



The second UNFCCC webinar on Long-term finance

Adaptation Finance

Outline of presentation

- The context of adaptation action
- The role of the private sector
- Enhancing measures to facilitate adequate adaptation and climate change resilience

Contextualising adaptation action

- Even if we manage to limit climate change to 2 degrees, we will need to still measures to adapt with the consequences of the change in the climate.
- Heterogeneity in capacities to respond to climate change impacts, complexity of the responses and significant uncertainty on long term risks
- Country driven context specific and continuous and iterative actions
- Need a combination of long and short term actions to address present risks, prepare for future risks and enhance the enabling environment to sustain the adaptive actions in the long term

- Recognise that much focus has been on the public sources of adaptation support, which creates the impression that support to enhance adaptive capacity belongs mainly to the public domain
- Misconception that the private sector is not interested in adaptation action and as such their role and contribution is perceived as being limited or absent.

- Adaptation measures are supported through a variety of channels and sources, in different sectors and at different levels.
- Need to look beyond purely public sector investments in adaptation measures to also include those that aim at leveraging support from private sector, as well as those that the private sector makes without direct reliance on public sector impetus.

How does the private sector engage?

- Investing in climate proofing present operations to reduce risk of losses
- Developing new business opportunities to respond to adaptation needs
- Strengthening corporate social responsibility

Examples of private sector contributions to adaptation action

Private sector initiative: database of actions on adaptation

http://unfccc.int/adaptation/nairobi_work_programme/private_sector_initiative/items/6547.php

How can such actions be enhanced?

- **Public sector leadership**
 - Clear regulatory and investment frameworks
 - Incentive structures to enhance innovation, and investments to respond to risks that may not be apparent in the immediate short and medium term
 - Focus on public good interventions that inform risk assessment and enable informed decision making the private sector and other stakeholders
 - Facilitating partnerships
 - Providing the enabling framework to enhance coherence in actions to adapt to climate change

How can such actions be enhanced?

- **Private sector engagement**
 - **Engage** with the public sector and beneficiary communities in development of risk management frameworks, formulation of regulation and other incentives
 - Undertaking a **comprehensive risk assessments**
 - **Develop** climate resilient products and services

Conclusions

- In identifying options to support adaptation measures, it is essential to understand context in which adaptation action takes place
- Important to acknowledge role and contribution of a wide range of actors both in the public and private sectors in order to determine the nature of support and means to enhance investments
- Utilise existing national and international public support to showcase adaptation measures, build capacity and support development of public goods necessary to inform the efforts of other actors and as such to leverage and further incentivise their efforts