



UK Policy: Climate
Adaptation and
Resilience Advocacy
Toolkit

#### The UK Corporate Leaders Group

The UK Corporate Leaders Group (CLG UK) provides a strong voice to support UK leadership, nationally and internationally, for the transition to a climate-neutral, nature-positive and socially inclusive economy. The CLG has helped build consensus across the UK business community in support of climate action. CLG UK is convened by the University of Cambridge Institute for Sustainability Leadership (CISL). It is guided by CISL's world-class expertise and specialist teams to build understanding and shape policy for a sustainable economy.

### **Authors and acknowledges**

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We would like to acknowledge UK Corporate Leaders Group members and CISL colleagues for their input, constructive comments and feedback on this report.

## Citing this report

University of Cambridge Institute for Sustainability Leadership (CISL). (2023). UK Policy: Climate Adaptation and Resilience Advocacy Toolkit. Cambridge, UK: CLG UK.

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#### Introduction

The impacts of climate change are becoming clearer and closer – being felt here and now. The UK has seen several examples of extreme weather in recent years, including heatwaves, drought and flooding. This makes it increasingly urgent that alongside implementing strategies to reach net zero targets, businesses and governments must step up their actions to adapt to climate change. This is vital to build climate resilience in society and the wider economy (see Box 1).

#### Box 1: Defining adaptation and resilience

**Adaptation** involves changing the way we do things to prepare for the current and future effects of climate change. This means ensuring better protection against extreme weather events. It also means identifying and developing new opportunities, like the chance to grow different crops.

**Resilience** is the capacity of a community, business, or natural environment to prevent, withstand, respond to and recover from a disruption. Climate change means there will be more potential for disruption in future. Adaptation is therefore crucial to build resilience to the impacts of climate change.<sup>1</sup>

This toolkit has been produced by the <u>UK Corporate Leaders Group</u> (CLG UK) as a resource for businesses to enable them to show leadership on climate adaptation and resilience. It aims to incentivise and support UK businesses to advocate ambitious climate adaptation and resilience policies, enabling them to go further in their own adaptation journey and encourage others to do the same.

Adapting to climate change cannot be done in isolation, and nor can all risk be completely removed. Climate risks, and the resulting adaptation and resilience measures, need to be looked at alongside other risks and challenges. Adaptation measures that reduce climate risk but increase risks in other areas would be counterproductive. As climate adaptation relies on collaboration between different stakeholders, this toolkit identifies opportunities and strategies for working in partnership at the local, regional and sectoral level to increase resilience to climate change.

This toolkit aims to give businesses the resources they need to engage in policy debates and wider discussions with stakeholders and citizens around climate adaptation and resilience, as well as explaining why this is important. It contains key advocacy messages, moments for intervention and examples of best practice in advocacy and communications in this area.

#### How to use this toolkit

The toolkit is structured around key areas. Sections 1–5 set the context, showing why climate adaptation and building resilience are strategic imperatives for businesses, and why business engagement and advocacy can help drive adaptation. These sections include an initial sketch of what climate adaptation leadership from businesses looks like and identifies some of the barriers to adaptation action.

Sections 6–8 aim to support businesses' advocacy action on climate adaptation. Section 6 outlines a list of advocacy messages that businesses can adopt to push for better adaptation policies and action. Section 7 suggests strategies and top tips for engagement and advocacy, including who to engage with to promote

key messages. Section 8 presents a list of upcoming opportunities to engage in policy advocacy at the local, national and international level.

CLG UK will update this document as further examples and opportunities are identified.

## 1. Why adaptation and resilience matter to UK businesses

## Climate risks are becoming clearer and more urgent

The World Economic Forum's *Global Risks Report 2023*,<sup>1</sup> which sets out the top risks identified by business leaders and other experts in the short and medium term, is dominated by environmental and climate-related risks including natural disasters and extreme weather; large-scale environmental damage incidents; and the failure of climate change adaptation.

These risks are likely to impact the UK economy, whether directly, or indirectly through disrupting global supply chains or impacting health and well-being. Acute crises and extreme weather events will be accompanied by risks to public health from heat stress and the loss of basic needs such as water, food and energy. These impacts will have social and political consequences, for example from increases in human migration, which can create instability. These crises will also make climate mitigation harder, with the task of emissions reduction taking place in a warming world amid the destabilising impacts of climate change.

In the UK, the risks from climate change are set out in the Third Climate Change Risk Assessment<sup>2</sup> (CCRA3). Most, if not all, of these risks threaten business activity across multiple sectors, including energy, water supply, crops, goods and services, and degradation of natural ecosystems. A survey earlier this year found that half of UK businesses are already impacted by climate change.<sup>3</sup>

Businesses will need to consider the implications for all aspects of their products, services and operations, as well as for their workforce and the wider communities in which they operate.

### Adaptation and resilience are strategic imperatives for businesses

No business can afford not to adapt to these changes and to build resilience into its operations and governance. There is a clear business case for action as many of the most acute risks will have a direct impact on a business's bottom line. Identifying risks from climate change is a prerequisite for adaptation action; this includes looking at physical climate risks, transition risks and the impact on supply chains.

Regulatory drivers are already motivating businesses to act on some aspects of climate adaptation. The Task Force on Climate-related Financial Disclosures (TCFD) has begun the process of requiring companies to identify the risks they face from the impacts of climate change. The Taskforce on Nature-related Financial Disclosures (TNFD), though not yet mandatory, applies a similar approach to nature, which is a key aspect of climate resilience. In the UK, the Adaptation Reporting Power (ARP) under the Climate Change Act 2008 allows the government to ask certain organisations to report on the predicted effects of climate change on their organisation and their proposals for adapting to climate change.<sup>4</sup>

As climate impacts increase we can expect further government action, spurred on by an increased public appetite for climate resilience. While not all climate risk can be eliminated, and the balance of costs and benefits of adaptation investment will be part of a wider discussion, business leaders can stay ahead of the curve by anticipating the climate risks, potential opportunities and solutions in advance.

#### Climate and nature are interlinked

The climate crisis is playing out in parallel with the nature crisis, and the two are interlinked. Climate change is causing harm to nature and making its recovery harder to achieve. At the same time, the natural world offers inbuilt resilience to climate shocks. Healthy and functioning ecosystems are better able to continue delivering human needs and offering protection from extreme weather events and environmental degradation.

Nature can act as a buffer against extreme weather and other impacts of climate change. Ecosystems such as wetlands, forests and grasslands can help to protect coastlines, crops, infrastructure and houses. These same ecosystems also sequester and store carbon, playing a role in both climate mitigation and adaptation.

Nature is inherently resilient but not fixed. As the climate changes, ecosystems, species and habitats will also change and adapt. This will bring challenges for the management of the natural environment and for the benefits we expect from nature in the future.

We need a new compact between climate and nature, helping deliver net zero, climate resilience and nature pledges through nature-positive investments and strategies. Efforts to restore nature are a crucial part of our response to climate change, not an optional extra. The implementation of the <u>Global Biodiversity Framework</u> agreed by governments in Montreal last year will be a crucial element of adapting to climate change and building resilience.

## Climate breakdown is happening here and now

It is clear that climate change is happening *now*, and is not a threat we face at some point in the future. We are already experiencing extreme weather events and these will increase in frequency, intensity and duration in the coming years and decades. Even under a best-case scenario for climate mitigation, for example reaching net zero globally by 2050, emissions will continue to rise at some level until then. These on-going emissions, even as they taper off, will continue to contribute to rising temperatures and climate change.

Climate change is also happening *here* in the UK, unfolding everywhere, not just in distant corners of the globe. While the impacts will be felt unevenly across the globe, there will be few, if any, places untouched by climate change. The extreme weather of recent years in the UK – the <u>heatwave in 2022</u>, <u>widespread drought</u> in the same year, or the <u>flooding in 2020</u>, make this more obvious and urgent.

Climate impacts are systemic and cascading, both at the ecological level (eg the combination of more pests and diseases, drought and heatwaves on food security) and the socioeconomic level (eg power outages leading to knock-on impacts on transport, water supply, sanitation and manufacturing).<sup>5</sup> For businesses, this means that the resilience of other parts of the system needs to be understood and taken on board, including suppliers of goods and services, critical infrastructure and other supporting architecture for a functioning society and business operations.

## 2. Why businesses should engage in the UK policy process

## How businesses can create systemic transformation

A stable, transparent policy environment is vital for businesses, especially when confronting complex challenges such as climate change. Good policy helps create the right system of incentives for action; ensures a level playing field so that all parts of the economy are working towards societal goals; and uses the government's convening power to encourage systemic change. Solutions to these challenges require both business and government to acknowledge the scale of the problems and embrace the changes needed to solve them.

Having identified the significance of the climate adaptation challenge, businesses have a role to play in committing to ambitious goals; supporting the UK government to be equally ambitious; and working with decision-makers to ensure policy is aligned with these goals, while also being practical and deliverable. Business leaders can make a positive business and economic case for action, communicating the opportunities arising from increasing climate resilience.

Business groups, including CLG UK and others such as Aldersgate Group, Broadway Initiative and the Council for Sustainable Business, can help businesses to increase their positive impact. Working together to develop credible, ambitious positions demonstrates leadership and helps shape the policy agenda, rather than simply reacting to current policy proposals.

This leadership needs to be supported by effective strategic communications, engaging policy audiences and the wider business community. It also needs to be backed up by a focus on action and delivery, showing that businesses are walking the walk, not just talking the talk.

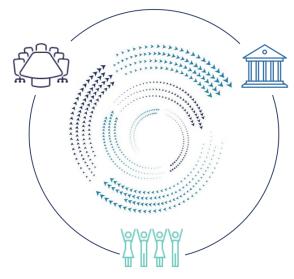
Groups like CLG UK also help to provide a strong corporate voice with the goal of supporting UK leadership, nationally and internationally, for the transition to a climate-resilient, nature-positive and socially inclusive economy by 2050. Business leadership helps create political space for policy measures that are commensurate with the scale of the climate and nature challenges the UK faces (see Box 2). An important additional element is the role of citizens in promoting climate adaptation and resilience; action by both government and businesses should help to facilitate public engagement and dialogue with households around their role.

#### Box 2: The Ambition Loop

Underpinning this approach to business advocacy is the concept of the Ambition Loop, "a positive feedback loop in which bold government policies and private sector leadership reinforce each other, and together take climate action to the next level." <sup>1</sup>

## **Business Climate Adaptation Action**

- Understanding climate risk
  - Vision of business adaptation
  - Engagement with stakeholders and decision-makers
- Strategic approach to building resilience
  - Transformative and systemic adaptation



#### **Citizen Climate Adaptation Action**

- Understanding climate risks
- Engage in national conversation on climate risk and resilience
- Understanding of the trade-offs, costs and benefits of adaptation

## Government Climate Adaptation Action

- A vision for a well-adapted \( \mathbb{l} \)
- · Leadership and co-ordinatio
- Understanding adaptation investment needs and incentivising investment
- Policy alignment for climate mitigation, adaptation and nature restoration
- Regulatory and policy coherence, clarity and stabil
- Monitoring progress in adaptation

Figure 1: The Climate Adaptation Ambition Loop (adapted from <a href="https://ambitionloop.org">https://ambitionloop.org</a>)

#### 3. Barriers to building resilience and adaptation

Building on previous work by CLG UK, the Climate Change Committee, and informed by our members, we have identified a number of barriers to adaptation and resilience action by business.

1. No clear vision or roadmap for a well-adapted UK. Unlike climate mitigation, adaptation does not have a common goal, easily quantifiable objectives or a consistent methodology for monitoring, evaluation or baselining adaptation action. Adaptation also involves addressing climate risks that are uncertain, and defining and communicating (good) adaptation is itself a barrier to action. There also needs to be a national conversation around the level of climate risk that is acceptable and the balance of costs and benefits from investment in adaptation. This will help determine where the priorities are for action and investment.

- 2. **Difficulty defining good adaptation at the business level.** Without a clear national vision or objectives, it is harder to translate this from the macro to micro scale to inform business strategy. For example, common standards for what high-quality adaptation plans look like, recognising that this will vary according to context.
- 3. **Information gaps** around climate risk and the effectiveness and benefits of adaptation measures. Lack of a precedent for adaptation projects makes it hard to predict exact costs and benefits.
- 4. **Unclear roles and responsibilities in managing climate risk**, including responsibility for investment in adaptation. The involvement of multiple stakeholders, at the national and local level, can lead to fragmentation, delays in implementing policy and a lack of co-ordinated action.
- 5. Lack of investment in climate adaptation and resilience, which requires capital funding from a range of sources. Barriers include the absence of (or unclear) market return for adaptation investment; the impact of adaptation investment on the affordability of goods and services; barriers from both financial and non-financial regulators; and problems calculating a cost—benefit analysis due to lack of precedents or uncertainty about future climate impacts.<sup>7</sup>
- 6. Lack of skills, capacity or resources to focus on adaptation. Adaptation projects take more time and resources to develop than other projects, including mitigation. Capacity and resource constraints occur both within businesses and the public sector, especially at local authority level, where climate emergency plans tend to focus on mitigation not adaptation.<sup>8</sup>
- 7. Adaptation is context specific making it harder to standardise and replicate best practice. Good adaptation requires an understanding of the "context specific web of social, economic, environmental, infrastructural cross-sectoral complexities. Place-based adaptation becomes even more complex when a growing number of other urgent issues, such as the cost of living crisis, are layered on top of the climate change agenda."9
- 8. Regulatory barriers and policy instability. This prevents both project development and investment.

The remainder of this toolkit looks at some of the ways these barriers can be addressed through a combination of business and government leadership.

# 4. What does good business practice for climate adaptation and resilience look like?

Resilience is a joint endeavour between government, businesses and citizens. In order to achieve better climate resilience, businesses and government will need to show leadership, both in setting ambitious goals and following through with action. Those businesses leading the way are likely to be more successful in their journey to resilience, able to identify challenges and solutions earlier and mobilise the resources, partners and focus needed for success.

The We Mean Business Coalition's 'The 4 A's of Climate Leadership'<sup>10</sup> (see Box 3) sets out what it means to be a business leader on climate change. This framework applies to leadership on climate adaptation as much as it does to climate mitigation via emissions reductions.

#### Box 3: The 4 A's of Climate Leadership



<u>Ambition</u>: "Climate ambition is a commitment and plan to shape the future. It's a positive vision for a net zero world, for people, business, economy, and environment. Ambition guides strategy, empowers employees, and informs stakeholders."



Action: "Climate action means delivering on bold ambition. This is a process of innovation and transformation. Done right, climate action unlocks opportunities for business success in the net zero economy and protects against risks."



Advocacy: "Advocacy is essential to bring about science-based climate policy that unlocks investment and delivers action at scale. Corporate climate leaders use their powerful voices, activities and associations to call for strong policy ambition."



Accountability: "The climate emergency demands results. Clear and consistent disclosure of plans, progress, risks and opportunities builds trust among stakeholders, directs capital, and informs strategy. It shows resilience and readiness for the net zero world."

ACCOUNTABILITY

Source: We Mean Business Coalition, The 4 A's of Climate Leadership

While the focus of this toolkit is on advocacy, the other elements are necessary too, to ensure that thinking about adaptation and resilience is embedded across a business and that advocacy is part of a wider strategy, backed up by corporate ambition, action and accountability. All of these elements also rely on a robust understanding of the climate risk as a starting point for adaptation.

There are two approaches a business could take to embedding adaptation – reactive or proactive. Reactive adaptation is incremental and compatible with business as usual, based on changing incentives for the private and public sector as climate risks become clear. The risk with such an approach is that responses are left too late, making it harder or more costly to achieve the changes needed. If the scale of adaptation is underestimated this could mean that larger, systemic changes to business practice are carried out in an unplanned manner or forced upon businesses by circumstances.

Proactive change may take longer, looking at systemic transformation in response to risks where there is less certainty on the costs and benefits of adaptation. <sup>11</sup> Leading businesses should take the latter approach, to move from risk-by-risk mitigation to embedding adaptation and resilience within strategy, governance and leadership. Transformative adaptation, moving beyond business as usual and implementing systemic changes, will be required to build long-lasting resilience to climate change.

The leadership required will also need to allow companies to navigate the inevitable, but highly complex, dynamic and unpredictable climate impacts to come. It is worth considering the types of leadership, and resilience, that both businesses and governments will need to display as we face an increasingly unstable environment. The transition to net zero, and responses to climate shocks, will require significant behaviour change, change management within organisations, and the ability to stick to a goal, while being flexible over how to deliver, in the face of the unexpected.

## 5. Climate adaptation leadership in practice

## Articulating the 'why' of climate adaptation

Climate adaptation leadership implies a recognition and articulation of the business case for adapting to climate change. This starts with a robust and candid assessment of the climate and nature risks, both to individual businesses and to wider society. Knowing what current climate and extreme weather impacts could mean for the business and its ability to supply the goods and services it offers can make a strategy more tangible. An understanding of a business's impact and dependence on nature can also help to devise resilience strategies, for example using nature-based solutions to reduce the impacts of climate change.

In setting out these risks, it is important to consider the tone and language used. Climate leaders should avoid extreme pessimism, which can be a barrier to action.<sup>12</sup> Instead it is important to consider both the risks and the opportunities, and inspiring the necessary action to reduce the risks.

Climate change is the ultimate burning platform, an urgent situation demanding change, but there is a role for business leaders to combine an undeniably strong message on the need for change with the right vision and strategy to inspire action.

### What does good look like?

Businesses should set out a vision for their approach to adaptation and resilience. This will be specific to different businesses depending on the context, sector and geographic location in which they operate.

Unlike climate mitigation, where ambition can be expressed numerically based on emissions, it is harder to measure improvement in climate adaptation. Businesses should identify specific actions, goals and targets needed to achieve their vision.

Because of the lack of easy-to-grasp targets, the public pressure on businesses to improve climate adaptation is lower than for mitigation. This is likely to change as climate impacts are felt, with both customers and the workforce seeking assurances that businesses are taking actions to be resilient to climate shocks and that health, well-being and economic security are not at risk due to a lack of preparedness. Businesses can also play a leadership role by addressing climate adaptation as part of their own narrative and communications, helping to raise public awareness about the need for adaptation.

Demonstrating commitment, such as through joining initiatives like the <u>Race to Resilience</u>, can help to shape and amplify business's ambition.

## Turning ambition into action

Moving from ambition to action, via the development and implementation of detailed adaptation plans, can be hard work. There are specific actions that businesses can take, such as stress testing preparedness for different climate scenarios; engaging with customers and local communities; using nature-based solutions; and ensuring adaptation plans are costed and the benefits articulated.

The businesses' focus may be on different aspects of resilience, such as the role of infrastructure, how to build resilient supply chains, ensuring a healthy workforce and securing investment in adaptation projects. Adaptation places a particular emphasis on the construction of resilient infrastructure, from domestic housing through to roads, power facilities, and other infrastructure assets that are vital to well-functioning markets. As well as capital investment, building resilience also requires the transfer of knowledge and technologies, such as water-efficient irrigation, natural flood management and drought-tolerant crops.

### Motivating others to act

The transformational change required to adapt to climate change cannot come from one business or leader alone. Due to the interconnected nature of climate risks and impacts, collaboration is needed to solve them. Resilience needs to be built across sectors and administrative boundaries, and between the public and private sector. A combination of engagement with stakeholders and aligned advocacy on key messages is central to success.

Businesses vary as to which stage on the adaptation journey they are at. Some are at an early stage, still identifying the climate risks they face. For these businesses, both government and the wider business community can support them by sharing good practice, identifying common risks and working in partnership to increase adaptation. For those businesses at a more advanced stage, advocacy may focus on the barriers, including from policy, to delivering greater adaptation.

Some of the conversations around adaptation may be difficult to have, for example where a risk has been identified which requires another stakeholder or actor to mitigate it, or where adaptation requires changes to systems that may be hard to achieve, for example due to the level of investment needed or changes to behaviour or practices. It will not be possible to eliminate all climate risks, so another set of challenging discussions will be required around what level of impact or change society is willing to accept. This may involve managing the expectations of citizens or customers. It is important, nevertheless, to start to have these discussions and start the risk-planning process early.

### 6. Key advocacy messages on resilience and adaptation

The advocacy messages in this section are designed to help businesses align around core asks on adaptation and resilience. These messages can feed into communications, advocacy and stakeholder engagement work to help build a strong and unified business voice for ambition and action. The messages can also form the basis of partnerships, especially where different businesses and stakeholders face the same set of risks and challenges from climate impacts and can therefore start working on solutions together.

#### Demonstrating business leadership and ambition

Businesses need to start by showing leadership (see section 5 above), demonstrating that they understand the scale of the problem and are committed to taking increasing actions to deliver adaptation and resilience, and showing that they have not only identified their risks but also are starting to deliver and implement solutions.

As the Ambition Loop model shows, this demonstration of business leadership can act as a foundation for advocacy to increase policy ambition. It can help show that businesses are committed to change and makes the message around removing barriers to further action more resonant. And it is vital to demonstrate this increased ambition and action to government, as there is a role for government in coordinating, setting direction and supporting businesses and communities to become more resilient.

### Government role in leadership and co-ordination

As with climate mitigation, national government has a key role to play in co-ordinating activity and providing vision and leadership. This includes facilitating a national conversation about the level of climate risk and impact that the country faces, and the amount of investment different stakeholders are prepared to make to mitigate that risk.

Given the multiple, overlapping and cascading risks that climate change brings, there is a role for government in co-ordinating risk assessment and scenario planning at the national level. This should use the best available scientific evidence to show what risks we face from climate change, helping government, businesses and other stakeholders to understand their climate risk and prepare for the impacts of climate change.

Advocacy message: The government should take a lead in risk assessment and scenario planning for climate impacts.

Because climate adaptation affects the areas of responsibility of multiple departments, there is a need to ensure join-up across government. The Department for Environment, Food and Rural Affairs (Defra) is responsible for government adaptation policy but must work closely with other departments too.

A joining up between UK devolved administrations and local government is also vital, ensuring that roles and responsibilities are defined.

Advocacy message: UK government and devolved administrations must show leadership at the national level and ensure that all parts of the public sector are co-ordinated and have an identified role to play in delivering adaptation and resilience.

The UK has shown leadership internationally on climate change, especially in the build-up to and during COP26 in Glasgow. The recently published 2030 Strategic Framework for International Climate and Nature Action demonstrates government ambition to continue to show global leadership on reducing emissions, building climate resilience and halting and reversing global nature loss. This includes commitments on international finance for adaptation and work towards creating a new global framework for adaptation.

Advocacy message: The UK has a role to play in demonstrating leadership and action on adaptation internationally.

## Using a place-based approach

Businesses embedded within local communities can offer a powerful voice and galvanising effect to coordinate adaptation and resilience efforts. This could bring together efforts to build climate resilience across a place, identifying the wider community, social and cultural benefits, eg the provision of local jobs, infrastructure and economic development.

Local and specific examples also help drive the message home. Here engagement and advocacy can align — by engaging with the people who will be impacted by similar climate risks, and who will be impacted by your business's adaptation strategy, you can not only ensure that these strategies are more effective (designed through participation and collaboration from others) but also find allies and supporters who can support your own advocacy to other targets or decision-makers.

Advocacy message: Businesses are vital stakeholders and partners in the delivery of adaptation and resilience to climate change at the local and regional level.

Local government has a key role to play in delivering climate adaptation and local resilience. There are challenges within local government, including hollowed-out capacity following cuts to funding. Those working on climate change, including in local authorities that have declared a climate emergency, tend to focus more of their time on climate mitigation than adaptation. Local government can use the tools at its disposal, particularly the planning system, to support decision-making that builds climate resilience. However, planning policy reform is also needed to promote adaptation in new and existing development.

Advocacy message: Planning policy and local government decision-making should support climate adaptation and resilience.

A place-based approach can also take account of the specific context of a given area. Climate change will take place on land and at sea, with impacts on specific ecosystems. The way land is used is a key factor in determining the impacts from climate change, with challenges around balancing the needs society has from land (for housing, energy, food, nature and leisure). A more joined-up and strategic approach to how land is used will allow it to deliver multiple social, economic and environmental outcomes.

Advocacy message: National and local visions and frameworks for resilient land use are needed.

## Financing climate adaptation

There is a need for significant investment in climate adaptation. Though hard to estimate in aggregate, recent analysis by the Climate Change Committee suggests a need for £10 billion investment per year in

adaptation this decade.<sup>13</sup> These costs will be spread between the public and private sector, including investment by households and businesses.

## Advocacy message: Governments and businesses should assess finance needs for adaptation and transparently communicate them.

Government departments should estimate the funding needs for adaptation; businesses should also report on adaptation costs and financing (via the ARP and other mechanisms). The Fourth Climate Change Risk Assessment (CCRA4) due in 2027, should aim to improve understanding of the financing gap and seek ways to meet financing need.

#### Advocacy message: Publicise the costs and benefits of climate adaptation and of inaction.

The Treasury should provide a regular assessment and statement of the financial and economic risks of climate change to the UK, and the opportunities and benefits that could be derived from taking early action to enhance resilience. <sup>14</sup> Defra should develop a specific communications strategy for how to discuss financial consequences of climate risks and measures required to address them. <sup>15</sup> This information, alongside case studies and business models, will help to create markets and revenue streams for adaptation action, which are currently lacking.

#### Advocacy message: Align funding and regulatory decisions with resilience and adaptation needs.

Public funds should not be used on projects or activities that are not resilient to future climate impacts. This will avoid having to retroactively build in climate adaptation, rather than doing so when decisions are made. Similarly, regulators should be alert to the future risks and impacts from climate change, and ensure where possible that the pursuit of regulatory objectives is not hampering investment or delivery of climate adaptation. Effective risk analysis should help identify where the funding and regulatory matters that need attention lie.

### Integrating adaptation and mitigation

Integration of climate mitigation and adaptation policies and plans can take advantage of the synergies between the two. Mitigation has received more focus until recently, which creates the potential for a quick win where adaptation can be integrated into mitigation projects. Existing mechanisms for climate governance, reporting or financing could have their scope expanded to cover mitigation and adaptation.

## Advocacy message: Relevant government policies, business strategies and new projects should have consideration for climate adaptation and resilience built in from the start.

Transition Plans can be used to set out how businesses will deliver both net zero and climate adaptation. A review of key government policies, such as climate, environment and planning policies, to identify synergies and unintended barriers for adaptation would help ensure policy alignment.

#### Using nature to build resilience

Nature-based solutions can address 33 of the 34 risks identified in the CCRA3, including coastal and inland flooding, soil health and food production, and cooling urban environments. <sup>16</sup> Nature-based solutions also produce other benefits including helping mitigate climate change, restore biodiversity, and health and well-being benefits.

While the benefits of nature-based solutions are understood, they are not sufficiently valued or accounted for in the relevant investment, policy and regulatory decisions. Barriers include a lack of developed metrics for the adaptation benefits of nature-based solutions and lack of business models that make their large-scale roll-out possible.

Advocacy message: The nature crisis is not an additional problem to the climate crisis – the two are interlinked and solving one helps solve the other.

Adaptation policies, including the 3rd National Adaptation Programme (NAP3), must be aligned with global commitments under the Paris Agreement and the Global Biodiversity Framework.

Advocacy message: Scaling up delivery of nature-based solutions will increase climate resilience.

Nature-based solutions should be embedded within plans and policies; funding for them increased; and standards agreed for high-quality, resilient nature-based solutions.

Advocacy message: End perverse subsidies for damage of natural capital – the UK cannot afford to be reducing its natural resilience at this time.

# 7. Using effective engagement to create powerful advocacy alliances

Given the nature of climate adaptation and resilience, this toolkit looks at a spectrum of advocacy and engagement, from targeted advocacy to influence decision-makers at the national level, to on-going engagement with stakeholders. The figure below shows a high-level overview of adaptation processes and the role of policy and advocacy within this.

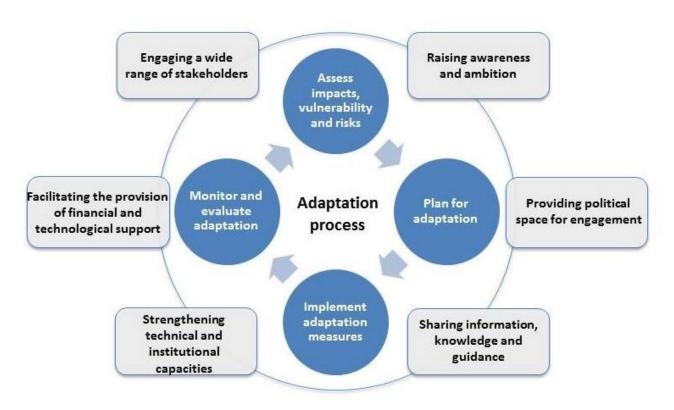


Figure 2: Adaptation policy cycle (from UNFCCC, <a href="https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/introduction">https://unfccc.int/topics/adaptation-and-resilience/the-big-picture/introduction</a>)

## Top tips for effective advocacy

- **Build relationships.** Invest time in strengthening relationships and engaging in dialogue with key stakeholders and decision-makers. This goes beyond just those at the top decisions are made within a web of decision-makers, including those who influence and support the ultimate decision-maker. Those you engage with may have differing levels of power and influence but aligning and amplifying common messages across different groups of stakeholders can be effective in persuading key decision-makers.
- Work with others. Governments (local and national), businesses and sectors, local communities and the media all have a stake, and many have a role to play, in delivering effective adaptation and resilience. Partnerships based on a common understanding of climate risks and opportunities can deliver adaptation action.

- Deliver clear messages. Make use of clear messages that articulate risks and opportunities and that act as a call to action to relevant audiences. Businesses have an opportunity to use their own experience to underline key messages on climate adaptation. Existing reporting, for example through TCFD or the ARP, can highlight where climate risk lies within the business. Reports submitted via the ARP also give tangible examples of action and planning that organisations are engaged in.
- Make good use of evidence. Backing up these messages with concrete examples and evidence can
  make them stronger and more likely to achieve the aim. Evidence of the economic, sectoral or
  community impact of climate change and strategies to adapt to these impacts can be especially
  powerful when talking to decision-makers.

### Top advocacy targets

Advocacy is about building relationships and finding opportunities when they arise. The following groups and individuals may be helpful to engage with when planning advocacy on climate adaptation:

- Government ministers, including junior ministers responsible for relevant policy areas, eg for changing planning structures, target the Secretary of State for Levelling Up, Housing and Communities; to highlight the need for a cross-government approach to climate adaptation, target the Prime Minister.
- Members of Parliament, both in Westminster, for example through groups such as the Environment All-Party Parliamentary Group, and at the constituency level. Engaging with MPs in constituencies where business operates can be a good opportunity to highlight the links between national policy and local impacts on the ground.
- Local government. Local government is responsible for several aspects of climate adaptation, although local authorities are often restrained due to a lack of capacity. Businesses that can offer leadership at the local level can play a crucial role in building local resilience.
- Public bodies and regulators, such as the Environment Agency or Natural England.
- Climate Change Committee
- <u>Council for Sustainable Business</u>. The Council advises Defra on how businesses can help achieve the aims of the 25 Year Environment Plan.
- **Consumers/citizens.** Businesses can use their engagement with the public to amplify messages to other decision-makers.

## 8. How to engage – timeline of milestones and activities

### Upcoming opportunities for advocacy

#### The 3rd National Adaptation Programme (NAP3)

Due to be published in July 2023 by Defra, NAP3 will set out the actions that government and others will take to adapt to the challenges of climate change in England over the five-year period 2023–28. The report will respond to the Third Climate Change Risk Assessment (CCRA3) and indicate the government's

strategy for adaptation. Advocacy around implementation and delivery of NAP3 will be important to ensure businesses are able to play the role expected of them.

CLG UK is engaging with Defra, which is responsible for NAP3, and will find opportunities for members to engage on the key issues.

You can see the current National Adaptation Programme here: <u>Climate change: second national</u> adaptation programme (2018 to 2023) - GOV.UK (www.gov.uk)

#### The Fourth Climate Change Risk Assessment (CCRA4)

The government's next Climate Change Risk Assessment is not due to be published until 2027, but work is already underway by the Climate Change Committee (CCC) to prepare the report, including engagement with business. The CCC has received feedback (including from CLG UK) that the previous risk assessment, while containing a wealth of information, was not presented in a way that made it easy for businesses to engage with. They are looking to discuss with businesses early in the process to understand how the risk assessment process can be useful to them.

#### **Environmental Improvement Plan**

#### Environmental Improvement Plan 2023 - GOV.UK (www.gov.uk)

The Environmental Improvement Plan sets out the government's long-term environmental strategy, as required in the Environment Act. It is updated every five years (the most recent update was this year) with annual progress reports against a range of indicators. The central goal of the plan is nature restoration, with climate adaptation an important sub-goal. Businesses will be responsible for much of the delivery of the plan, making it an important opportunity to compare government ambition with the reality of delivery. The annual progress report is a concrete opportunity to engage with Defra on barriers and successes to implementing the plan.

#### **Green Finance Strategy**

#### Green Finance Strategy - GOV.UK (www.gov.uk)

The recently updated Green Finance Strategy contains the following commitment: "In response to the Climate Change Committee's report 'Investment for a well-adapted UK', we will work with industry partners to improve the approach to climate resilience assessment and disclosure through the development of adaptation metrics and guidance. Our final approach will be set out alongside our adaptation finance deliverables and action plan in 2024".

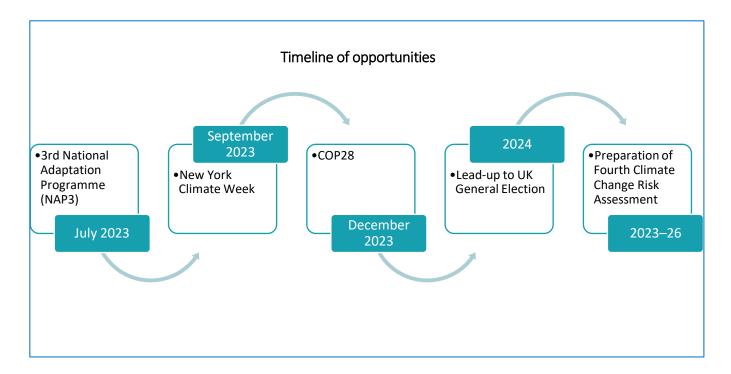
#### **UK General Election 2024**

The upcoming general election will be a crucial moment for UK climate change policy. Businesses can help to ensure that climate adaptation is high on the political agenda, alongside climate mitigation, when engaging with the main political parties.

#### International advocacy moments

<u>COP28</u> will take place in the UAE, from 30 November to 12 December 2023. Climate adaptation is one of the themes of COP and so there are opportunities for businesses to amplify key messages. CLG UK will be attending and can discuss with members interested in using this opportunity.

<u>New York Climate Week</u> will take place from 17 to 24 September 2023 and is an important moment to secure international consensus for key messages and goals.



#### **Further reading**

Barriers To Financing Adaptation Actions In The UK – An evidence report, 27 July 2022 Barriers to financing adaptation actions in the UK (Frontier Economics & Paul Watkiss Associates) – Climate Change Committee (theccc.org.uk)

Climate Resilience Initiatives Climate Resilience Initiatives – Resilience First

Climate Resilience Adaptation Framework and Taxonomy (CRAFT) – CRAFT – Resilience First

Race to Resilience – Join the race – Climate Champions (unfccc.int)

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<sup>&</sup>lt;sup>1</sup> World Economic Forum, *The Global Risks Report 2023, 18th Edition: Insight Report* (Geneva, Switzerland: World Economic Forum, 2023), <a href="https://www.weforum.org/reports/global-risks-report-2023/digest#report-nav">https://www.weforum.org/reports/global-risks-report-2023/digest#report-nav</a>.
<a href="https://www.weforum.org/reports/global-risks-report-2023/digest#report-nav">https://www.weforum.org/reports/global-risks-report-2023/digest#report-nav</a>.

<sup>&</sup>lt;sup>2</sup> Department for Environment, Food & Rural Affairs, *UK Climate Change Risk Assessment 2022*, Policy Paper (GOV.UK, 2022), https://www.gov.uk/government/publications/uk-climate-change-risk-assessment-2022.

<sup>&</sup>lt;sup>3</sup> "Half of UK businesses already impacted by climate change," Gallagher, April 26, 2023, <a href="https://www.aig.com/uk/news-and-insights/2023/april/half-of-uk-businesses-already-impacted-by-climate-change">https://www.aig.com/uk/news-and-insights/2023/april/half-of-uk-businesses-already-impacted-by-climate-change</a>.

<sup>&</sup>lt;sup>4</sup> Department for Environment, Food & Rural Affairs, *Climate change adaptation reporting: third round*, Policy Paper (GOV.UK, 2021), https://www.gov.uk/government/publications/climate-change-adaptation-reporting-third-round.

<sup>&</sup>lt;sup>5</sup> Daniel Quiggin, Kris De Meyer, Lucy Hubble-Rose, and Antony Froggatt, *Climate change risk assessment 2021*, Research Paper, (London, UK: Chatham House, 2021), <a href="https://www.chathamhouse.org/2021/09/climate-change-risk-assessment-2021">https://www.chathamhouse.org/2021/09/climate-change-risk-assessment-2021</a>.

<sup>&</sup>lt;sup>6</sup> Sam Fankhauser, Kirsty Britz, Ian Dickie, Kit England, Candice Howarth, and Nicola Ranger, *Case studies in adaptation finance*, Expert Advisory Group (Climate Change Committee, 2023), <a href="https://www.theccc.org.uk/publication/case-studies-in-adaptation-finance-expert-advisory-group/">https://www.theccc.org.uk/publication/case-studies-in-adaptation-finance-expert-advisory-group/</a>.

<sup>&</sup>lt;sup>7</sup> Frontier Economics, *Barriers to financing adaptation actions in the UK: An evidence report* (Climate Change Committee, 2022), <a href="https://www.theccc.org.uk/wp-content/uploads/2023/01/Barriers-to-financing-adaptation-actions-in-the-UK-Frontier-Economics-Paul-Watkiss-Associates.pdf">https://www.theccc.org.uk/wp-content/uploads/2023/01/Barriers-to-financing-adaptation-actions-in-the-UK-Frontier-Economics-Paul-Watkiss-Associates.pdf</a>.

<sup>&</sup>lt;sup>8</sup> Fankhauser et al., Case studies in adaptation finance.

<sup>&</sup>lt;sup>9</sup> Fankhauser et al., *Case studies in adaptation finance.* 

<sup>&</sup>lt;sup>10</sup> "The 4 A's of Climate Leadership," We Mean Business Coalition, <a href="https://www.wemeanbusinesscoalition.org/business/">https://www.wemeanbusinesscoalition.org/business/</a>.

<sup>&</sup>lt;sup>11</sup> Fankhauser et al., *Case studies in adaptation finance,* 15.

<sup>&</sup>lt;sup>12</sup> Matthew Feinberg and Rob Willer, "Apocalypse Soon?: Dire Messages Reduce Belief in Global Warming by Contradicting Just-World Beliefs," *Psychological Science* 22, no. 1 (2010), <a href="https://doi.org/10.1177/0956797610391911">https://doi.org/10.1177/0956797610391911</a>.

<sup>&</sup>lt;sup>13</sup> Paul Watkiss, *The Costs of Adaptation, and the Economic Costs and Benefits of Adaptation in the UK* (Climate Change Committee, 2022), <a href="https://www.theccc.org.uk/publication/the-costs-of-adaptation-and-the-economic-costs-and-benefits-of-adaptation-in-the-uk-paul-watkiss/">https://www.theccc.org.uk/publication/the-costs-of-adaptation-and-the-economic-costs-and-benefits-of-adaptation-in-the-uk-paul-watkiss/</a>.

<sup>&</sup>lt;sup>14</sup> CISL, Preparing for the storm.

<sup>&</sup>lt;sup>15</sup> Frontier Economics, Barriers to financing adaptation actions in the UK.

<sup>&</sup>lt;sup>16</sup> A. Smith and A. Chausson, *Nature-based Solutions in UK Climate Adaptation Policy* (WWF-UK and RSPB, 2021), https://www.rspb.org.uk/globalassets/downloads/policy-briefings/nature-based-solutions-adaption-report.pdf.