Engaging the Private Sector in NAP Processes

Why should the private sector be involved in the NAP process?

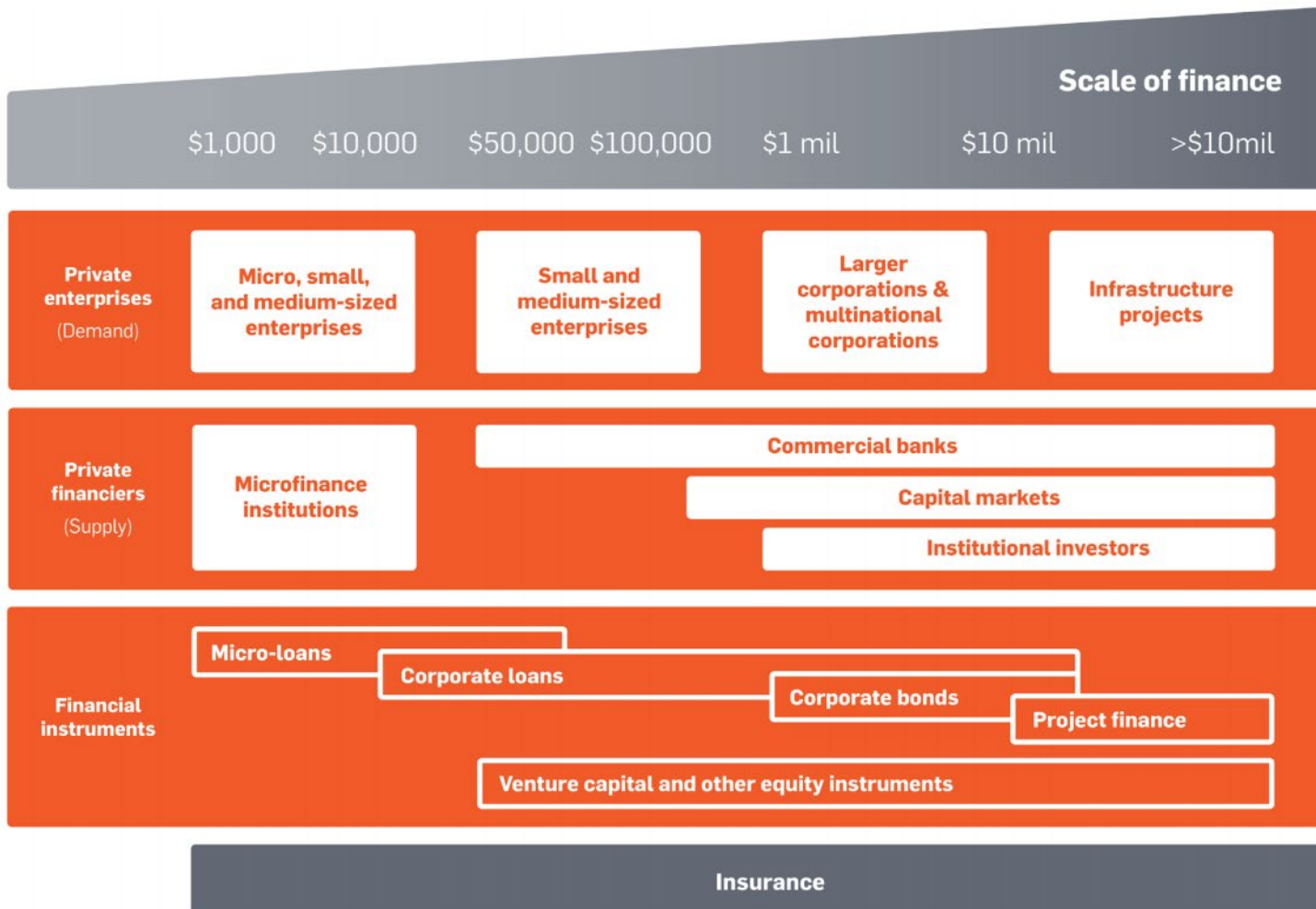Key engine of economic growth in developing countries:

- 60% of GDP
- 80% of capital flows
- 90% of jobs

Will be needed to:

- Create the jobs needed to support adaptation
- Develop the goods and services needed for societies to become more climate-resilient
- Finance – directly or indirectly – many adaptation actions

Actors, instruments and scale

Adapted from UNEP FI, et al., 2016

The business case for adaptation

- **Manage risks for business continuity and reputation.**

- **Capitalize on new markets and business opportunities.**

- **Comply with policies, regulations and investors' interests.**

The NAP process

NAP PROCESS

ENABLING FACTORS

Planning

Implementation

Financing

Institutional Arrangements

Capacity Development

Information Sharing

Monitoring & Evaluation

Barriers and enabling factors

ENABLING FACTORS

Financing

Institutional Arrangements

Capacity Development

Information Sharing

Engaging the private sector in the phases of the NAP process

NAP PROCESS

Planning

Implementation

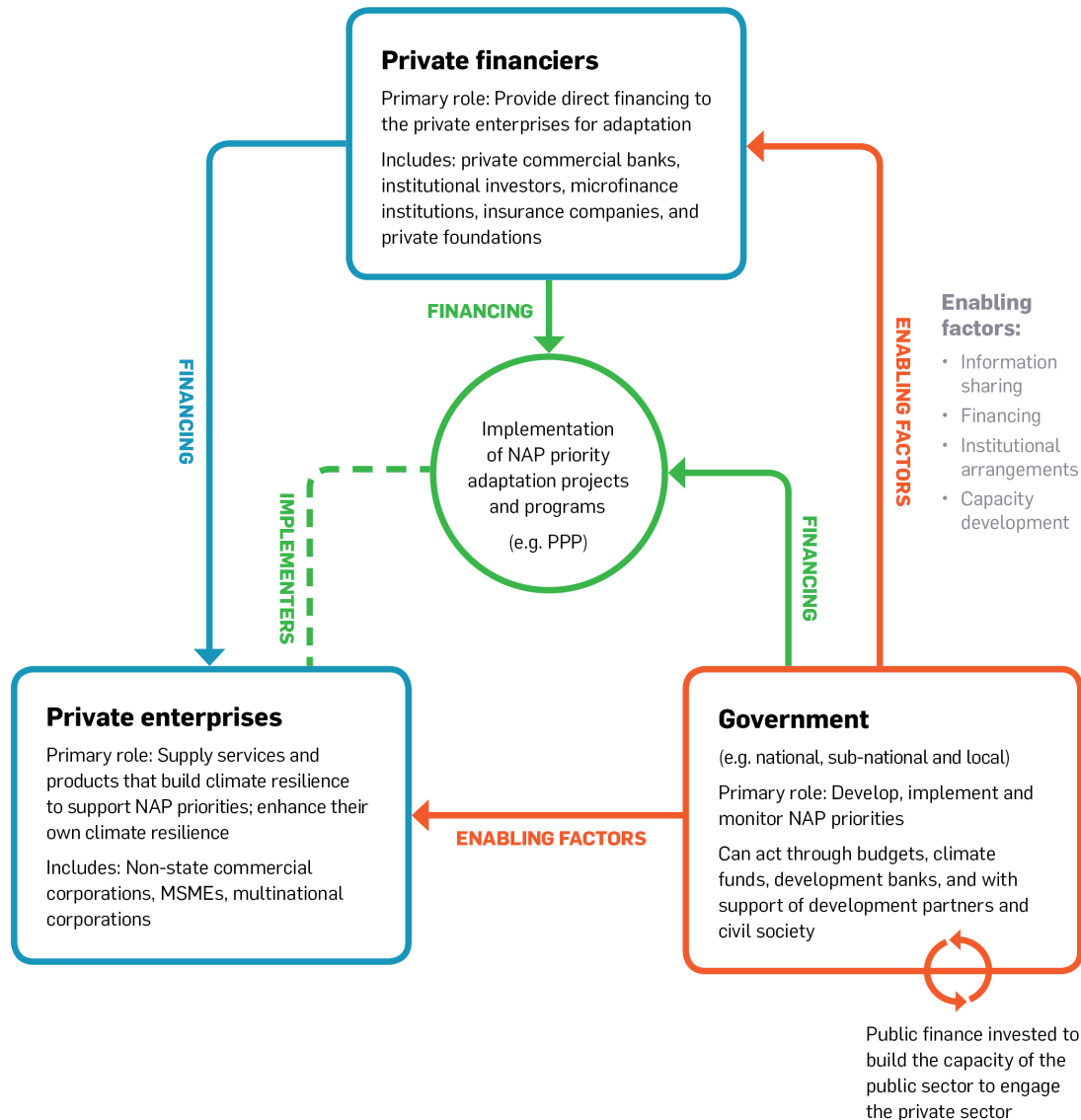Private Sector

Monitoring & Evaluation
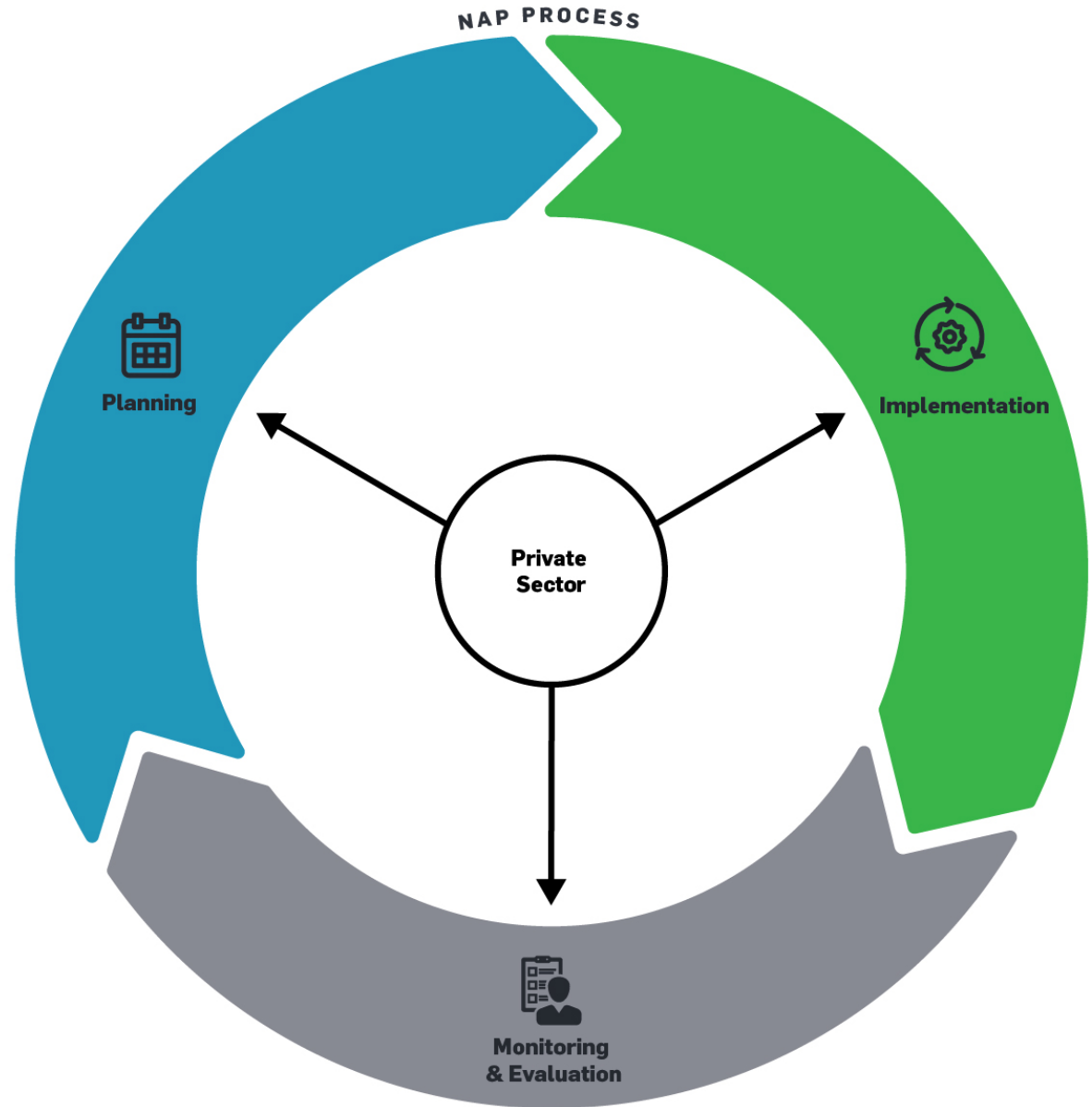
What can governments do to engage the private sector in the NAP process?

- Generate and communicate climate data and information
- Support research and development for adaptation
- Articulate the business case for adaptation
- Build the capacity to understand and respond to climate vulnerability/risk
- Use the NAP process to communicate the country's medium- to long-term adaptation priorities
- Explore developing a private sector engagement strategy for the NAP
- Understand NAP financing needs early, and develop feasible, bankable project pipelines
- Identify and cultivate private sector champions, and share stories of success and failure to promote crowding-in

Engaging the private sector in the NAP

Private financiers

Primary role: Provide direct financing to the private enterprises for adaptation

Includes: private commercial banks, institutional investors, microfinance institutions, insurance companies, and private foundations

FINANCING

Implementation of NAP priority adaptation projects and programs

(e.g. PPP)

FINANCING

IMPLEMENTERS

ENABLING FACTORS

Enabling factors:
- Information sharing
- Financing
- Institutional arrangements
- Capacity development

FINANCING

Private enterprises

Primary role: Supply services and products that build climate resilience to support NAP priorities; enhance their own climate resilience

Includes: Non-state commercial corporations, MSMEs, multinational corporations

ENABLING FACTORS

Government

(e.g. national, sub-national and local)

Primary role: Develop, implement and monitor NAP priorities

Can act through budgets, climate funds, development banks, and with support of development partners and civil society

Public finance invested to build the capacity of the public sector to engage the private sector

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