

Major Economies Business Forum

on Energy Security and Climate Change



Major Economies Business Forum: Adaptation

KEY MESSAGES

- Business welcomes the inclusion of adaptation with mitigation as central themes in developing response efforts to limit harmful impacts of climate change. While adaptation cannot eliminate all risks from climate change, it can make an important contribution to limiting risks and damages in a number of areas.
- In many sectors business has already begun to consider the implications of climate change and to design investment and operational strategies.
- Strategies will depend strongly on national circumstances and priorities that may require different types of information to address specific issues.
- While investments in public adaptation will require public support, business has experience and a role to play in designing and implementing adaptation strategies.

- Many steps to build adaptive capacity may be economic today by reducing risks and impacts from existing challenges.
- Public-private partnerships involving business exist today throughout the world to support community and regional efforts, for example, in disaster preparedness and emergency response for climate and weather-related events and public health.
- Business recognizes its challenge and opportunity to participate in and contribute to community-wide public efforts, as well as to take adaptation into account in its own planning and operations.

BACKGROUND

Business welcomes the inclusion of adaptation with mitigation as central themes in responses to limit harmful impacts of climate change. Most nations are developing adaptation plans that have become a strong focus of the UNFCCC. Around the globe many other organizations with responsibility for long-term planning and stewardship are considering adaptation measures. For example, cities and authorities managing parks and ecosystems, water and other natural resources are considering and implementing options to limit impacts; so too, is business.

Adaptation strategies will depend strongly on national circumstances and priorities that may require different types of information to address specific issues. The ability to adapt requires capacity and resilience to cope with a range of outcomes, especially since climate models are not currently capable of providing all the information required to formulate an optimal response.

While adaptation cannot eliminate all risks from climate change, it can make an important contribution to limiting risks and damages in a number of areas. Moreover,

enhancing long-term adaptive capacity in some situations also provides tangible benefits, today. For example, enhanced capacity to limit impacts from existing storms, drought, and natural climate variability, as well as epidemics and public health concerns, can deliver near-term benefits now while improving long-term resilience. Consequently, some steps to build adaptive capacity may be economic today, by reducing current risks and impacts. A stronger focus on adaptation will inevitably lead to new approaches, ideas and innovation in both the private and public sector. It may also expose areas where current policy creates perverse incentives that enhance the likelihood of damages or hinder adaptation, *e.g.* coastal flood insurance.

BUSINESS ENGAGEMENT

Business recognizes its challenge and opportunity to participate in and contribute to community-wide public efforts, as well as to take adaptation into account in its own planning and operations. A number of sectors have already begun to consider implications of potential changes that

affect, for example, agriculture, forestry, energy, buildings, public health and a wide range of activities that depend on water availability and management. Such considerations have already affected planning, operations and investments. Adaptation provides opportunities to benefit by reducing current risks and identifying new opportunities. Inevitably, an ongoing focus on adaptation will promote new ideas leading to innovation in technology and management practices.

Business Participation and Input to Community Planning and Adaptation

In general, enhancing adaptive capacity requires information, analysis, setting priorities, planning, and actions at all levels of government with input and effective participation especially by local communities and business. Adaptation should take advantage of and enhance local skills and build sustainable infrastructure.

While public funding will be essential for most investments to enhance adaptive capacity, business has essential skills and experience to contribute. Besides investment in hardware and infrastructure, developing adequate adaptive capacity also requires using public-private partnerships to identify priorities and opportunities. Here business has much practical experience to offer.

For example, in many areas around the world today, business routinely partners with local, regional, and national governments and communities in areas such as emergency preparedness and disaster response, to address impacts of extreme events like earthquakes or hurricanes.

Business also plays an essential role in community response to a number of public health issues. One key to response lies in designing effective management systems to acquire and deliver information, communications, and action, areas where business experience can make an effective contribution.

Business Challenges and Opportunities

Efforts to respond to impacts and adapt to climate change may alter the existing commercial landscape for business in ways that have direct and indirect implications for markets, trade, investment, operations and competitiveness. This is not new or unfamiliar territory for business: as in all aspects of management, it is essential to develop and apply skills needed to plan for and manage change. Taking essential steps to minimize risks and seize opportunities inevitably will require changes to operations and investments, as well building capacity to acquire new information and skills.

While desirable or essential information may be incomplete, because of current limits in climate prediction, in some cases there is sufficient information to change operations and investment plans. For example, in the power sector and other operations that rely on ambient river flow for thermal cooling, or snowmelt to cope with seasonal changes, it may be necessary to alter existing practices to account for reduced capacity, especially in summertime.

Similarly, business may be able to alter capacity and operating plans based on anticipated long-term changes in seasonal demand for heating and cooling.

Decisions on siting long-lived infrastructure and facilities already benefits from taking into account likely climate changes. Here it would be desirable for national and regional authorities to work with business, local communities and others, such as bodies that set standards, to collaborate to develop consensus views on criteria to satisfy evolving regulatory and permitting requirements. It seems inappropriate to leave decisions, such as how much sea level rise to anticipate, to individual regulators or firms. Common, consensus criteria can help to assure common, community-wide efforts to manage risks.

Finally, advanced technologies and management practices, as well as application of existing skills and knowledge, can contribute to adaptation. Business as a whole and many individual firms already operate and provide services across an enormous range of climate and weather conditions, from arctic to tropical, in areas that are calm or those subject to intense storms, in regions that are arid and those subject to intense rainfall and flooding. New technologies and management systems can provide solutions to many challenges. A stronger focus on adaptation will inevitably lead to new approaches, ideas and innovation in both the private and public sector.

CONCLUSION

Business welcomes efforts to develop adaptation strategies to minimize risks and impacts from climate change, and to benefit from possible opportunities. These require public-private partnerships with business participation to develop local, regional, and national priorities and plans. Through its normal planning processes, operational experience and community engagement, business has expertise and tools to contribute to these efforts.

In many parts of the world, business has relevant experience through partnerships that deal with existing natural climate variability, storms, public health challenges and regional development planning. From this perspective we believe that some approaches to address long-term climate risks, can deliver immediate, economic benefits today.

In our own activities business is already taking steps to identify and respond to challenges and opportunities that may affect operations, markets, planning, and investment. As well we are seeking to better understand challenges, barriers and opportunities, so that research and innovation, by business and others, can provide more effective response options and strategies in the future.

Business Institute for Sustainable Development (Korea)
BusinessEurope
BusinessNZ
Canadian Council of Chief Executives
China New Energy Chamber of Commerce
Confederation of British Industry
Confederation of Indian Industry

Confederazione Generale dell' Industria Italiana
Dansk Industri
Federation of German Industries – BDI
Iniciativa para el Desarrollo Ambiental y Sustentable — IDEAS (Mexico)
Mouvement des Entreprises de France
National Confederation of Industry (CNI) (Brazil)
Nippon Keidanren (Japan Business Federation)
Turkish Industry and Business Association (TUSIAD)
U.S. Chamber of Commerce, Institute for 21st Century Energy
U.S. Council for International Business

ABOUT BIZMEF

The Major Economies Business Forum on Energy Security and Climate Change (BizMEF) is a partnership of major multi-sectoral business organizations from major economies. Modeled after the government-to-government Major Economies Forum, BizMEF is a platform for these groups to:

- promote dialogue and exchange views on climate change and energy security across a broad spectrum of business interests including major developed, emerging, and developing economies;
- highlight areas of agreement among participating organizations on the most important issues for business in international climate change policy forums; and
- share these views with governments, international bodies, other business organizations, the press, and the public.

Organizations that have participated in BizMEF meetings represent business groups in Australia, Brazil, Canada, China, the European Union, Denmark, France, Germany, India, Italy, Japan, Mexico, New Zealand, South Africa, South Korea, Turkey, the United Kingdom, and the United States. Collectively, BizMEF organizations represent more than 25 million businesses of every size and sector. Because BizMEF partnering organizations represent a broad range of companies and industries—including energy producing and consuming companies as well as energy technology and service providers—the partnership is able to provide robust and balanced views on a range of issues.

For more information on BizMEF, please visit our website at:
www.majoreconomiesbusinessforum.org.