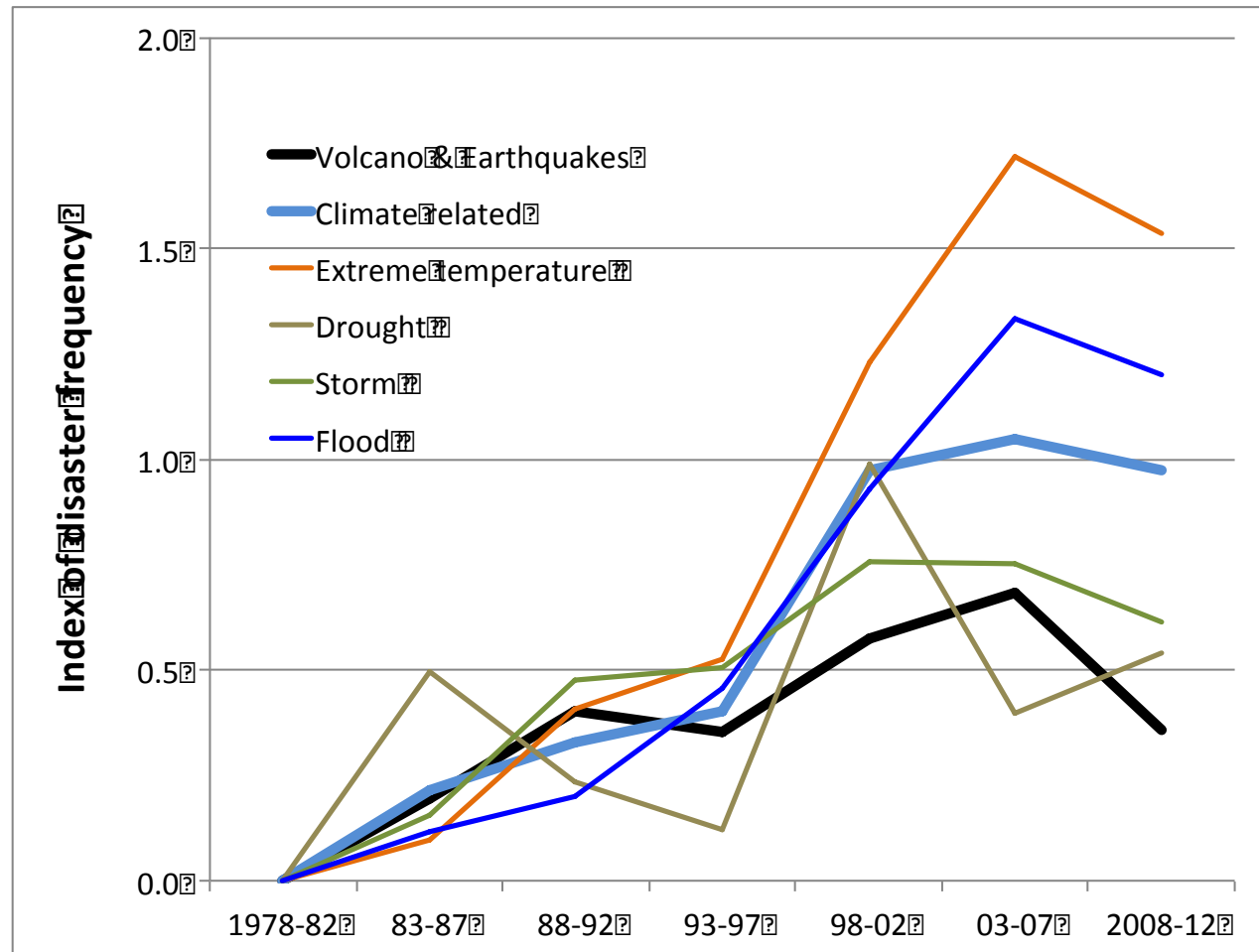
The frequency of extreme climatic events is increasing faster than non-climate related extremes



Climate extremes

Especially **extreme temperatures** and **floods**

Floods lead to the greatest loss in livelihoods and assets



Example of the Arab Region

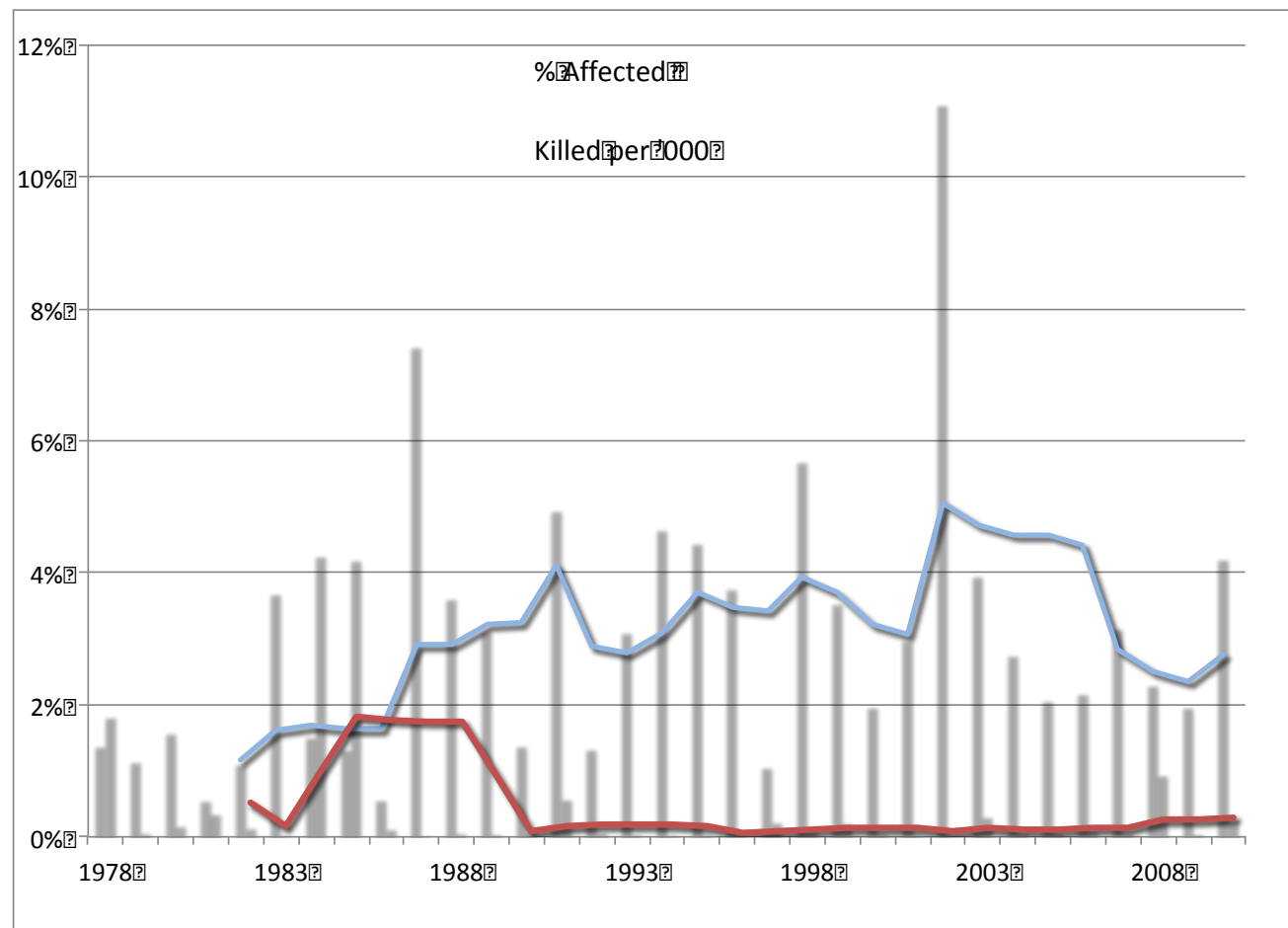
- Detailed study of adaptation in the Arab Region
- Major threats requiring immediate attention
 - Water, water, water !
 - Flash Floods
 - Extreme heat and outdoor work



Progress is possible

- Enormous advances in protecting lives
- Existing efforts have stabilized the number affected
- But our control is fragile and the level too high
- Changing climates threaten this progress

People affected or killed by climate related disasters each year



Source - GAIN

What type of information does the private sector need?

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A higher resolution (“more granular”) GAIN – “LIAN”?

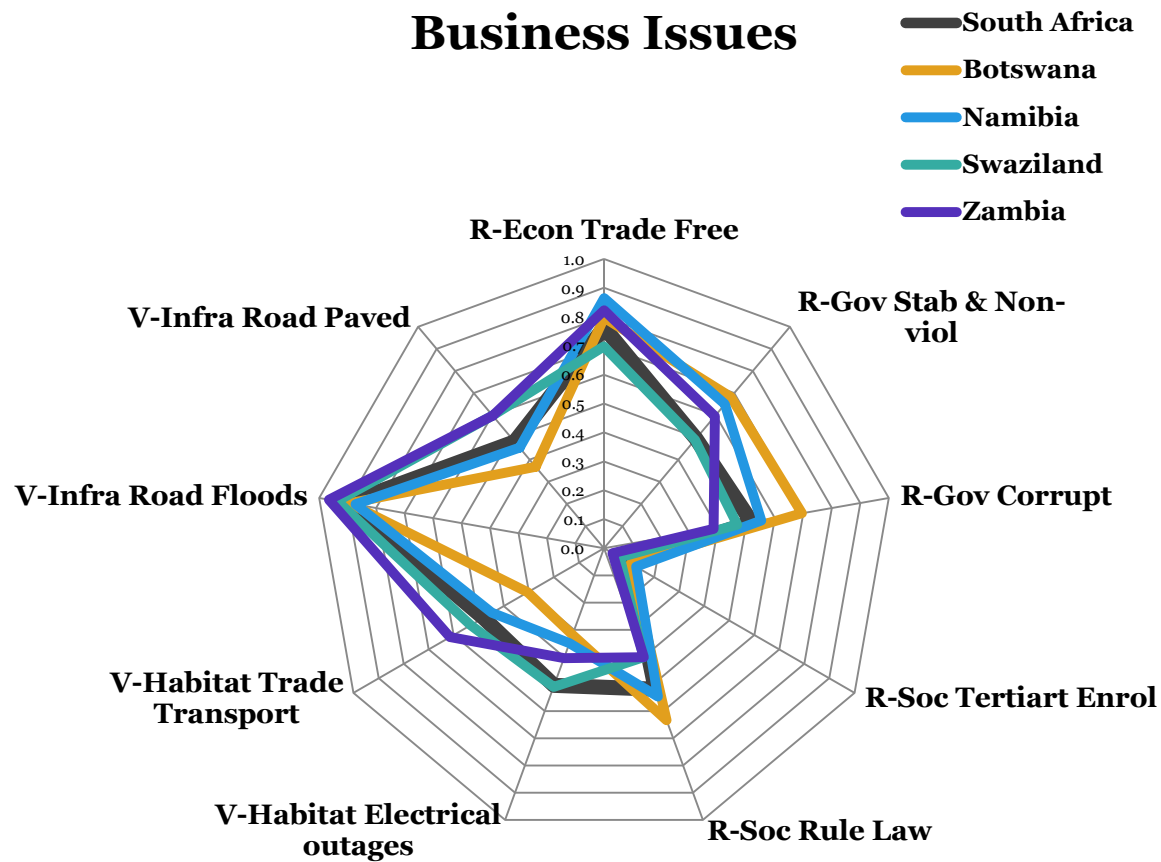


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- **Deliver information for decision making**
- Help to measure and monitor effectiveness

Look Deeper



Yemen Dashboard

Overview

Yemen

- Overview
- Climate Baseline
- Natural Hazards
- Climate Future
- Impacts & Vulnerabilities
- Adaptation

[Print](#) | [References](#)

Recent Trends

Mean annual temperature	0.5 °C since 1900s	▲
No rainfall trend detected	Explore Further	

Key Sectors

Water resources	
Agriculture and Livestock	
Energy	
Coastal zones	Explore Further



Select a layer to visualize it on the map.

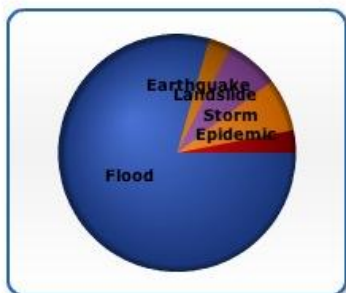
Legend

- ★ Major Cities
- Roads
- Major Rivers

Layers

- Major Cities
- Major Rivers
- Water Bodies
- Roads
- Wetlands
- Elevation

Natural Hazards

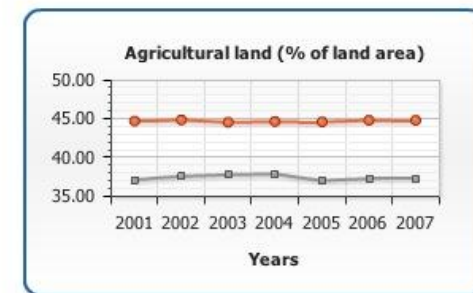


[Explore Further](#)

Overview

Yemen has a land area of 527,970 km² of which only 2.6% is arable. Yemen's economy has been dominated by the oil sector, but declining oil revenues and resource depletion render it necessary to diversify economic activity. The Government has consequently scaled up its efforts to spur non-oil growth and create jobs in sectors such as agriculture, fisheries, natural gas, urban manufacturing, services, and the financial sector. The country has a predominantly rural and rapidly growing population of over 23 million, with a 38% poverty rate and per capita GDP of \$1,118, one of the lowest in the Middle East Region. Despite modest gains against urban poverty in recent years, 40% of the country's population continues to be classified as poor. As a food-insecure nation that is highly dependent on staple food imports and with 32% of its population considered undernourished, Yemen was severely affected by the recent food crisis. Water resources are scarce and rapid groundwater depletion, along with inadequate infrastructure, pose challenges to sustainable development in the country. Climate change poses a significant threat to Yemen's development. Already early signs of water shortages are apparent. Furthermore, a range of other socioeconomic and institutional factors hamper Yemen's ability to respond to current and projected changes in climate, including: weak institutional structures, lack of long-term reliable data or technical capacity to analyze the data, uncertainties in regional and local climate scenarios as well as socioeconomic scenarios, generally low awareness levels regarding climate change, low institutional or technical capacity to interpret, modify, or develop existing models or methodologies, and a dearth of research on applicable policy measures

Selected Indicators for Impacts and Vulnerabilities



[Explore Further](#)

All data is available for visualization and download through an interactive CLIMATE ANALYSIS TOOL powered by The Nature Conservancy's Climate Wizard.

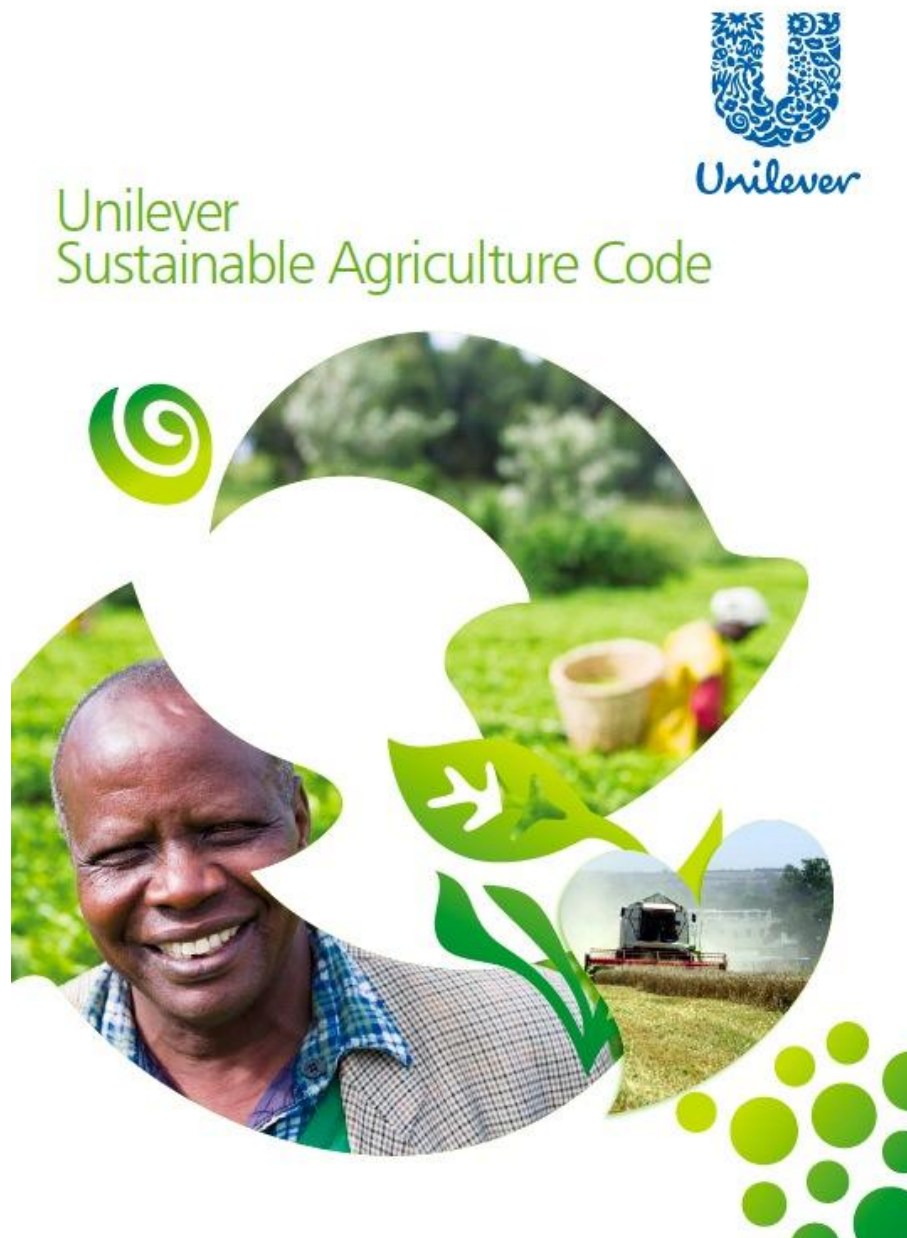
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Where next?

- How to go beyond vulnerability and risk analysis?
- To provide better information on adaptation needs and options?
- From multi-nationals to SMEs in developing countries
 - An “Adaptation Disclosure” program
 - “Adaptation Counts”



Guidance on assessing climate risks and adaptation strategies

2.3.3.3	Recommended components of nutrient management system	In addition a crop nutrient management system should consider the following:	
		a) The nutritional status of the crop should be checked and compared against the nutritional targets. Systems to detect and diagnose nutrient deficiency or nutrient excess should be in place, e.g. tissue analysis and/or visual assessment.	Should
		b) There should be a plan for monitoring concentrations of available soil nutrients (specifically any nutrient where there is the risk of deficiency or excess supply – see Soils section).	Should
		c) Where nutrient inputs (including those from soil mineralisation, organic nutrient sources) are not equal to nutrients exported in the harvested product, this should be explained. Both nutrient mining and excess supply of nutrients have implications for sustainable crop production.	Should
2.3.3.4	Fertiliser application	a) Fertilisers must only be applied to the intended crop area, specifically avoiding water bodies, wildlife habitats and places of work or residential areas. This can be ensured by (1) the use of buffer zones; (2) the use of suitable application technology (e.g. the use of deflector plates or spot applications); (3) safe disposal of washings.	Must
2.3.3.5		Measures to avoid N and P being lost to the environment must be taken and provided as documented evidence. These include: 1) timing of application (e.g. avoid rainy periods, particularly on steep terrain); 2) choice of N-fertiliser type (e.g. nitrate-based are less prone to ammonia loss than urea) 3) soil conditions (e.g. ensure soil moisture allows good infiltration, avoid frozen, cracked, water-logged or compacted soils). It is particularly important to keep the N content of soils subject to freeze-thaw and anaerobic conditions in order to limit Greenhouse Gas (GHG) production; 4) application technique (e.g. split applications, incorporate or inject organic slurry and urea-based fertilisers).	Must



The challenge to this meeting?

What support would most help the private sector become more active?

How does this vary by sector and size of business?





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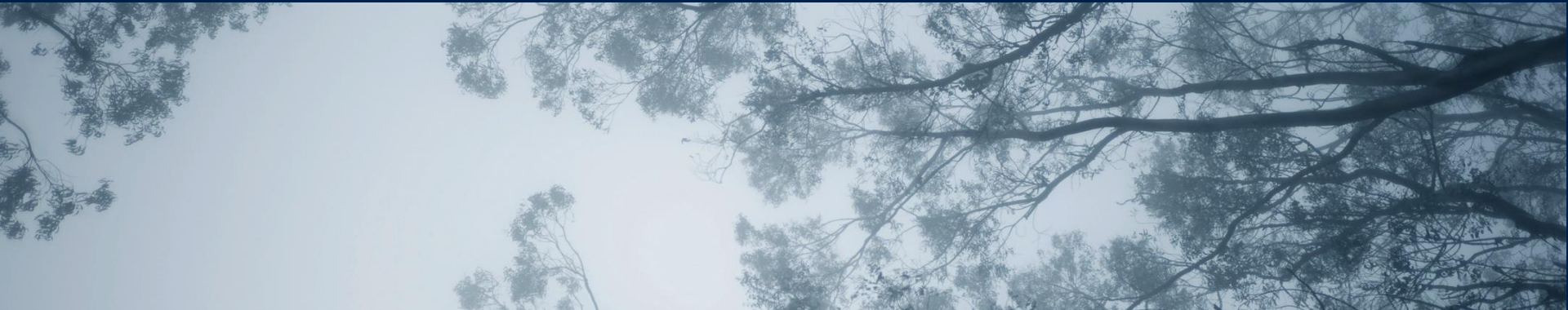
The Adaptation Challenge

- "Most of the private sector is still unclear about the nature and scale of the threats to - and opportunities for - arising from climate change.
- Targeted information is needed to promote greater awareness, but this information must go beyond identifying generic risks, such as found in the IPCC Reports, to assist private sector users are to move from awareness to action.
- I will touch upon some broad awareness raising tools (e.g. GAIN, DARA etc) and some emerging tools to provide readily accessible and relevant information at a scale relevant to the business community.
- Some questions that will be raised include;
 - how much information is enough or too much;
 - how to deliver this information to those who need it, especially in developing countries; and
 - how to support the translation of information into knowledge and action?"



Climate Risk and Business: Experience and lessons learned working with business

Friday, 30th November 2012
UNFCCC Private Sector Initiative on Adaptation



Climate Risk and Business

An increasing number of organisations (public and private) are aware of their vulnerabilities to changing weather and climate and the need to address these, including doing so as a part of their communities – Challenge: competing priorities for their attention

Awareness and confidence to identify, assess and implement responsive adaptation measures are poor or only now emerging. This is particularly the case when looking at their business in the context of their business and broader community – Challenge: interdependencies locally to internationally

Understanding adaptation in the context of sustainable business and more broadly economic growth and development, and jobs

- What (and where) is the potential for adaptation measures contributing to these?
- What are the barriers that need to be addressed?
- Who and what are the enablers?



UKCIP



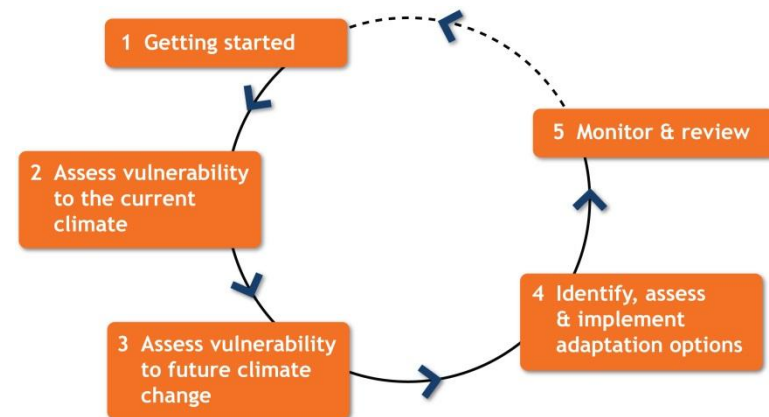
Business Areas Climate Impacts Assessment Tool (BACLIAT)

Supporting the identification of potential impacts of climate change to business – simple yet defined structure and participatory approach that is essentially a workshop resource

<http://www.ukcip.org.uk/bacليات/>

Reflects the first stages of the UKCIP Adaptation Wizard, but is particularly tailored to the interests of businesses

- Draw on experience of past weather and other events to explore vulnerabilities
- Generic business areas to brainstorm potential impacts – markets, process, premises, people, logistics and finance
- Exploring adaptation responses – three-step process



UKCIP



Business Areas Climate Impacts Assessment Tool (BACLIAT)

- Over 400 individuals and 350 organisations (mainly businesses and business-facing organisations but also some local authorities and community groups) have used BACLIAT and it has been modified by others to address specific needs

Lessons learned

- Speed BACLIAT – a desk-based first iteration for resource constrained businesses that can also inform the case for further investigation where necessary
- Brainstorming approach critical – can support a further technical analysis
- Need for a range of material (and resources) to support those undertaking assessment, including step-by-step guidance
- Case studies demonstrating use and utility have proved useful



Climate Adaptation Resource for Advisors

Enabling business advisors to incorporate adaptation into existing programmes (approach rather than a tool)

<http://www.ukcip.org.uk/clara/>

- Web-based resource developed with UKCIP's network of business advisors
- Background information, advice on making the business case to SMEs, practical tips for delivery a support service and links to publications and projected relating to SMEs and adaptation

Background

Making the Business Case

Supporting SMEs – tips and links



Climate Adaptation Resource for Advisors – Lessons Learned

- Need for advice on expressing the business case, on how to raise the need for adaptation with businesses
- Approach needs to be simple, direct and practical rather than theoretical, highlighting the most critical issues and achievable actions
- Need to be clear about the balance of short and long term issues, recognising that within SMEs a focus on short term issues and quick wins is critical
- Need for a balance between information accessible at different levels and signposts to further information where appropriate (aim for concise rather than comprehensive)

Climate Risk and Business

Need to understand what a business case should look like

- Not look at climate change or adaptation alone
- Incorporating existing elements of business planning and economic factors
- Are there elements on which it makes sense to initially focus on – large-scale procurement and property/asset investment decisions?

Need to continue to learn from practice and adapt the support available to meet the evolving needs of different types of businesses

- Learning from and sharing information – case studies and within business organisations

Needs will change as adaptation is mainstreamed and moving from risk assessment to including monitoring and evaluation of adaptation measures implemented and what these mean for further adaptation

- What does this mean for the support needed?





<http://www.ukcip.org.uk/>



Private Sector Initiative of the Nairobi work programme

Showing successful adaptation activities and related challenges
in the private sector

This presentation is available at: <http://bit.ly/VayBWz>

COP18, Doha, Qatar, 30th November 2012



Emerson Resende, Associate Programme Officer
UNFCCC secretariat, Adaptation programme

Nairobi work programme on impacts, vulnerability and adaptation to climate change (NWP)

Established in 2005

Objectives of the NWP
The NWP will coordinate and harmonise all
relevant work on impacts, vulnerability and
adaptation to climate change.
The NWP will also coordinate and harmonise
all relevant work on impacts, vulnerability and
adaptation to climate change, including
work on the NWP's mandate.

Nearly 200
Action Pledges

Nearly 300
partner organisations



PSI database of case studies

100 case studies

Drivers of action in the PSI case studies:

- Business opportunity
- Wider social advantages
- Securing supply
- Driving or changing demands for goods/services

Private Sector Initiative of the Nairobi work programme

Regional trends in adaptation



PSI Case Studies database
Call for submissions
Deadline 21 December 2012

Over 60 PSI partners

Established in 2005

• helps
• make informed decisions on practical adaptation
actions and measures to respond to climate
change on a sound scientific, technical and socio-
economic basis, taking into account current and
future climate change and variability

Nearly 200
Action Pledges

Nairobi work programme on impacts, vulnerability and adaptation to climate change (NWP)

Nearly 300



Established in 2005

Objectives of the NWP

- improve their understanding and assessment of impacts, vulnerability and adaptation to climate change;
- make informed decisions on practical adaptation actions and measures to respond to climate change on a sound scientific, technical and socio-economic basis, taking into account current and future climate change and variability.



Nearly 300
partner organisations

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Private Sector Initiative of the Nairobi work programme

Regional trends in adaptation



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Over 60 PSI partners



The PSI database of case studies

Adaptation vs Mitigation

Business drivers for adaptation can include:

- Business opportunity
- Wider social advantages
- Social licence to operate
- Reputation
- Reduced operational costs
- Reduced disruption to production/services
- Improved ability to do business
- Changing demands for goods/services

PSI database of case studies

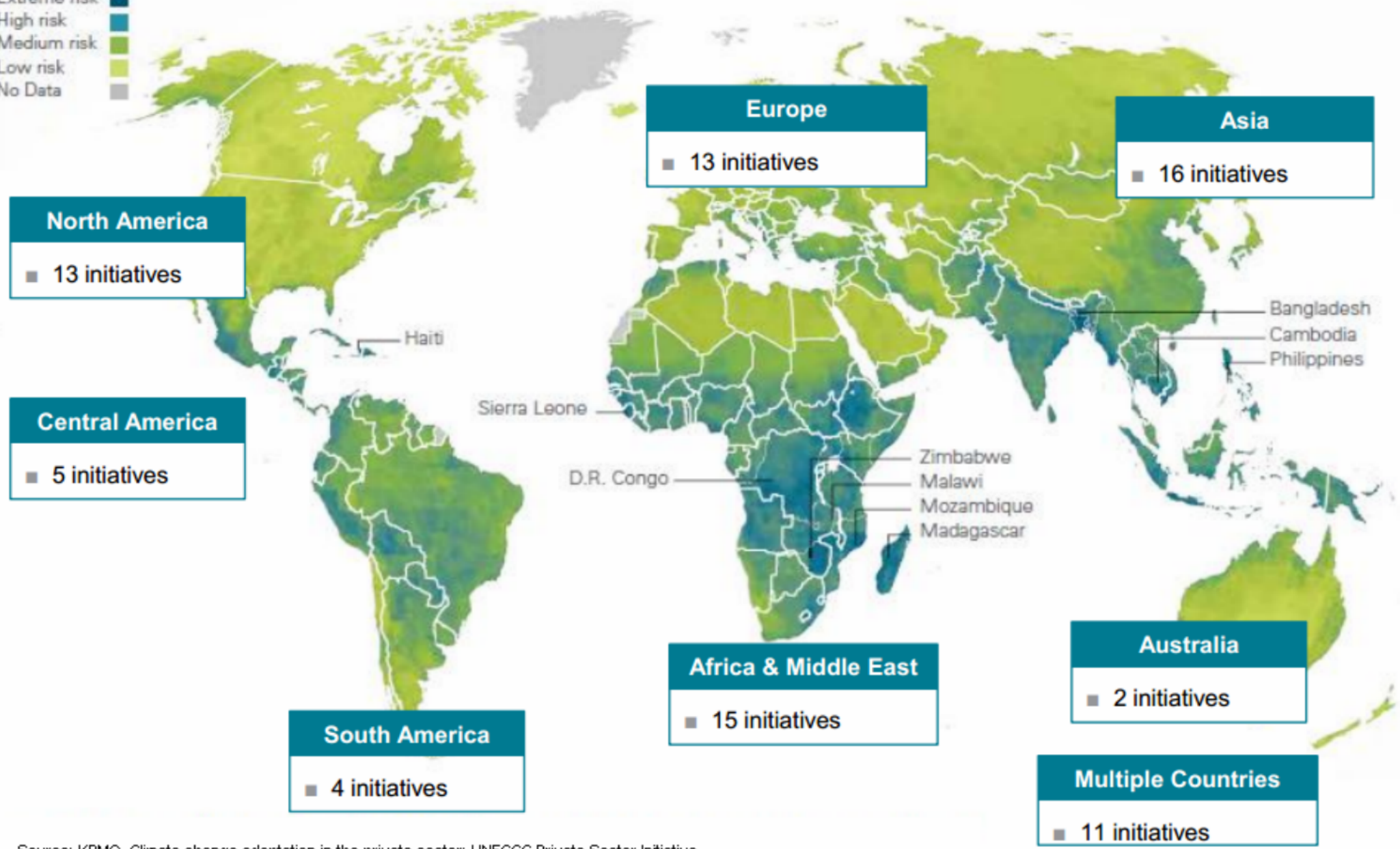
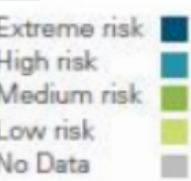
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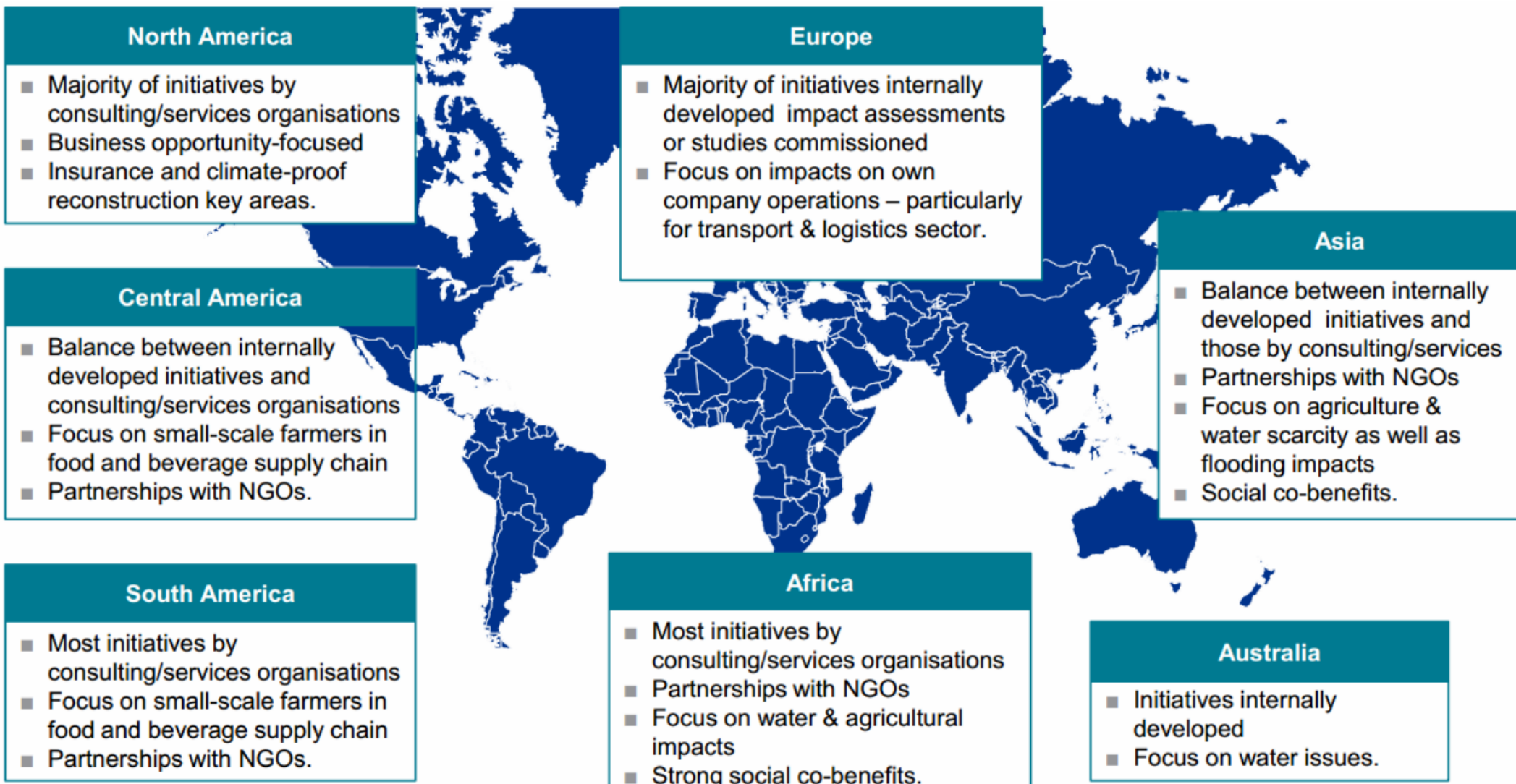
- Business opportunity
- Wider social advantages
- Securing supply
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Regional trends in adaptation





Source: KPMG, Climate change adaptation in the private sector: UNFCCC Private Sector Initiative



**PSI Case Studies database
Call for submissions
Deadline 21 December 2012**

Thank you!

Emerson Resende
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unfccc.int/4623

Helping farmers to adapt to climate change

Rainer Mueller
Communication Director
Nestlé Middle East



Side event on the Private Sector Initiative
on Adaptation under the Nairobi work programme at COP18

Qatar, 30th November 2012

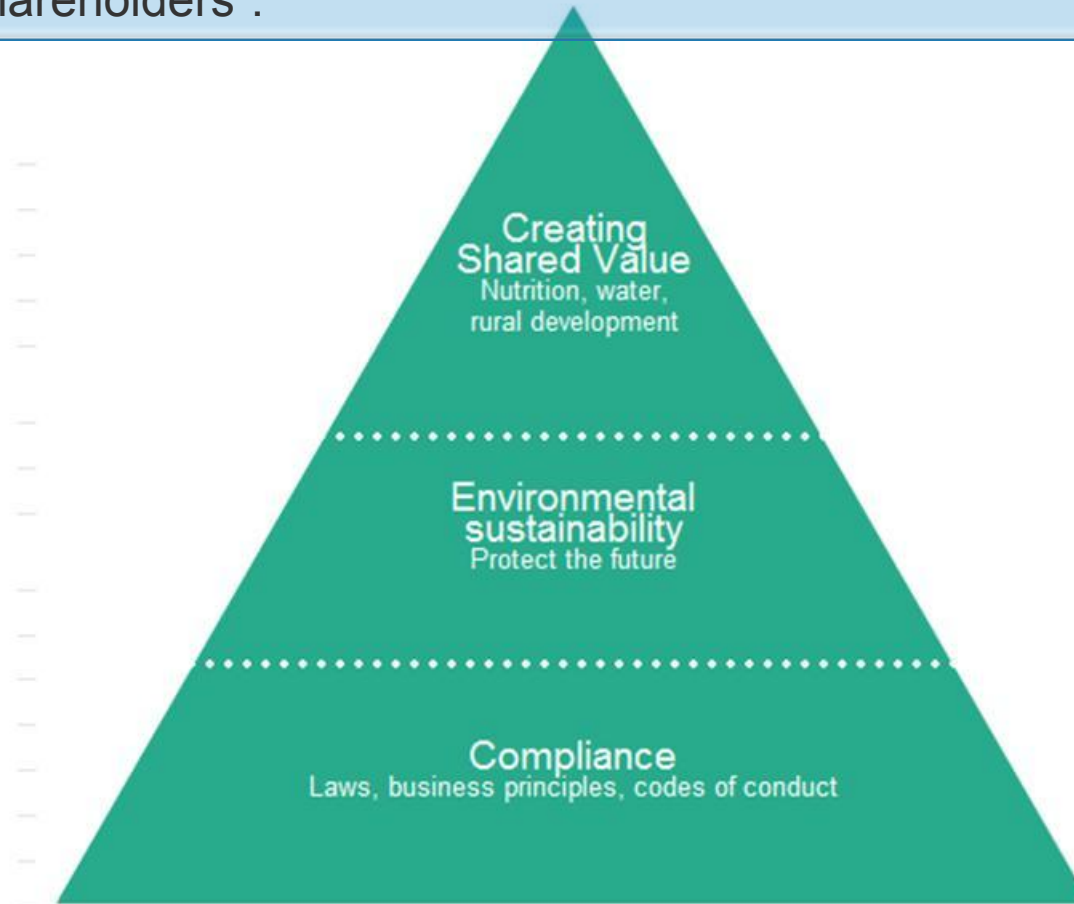
Nestlé: world's leading Nutrition, Health and Wellness Company



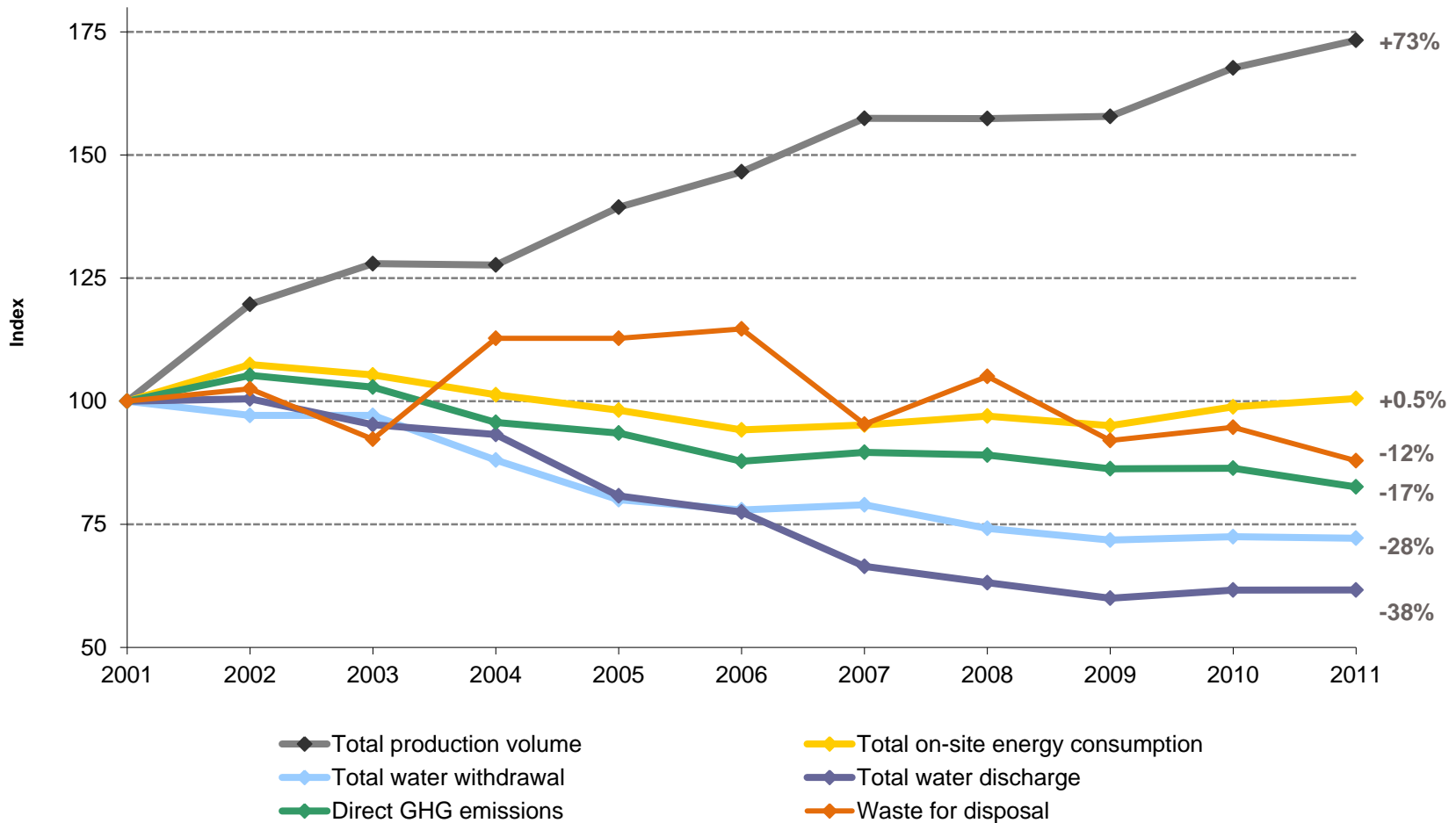
- Revenues of **CHF 83,642 million** in 2011
- Largest R&D network of any food company with **29 research, development and technology facilities** worldwide
- **461 factories**; about half in developing countries, more than half of those in rural areas

Creating Shared Value at Nestlé

“Creating Shared Value is a fundamental part of Nestlé's way of doing business that focuses on specific areas of the Company's core business activities – namely *water, nutrition, and rural development* – where value can best be created both for society and shareholders”.



CO₂ emissions more than halved per kilo of product over the last ten years



Supporting farming communities



- More than 680,000 farmers reached by Nestlé rural development programmes
- More than 1000 agronomists and 17000 extension workers working directly with farmers
- 40 water and sanitation partnership projects underway in 2011

Rural Development

Global The Nescafé Plan

Key Issues, background and context:

- With the support of the Rainforest Alliance and the 4C Association, all directly purchased green coffee will meet the internationally-recognized 4C sustainability standards by 2015.
- Nestlé will distribute 220 million high-yielding, disease-resistant coffee plantlets to farmers by 2020.
- The NESCAFÉ Plan provides training to farmers on better farming practices.



Business Benefit:

- Increased quality and yield of coffee beans
- Optimised coffee supply chain
- Sustainable sourcing

Societal benefit:

- Helps farmers to adapt to climate change, rejuvenate their plantations through training
- Increase in farmers' income

Rural Development

Global The Cocoa Plan

Key Issues, background and context:

- 19000 cocoa farmers trained in 2011 on more efficient, sustainable farming methods.
- CHF 110 million investment will be spent predominantly in plant science and sustainable production. We aim to distribute 12 million high yielding and disease resistant cocoa plants to farmers by 2020.
- Partnership with International Federation of Red Cross and Red Crescent Societies, World Cocoa Foundation, International Cocoa Initiative.



Business Benefit:

- Increased quality and yield of cocoa harvest
- Securing access to quality crops over the long term

Societal benefit:

- Improves and protects incomes by teaching good agricultural practices
- Sustainable farming methods
- Better living conditions through access to basic healthcare, education, water and sanitation

First food company rated GRI A+ for our 2011 CSV report

Creating Shared Value



CSV Prize winner

Fundación Paraguaya de Cooperación y Desarrollo received the Nestlé Prize in Creating Shared Value for its 'agricultural self-sufficient school' project.



CSV Prize winner



Starting work with the FLA



Global CSV Forum in India



Forum in Africa

1 - 4 of 15 results

OUR REPORTING

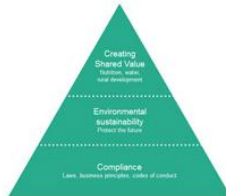


Explore at the Creating Shared Value section for a complete report of our goals, actions, progress and challenges in 2011.

Compare our performance over the past years using our interactive graphs.

Download the full 2011 online Creating Shared Value report [↗](#).

THE NESTLÉ CSV PYRAMID



As demonstrated by the Nestlé Creating Shared Value (CSV) Pyramid, CSV builds on a strong base of performance in environmental sustainability and compliance with international laws and codes of conduct, as well as our own business principles.

View the interactive Nestlé CSV pyramid.



Good Food, Good Life

Nestlé Creating Shared Value Report 2011

Creating Shared Value at Nestlé

Nutrition

Rural development

Water

Environmental sustainability

Compliance

Our people

Nestlé Creating Shared Value Report 2011

Visit the Creating Shared Value site at www.nestle.com/CSV



www.nestle.com/CSV



Download our summary report



For more information, visit www.nestle.com/csv



Our adaptation efforts have been acknowledged

Nestlé ranked in 2012 by CDP as first company, for our comprehensiveness disclosure, and top level of action taken on climate change.

CARBON DISCLOSURE PROJECT

Nestlé received the highest score in the food producers' climate strategy section of the 2012 Dow Jones Sustainability Index, for our performance in reducing and managing carbon risk.



FEMSA

Generating **shared value** while doing
adaptation projects in **Latin America**



DOHA 2012
UN CLIMATE CHANGE CONFERENCE
COP18 • CMP8

Content

FEMSA overview

Adaptation *through...*



FEMSA overview

FEMSA

48.9%



Coca-Cola's largest public bottler in terms of sales volume

100%



Market leader and fastest growing retail chain in Mexico

20%



The world's most international brewer



FEMSA overview

Large Scale

- 2.6 bn unit cases of beverages

Powerful Brands

- #1 in beverages in all regions

Efficient Production and Distribution

- 38 beverage bottling plants
- + 9,300 routes

Growing Consumer Base

- + 1.7 mm retailers
- + 215 mm consumers

Dynamic Store Platform

- +10,100 OXXO stores

+ 177,000 employees and associates

2nd Largest investor in Heineken



Adaptation *through...*

being efficient:

Our operations as an starting point



being efficient: Our operations as an starting point

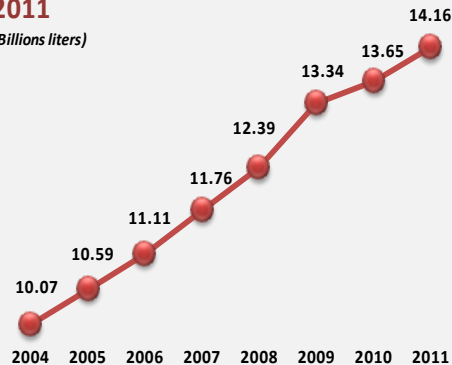
Being efficient in our operations **as an starting point** in our adaptation journey.

For example, **FEMSA** established a process of **continuous improvement**:

- **REDUCE:** savings of more than 15 billion liters of water in the past 6 years.
- **REUSE:** water in general services (irrigation, cleaning, toilets, steam generation, etc).
- **RECYCLE:** water treatment 99.5% water treated at KOF.

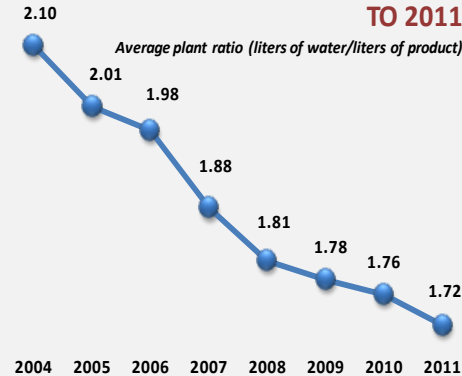
COCA-COLA FEMSA BEVERAGE PRODUCTION FROM 2004 TO 2011

(Billions liters)



COCA-COLA FEMSA WATER USE RATIO (EFFICENCY) FROM 2004 TO 2011

Average plant ratio (liters of water/liters of product)



Adaptation through...

partnerships:

Latin American Water Funds Partnership



partnerships: Latin American Water Funds Partnership

The Latin American Water Funds Partnership will invest **US\$27 million** to create, implement, and capitalize at least **32 Water Funds** in the next five years which will conserve **3 million hectares** of watersheds and benefit around **50 million people in the region**.

Progress 2012: **+11** Water Funds in different stages of operation in 5 countries of Latin America

+1.3 million hectares conserved

to be launched:
Medellin / Monterrey / Panama

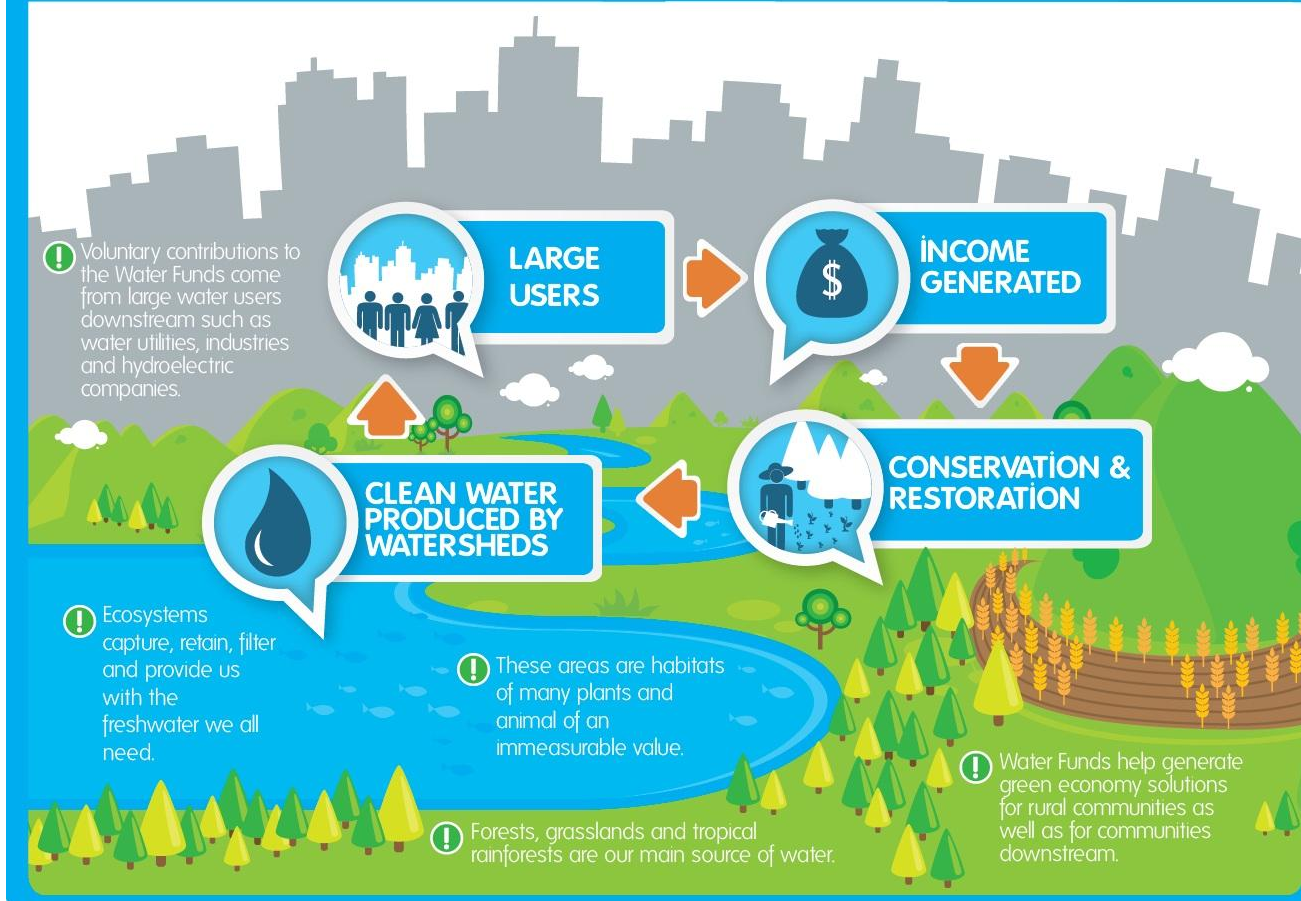


LATIN AMERICAN
WATER FUNDS
PARTNERSHIP



partnerships: Latin American Water Funds Partnership

HOW WATER FUNDS WORKS



Adaptation through...

building capacities:

Water Center for Latin America and the Caribbean



building capacities: Water Center for Latin America and the Caribbean

- Emerged on 2008 focused on addressing the regional challenges of water management in Latin America through **building capacities, technology development and generating/disseminating knowledge.**
- Accomplishments in **2012**
 - ✓ +761 water professionals trained
 - ✓ 15 Research projects
 - ✓ 16 publications in specialized journals
 - ✓ 5 books published
 - ✓ National Junior Water Prize 2011



TECNOLÓGICO
DE MONTERREY



Adaptation *through...*

sharing:

Regional Policy Dialog on Water and Adaptation to
Climate Change



sharing: Regional Policy Dialog on Water and Adaptation to Climate Change

- **20** organizations in the Americas; **sharing knowledge** to increase the technical understanding of water and climate change adaptation.
- **9** public policy recommendations on water and climate change adaptation during the **COP16 in Cancun, Mexico**.
- **20** solutions for public policy related to water issues.



**WATER AND
CLIMATE CHANGE
IN THE AMERICAS**



Adaptation through.....

alliances:

Alliance for Water Stewardship



alliances: Alliance for Water Stewardship



Collective adoption of sustainable management practices of water resources among water utilities and companies

The AWS-LAC Regional Initiative reached an official position in 2012, which was instrumental for the construction of the International Standard. It was also one of the first regions to pilot the guidelines in companies such as **IMBERA and PTM**.

- **March 2012:** First draft of the International Standard presented
- **November 2012:** First version published
- **5 pilots** were shared during the **Milwaukee Water Summit**

Adaptation through.....

inspiring:

Sustainable Energy for All



inspiring: Sustainable Energy for All

FEMSA Commitment



To cover **85%** of the energy needs of our Mexican operations through renewable energy by 2013.*

* Based on the size of FEMSA operations in 2010



inspiring: Sustainable Energy for All

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Wrap up... for *adaptation*:

being efficient: Our operations as an starting point

partnerships: Latin American Water Funds Partnership

building capacities: Water Center for Latin America and the Caribbean

sharing: Regional Policy Dialog on Water and Adaptation to Climate Change

alliances: Alliance for Water Stewardship

Inspiring: Sustainable Energy for All Commitment

FEMSA
Thank you



Private Sector Initiative of the Nairobi work programme

**Showing successful adaptation activities and related challenges
in the private sector**

For additional information and presentations, please visit:

unfccc.int/4623

