

Enhancing Private Sector Engagement in Adaptation ASA



ENHANCING PRIVATE SECTOR ENGAGEMENT IN ADAPTATION

Project Development Objective: Provide guidance to **national governments and investors** on policy instruments *and demonstration transaction/private co-finance best practice* for fostering private sector action that contributes to societal adaptation to climate change.

Component 1

Baseline Report on barriers to private sector engagement in CCA, case study examples

Component 2

5 In-Country Pilots

Blueprint for Action on enhancing private sector engagement in CCA

Component 3

Socialization and awareness-raising on Blueprint for Action

Component 1: Development of Baseline Report (Q1 2020)

Objective

Conduct a formal stock-take on the current state of knowledge on private sector investment in climate change adaptation. Summarize existing good practice case studies, assess the suitability of specific policy and economic instruments for overcoming specific adaptation challenges in given national vulnerability contexts, and seek to identify the contexts where such instruments are most likely to succeed in building climate resilience. Produce an outline for engagement to serve as strategic input for 5 in-country pilots.

Key Outputs/ Milestone Date

1. Baseline Report
2. Draft Blueprint for Action
- 3. ASA PCN on April 7th 2020**

Component 2: Developing Blueprint for Action & 5 country pilot work (May 2020 – Jun 2021)

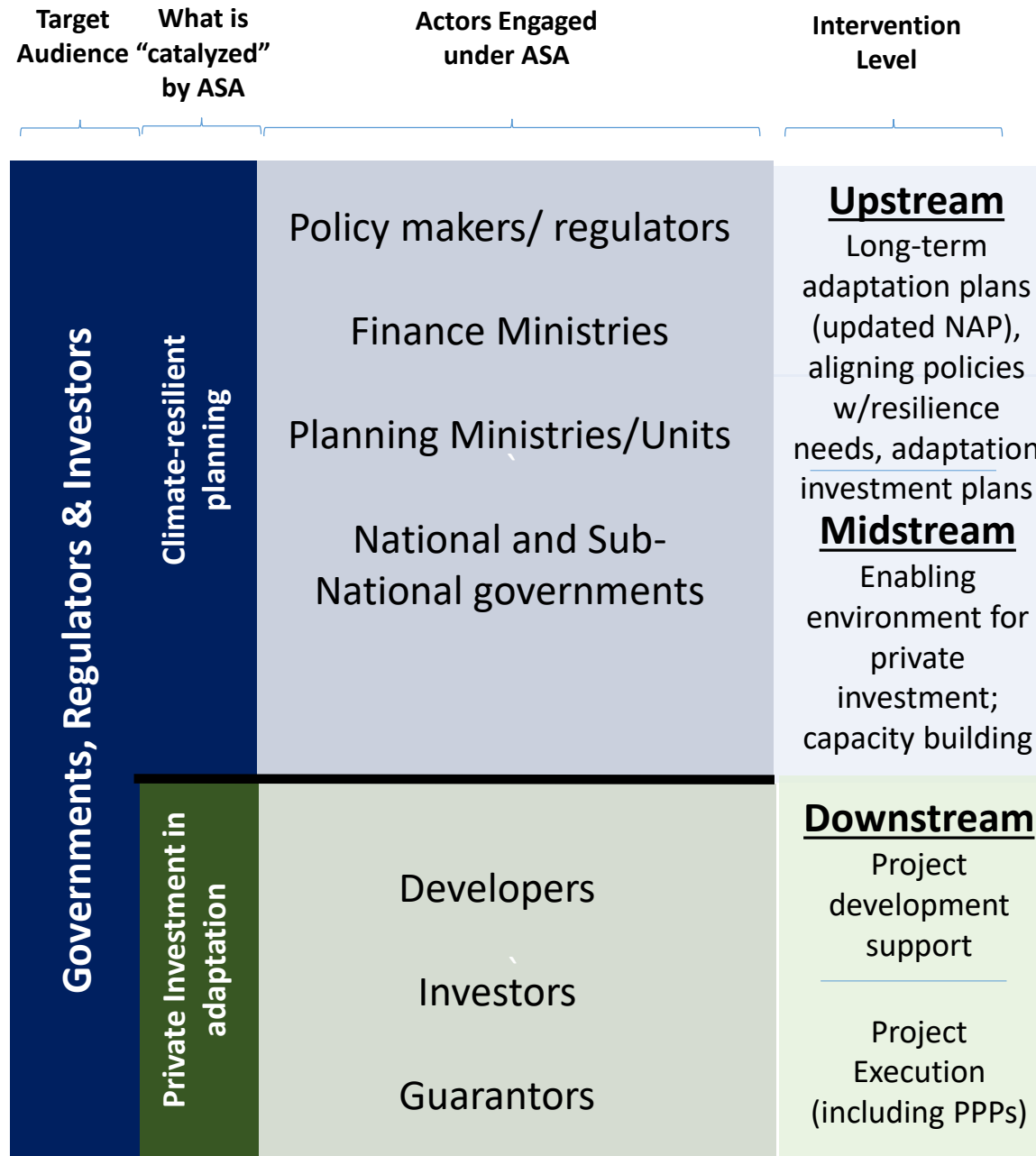
Objectives

Develop operational guidance for national governments and investors on private sector engagement in adaptation in the form of a Blueprint for Action. Implement 5 in-country pilots to test out approach outlined in draft Blueprint for Action.

Key Outputs

1. Draft Blueprint for Action based on baseline report findings and state-of-the-art experience in private sector adaptation financing
2. 5 Pilot Country Selection
3. In-country pilot testing (FY21)
4. Final Blueprint for Action integrating results from pilot work

Diagram 1 : Enabling Private Sector Engagement in Adaptation (ASA)



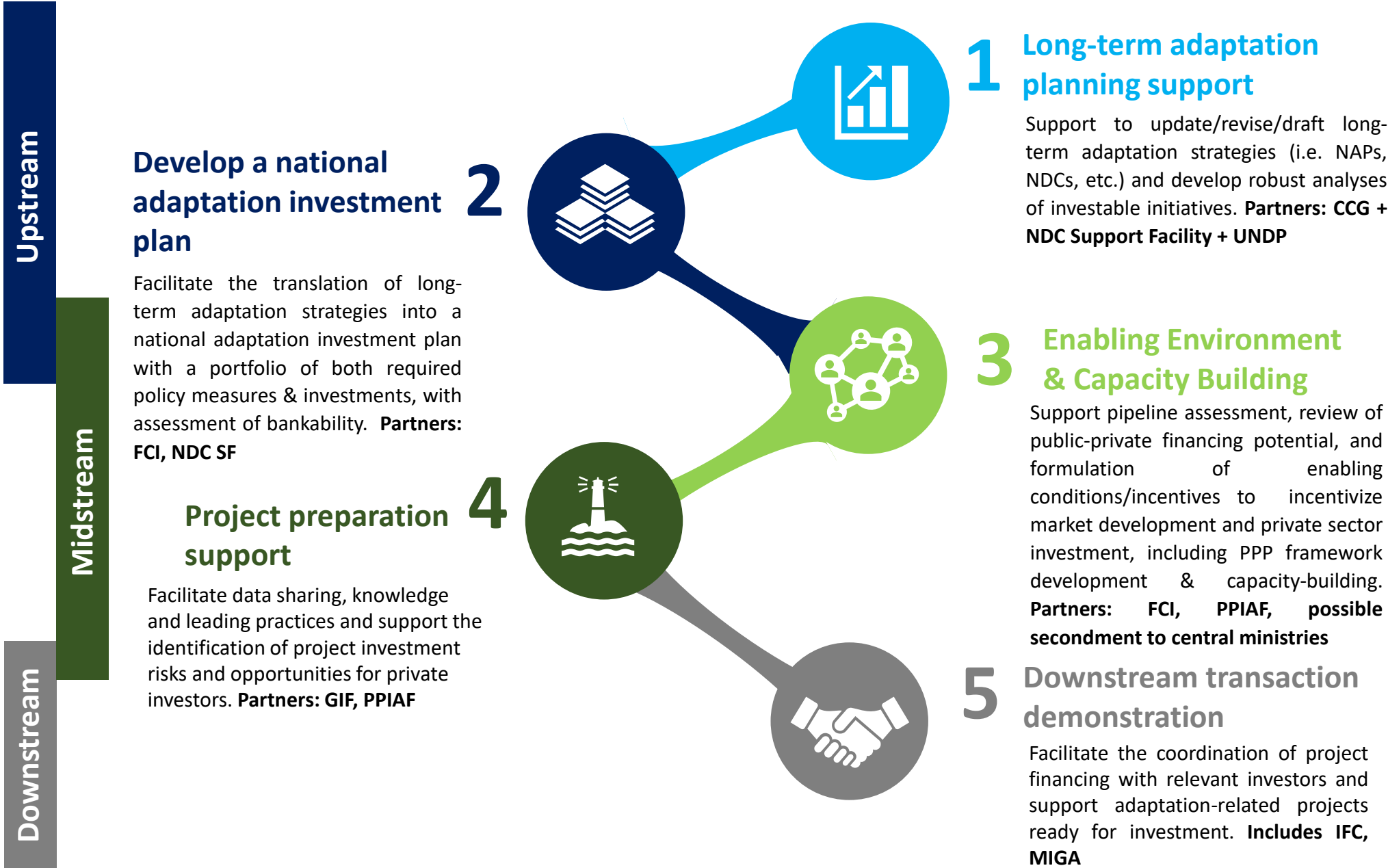
Financed Climate-Resilient Investments

ASA PROJECT FOCUS

Working with **governments, policy makers and investors** to address upstream, midstream and downstream issues for the purposes of catalyzing private sector investment in adaptation and resilience



Diagram 2 - Blueprint for Action - Proposed Approach



Country Selection Criteria

1. High vulnerability to climate impacts/hotspot area (not necessarily IDA)
2. Strong WBG/NDC/partner (e.g., UNDP) engagement on adaptation (for entry point upstream)
3. Strong country/client expression of interest, preferably from central ministries of Finance/Planning (e.g., Coalition of Finance Ministers)
4. Diversity of contexts and entry points: climate vulnerability, policy priorities, sectors, regions, difficult/easy investment contexts (clear rationale and pilot lesson being pursued/anticipated)
5. Maturity of applicable market (pre-condition)

Long List – 15 Candidate Pilot Countries

1. **LAC**: Chile/Colombia, Ecuador/Peru/Uruguay
2. **EAP**: Philippines/Vietnam, Indonesia
3. **SAR**: Bangladesh
4. **Africa**: Burundi, Cote d'Ivoire/Kenya/Rwanda/South Africa
5. **MENA**: Morocco