

# Business Contributions to Climate Change Adaptation

*Insights from South Africa and Germany*

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# What role for business in climate change adaptation ?

- What are contributions to climate change adaptation - increase overall adaptive capacity?
- How do they contribute? – modes of interaction
- What are motivations and drivers?
- **New role for business?**

## *Water Management as a Proxy*

- Climate Change → Considerable impact on water resources
- High related uncertainties (droughts, scarcity, flooding)
- Adaptation challenge: Impacts on land management, nutrition, biodiversity, infrastructure, health

## *Potential Contributions/Firm Strategies*

### COPING

- Short-term resilience, process and technologies
- Monitoring

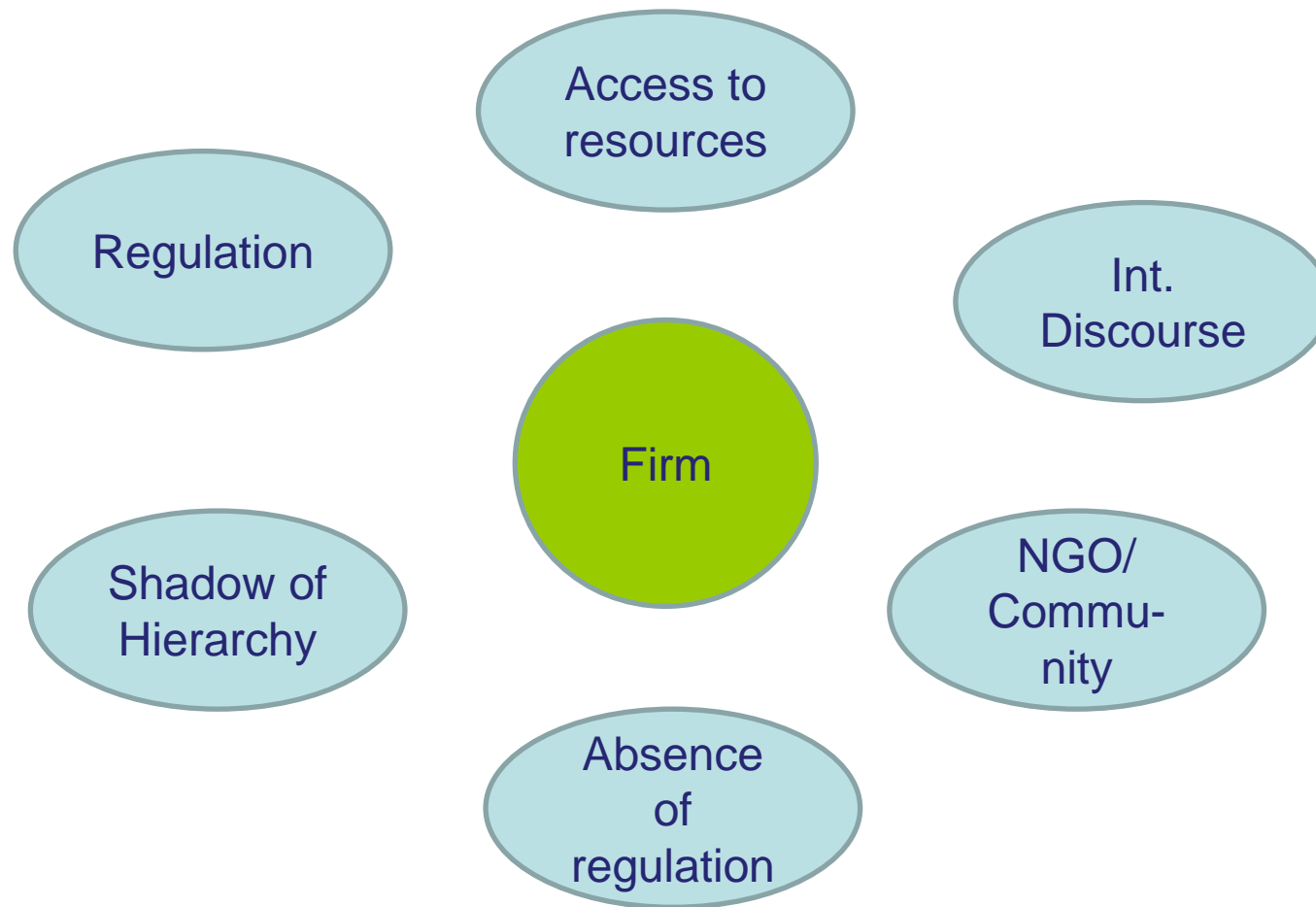
### SUBSTANTIAL ADJUSTMENTS

- Longer-term, involvement with planning mechanisms, infrastructure development

### TRANSFORMATION

- Collective action, social learning etc., involvement with policy-making

## *Drivers/Motivations*



## Case Study Set-Up

### South Africa

- „Area of limited statehood; weak regulatory, implementation capacities“
- (Severe) climate change impacts expected
- Intensive public discourse on water management



### Germany

- Consolidated statehood
- Well-developed policy framework
- Climate change impacts unclear
- Public discourse mostly on mitigation



## *Firm Actions*

### *South Africa*

- Emphasis on increasing firms' resilience: water efficiency/saving
- Involvement in water planning
- Involvement in water infrastructure development – cooperation with municipalities
- Interaction with government at the national level – water resources planning and policy-making

### *Germany*

- Coping measures slowly gaining in relevance
- Monitoring
- Technological improvements
- Limited Engagement beyond...supply chain
- Little involvement with policy-making

## *Discussion of Drivers*

### *South Africa*

- Currently: lack of regulation
- Expected regulation
- Actual, perceived dependence on water a key resource and uncertainty of access
- Firms anchored in local and international discourses
- Community needs

### *Germany*

- Regulation: not effective; foresees business involvement in cc adaptation, but not yet operational
- Increasing uncertainties on cc impacts
- Mitigation much higher on agenda
- Aspect of precaution/regulatory history

## *Conclusion and Outlook*

- There is a role for business that goes beyond corporate resilience
  - Companies need inherent motivation to become active for climate change adaptation
  - Motivations can be/is enhanced by other factors
  - Government to provide guidance for sustainable outcomes
- Implications for areas of limited statehood – limited government capacity
- Recommendations for policy-makers vis-à-vis business and climate change adaptation: lessons to be learnt from South Africa for Germany?



Thank you!

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## *Questions and the Way Forward*

### → Questions/Challenges

- Case selection – Features/Comparability Issues
- More precise mapping
- Continuation of the basin approach

### → WAY FORWARD – PRACTICAL IMPLEMENTATION

- Re-assessment of the approach

## *Forms of Interaction*

Collective action among firms

: some cases in the Platinum mining industry

Individual action/provision

: CC example

Implementation Partnerships

: emerging strongly – partnerships with NGOs, donors..

Dialogue Platforms

: some instances

Capacity-Building

: in the context of partnership approaches

## *Indicative findings*

### Contributions

	<b>Innovation</b>	<b>Compensation</b>
Internal	Process improvement	Internal monitoring
Supply-Chain	Process and Product Development	Awareness raising, control
Horizontal	Infrastructure Development Governance systems	Water Footprint Off-setting

## *Requirements for Adaptive Water Management*

Criteria developed by Dietz/Stern and Ostrom (2003):

- Information/Data
- Stakeholder Participation, Mutual Learning
- Infrastructure Management
  
- Institutional Capacity (certain properties)
- Integration of different water uses (IWRM)
  
- Preparedness for Change, Resilience, Adaptive Capacity

# Contributions



# Motivations

## Combinations of ...

### Resource-based drivers

Water as a key resource:  
Cost of resource

Technical management  
capacity

Organizational Slack

Relevance of SD Agenda  
with management

Staff motivation

### Institutional drivers

International SD CC norms

Mimetic drivers and industry  
norms

Competitive (market drivers)

External stakeholders  
(NGOs, community)

Government

### Different roles

Mandating  
Facilitating, partnering  
Non-action

## *Indicative findings*

### Drivers

- Other drivers mostly have an enhancing effect
  - E.g. NGO and community pressure, which points to impacts of environmental changes and fulfills two functions
    - Direct pressure on companies through watchdog function
    - Lobbying at government level to engage in certain policies
    - Important element of public dialogue
    - However not as an exclusive driver, but in conjunction with others
- Perception of a shared risk is conducive for joint action
- Guidance from government needed to channel corporate contribution and (probably) provide for long-term viability



## *Indicative findings*

### Drivers

- Strongest drivers:
  - Resource-base
  - Government pressure
- Specification and refinement:
  - Water as a resource and environmental change play a strong role – however in combination with other drivers, organizational slack, firm disposition
  - In combination with government drivers ranging from mandating to facilitating - as well as the lack to do so

## *Case Study Research - Data*

- September 2011 South Africa 12 Interviews with
  - Business representatives
  - Government
  - NGOs
  - External experts
- Complementary research in Germany
  - Analyze research conducted in the context of KLIMZUG project

## *Indicative findings*

### Contributions in Platinum Case

- Covering the range from internal measures to more interactive measures with stakeholders, municipalities and/or communities
  - Emphasis on technical approaches, efficiency measures and innovations as well as infrastructure development (often in collaboration with industry peers)
  - Some instances of stakeholder interaction, dialogue and capacity-building (however limited and not inclusive)
- Long term impacts difficult to assess (increase in adaptive capacity?)