

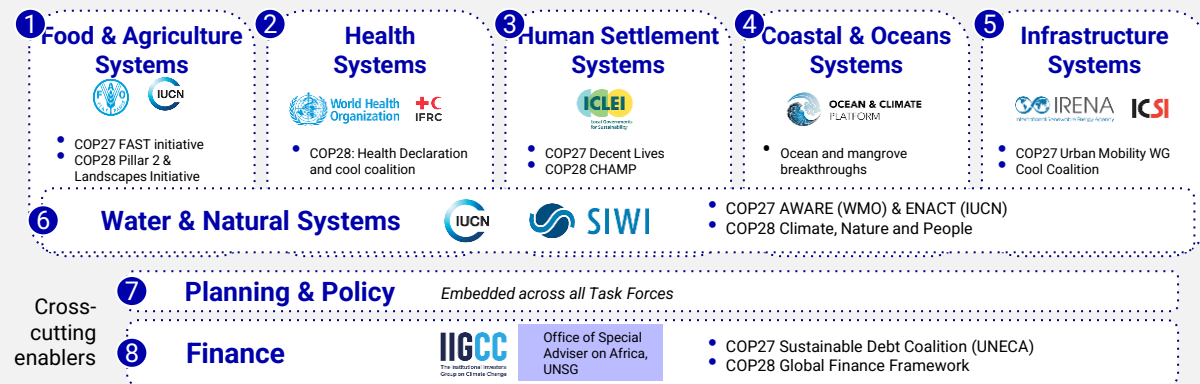
# Sharm el Sheikh Adaptation Agenda (SAA)



In 2022, HLCs and COP27 Presidency launched the SAA, a **global solutions agenda** to rally adaptation and resilience action



Sets **45+ global targets for** companies, financiers, NGOs, philanthropies, sub-national governments, and others to build resilience of 4 bn people by 2030 across systems:



**SAA operationalized by Task Forces**, composed of leading organizations that advance implementation and partner engagement for each system



**SAA Task Forces prepare an annual implementation report** for COP, and partner on joint convenings, co-branded reports, deep dives and others

# SAA Finance outcomes

## Private finance

Private sector integrates physical climate risks into investment decisions and continues to innovate mechanisms for financing adaptation and resilience so as to enable the mobilization of the US\$215 billion to US\$387 billion that will be needed annually across both public and private sources

## Public finance

Public finance actors increase provision of climate finance and allocate 50% of climate funds to adaptation and resilience

## Insurance

Global property and casualty insurance sector has an industry capabilities framework, actively supports project implementation, and institutionalizes a longer-term industry approach to climate adaptation

## MDB finance

Multilateral Development Banks and Development Partners support scaling-up private finance by providing dedicated resources to support credit enhancement and de-risking of adaptation investments



SAA

SHARM  
ADAPTATION  
AGENDA

RACE TO  
RESILIENCE

# It is imperative for the private sector to take action

## 1 All industries will be impacted & face potentially massive losses



Losses by 2030 in 3C warming scenario (current path):



**-20%**  
GDP impact

**~15%**  
EBITDA at-  
risk for  
companies

**>50%**  
of global infra.  
portfolios at  
risk

## 2 External pressure for companies and financiers to act



### Regulations & standards

Mandatory disclosures on physical risk



### Valuation

Investors increasingly consider physical risks in asset and company valuations



### Insurance

Unaffordable or unavailable coverage in climate-vulnerable areas

...But private sector largely underprepared

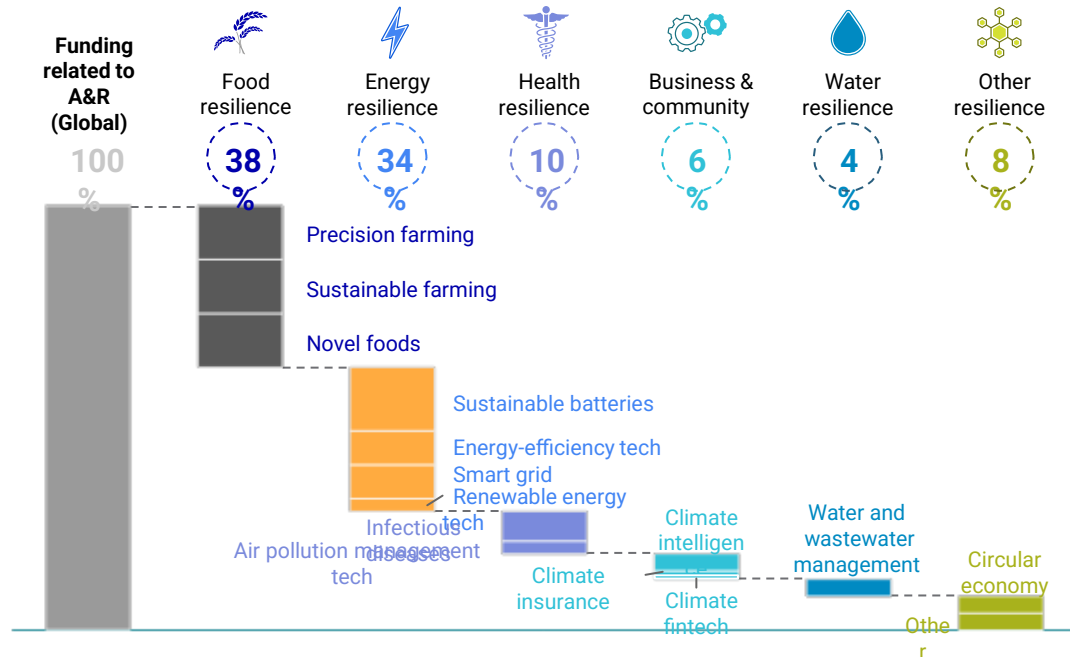
**21%** of surveyed companies have an **adaptation plan**  
*Mostly in the utilities and energy sectors*

**48%** of plans have **underestimated or unassessed risks**  
*E.g., qualitative analyses and/or assessments restricted to certain assets*

**69%** of plans **don't quantify adaptation costs**  
*Signals most have not translated risk assessments into concrete actions*

# Beyond the imperative, there is a substantial opportunity

Proportion of tracked funds flowing into A&R solution companies (i.e., companies that provide A&R products and services to third parties)



Source: Adapted from BCG-GRP-USAID (2023) "From Risk to Reward: The Business Imperatives to Finance Climate Adaptation and Resilience," based on investment deals from Tracxn and Pitchbook; BCG analysis for the SAA business engagement workstream

## Signals pointing to growth of adaptation market

- ✓ **Taxonomies and investment thesis** for adaptation solutions being defined



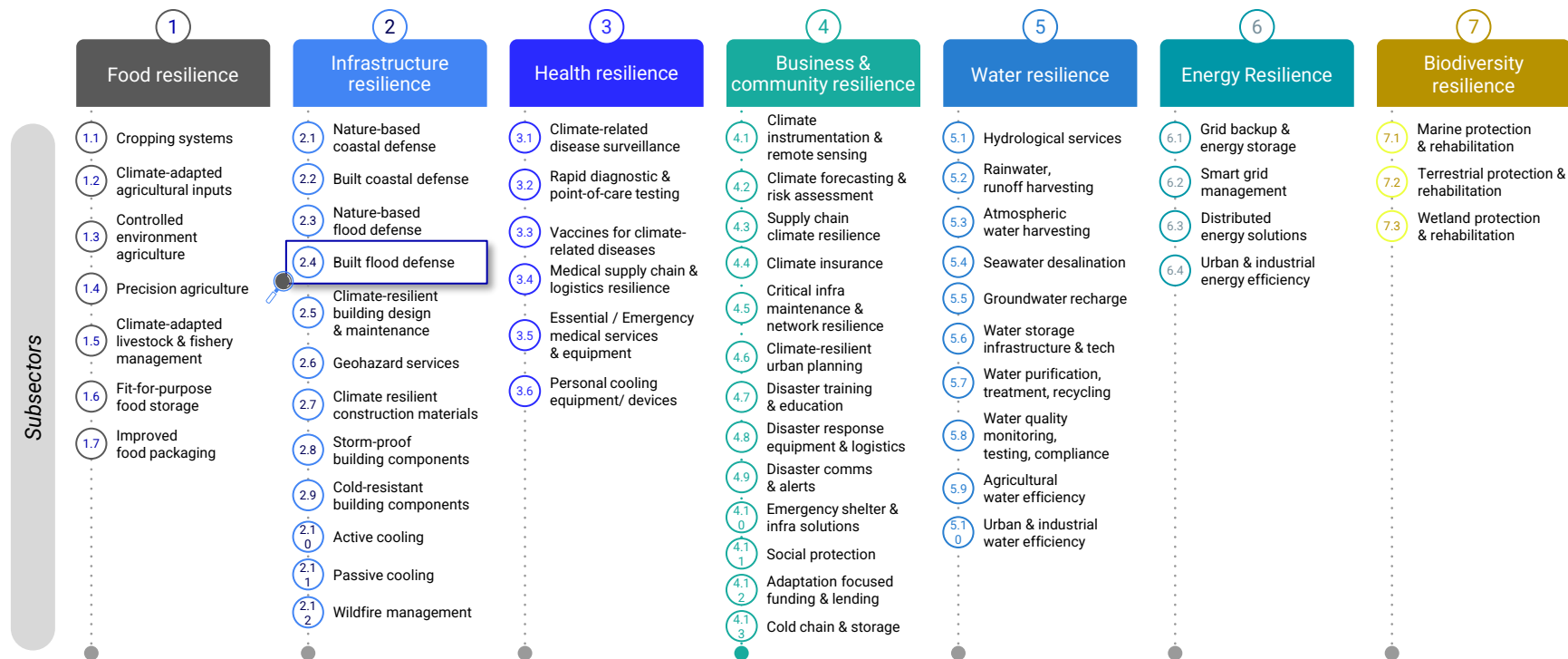
- ✓ **Emerging frameworks** on private sector opportunities & **toolkits** on how to plan, measure, and report on adaptation



- ✓ **Methodologies and case studies** for the business case for adaptation



# There are a wide range of A&R solutions needed with investment opportunities across 7 key impact themes





# To unlock A&R, more is needed

## From the public sector:



Government directed National Adaptation Plans and policy guidance



Data access and availability for planning



Local technical capacity for implementation



Guardrails to minimize risk of maladaptation



Blended finance mechanisms to bridge risk-return expectations of private sector

## From the private sector:



Data driven business cases for adaptation



Participation in blended financing mechanisms



Use of insurance, first-loss guarantees, credit enhancement and other instruments to bridge risk-return expectations



Industry collaborations to orchestrate collective action in adaptation that support joint interests



Data sharing for public good

# SAA Private Sector Community aims to rally global business and finance action for A&R

**SAA**

SHARM  
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AGENDA



## Vision

The SAA Private Sector Community is a collaborative group that aims to identify opportunities and key drivers to **mobilize and consolidate private sector adaptation action** towards the Sharm Adaptation Agenda targets.

## Potential Opportunities

- 1 **Co-Design Investable Adaptation Projects with Governments**
- 2 **Introduce and Scale Innovative Financing Models**
- 3 **Deploy Technology for Enhanced Data Collection and Monitoring**
- 4 **Develop Adaptation Solutions and Products**
- 5 **Facilitate Access to Capital through Strategic Partnerships and Networks**

**Register your interest to engage with the SAA private sector community**

Scan the QR code or reach out to [mariamallam@climatechampions.team](mailto:mariamallam@climatechampions.team)

