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Introducing adaptation activity types and contribution by the private sector

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- MUMSS is a brokerage and investment banking arm of Mitsubishi UFJ Financial Group. Clean Energy Finance Division has been active in climate consulting service since 2001.
- MUMSS is currently commissioned by Japanese Ministry of Economy, Trade and Industry (METI) to carry out a study aiming for promoting climate change adaptation activity led by Japanese private sector.
 - **Develop the Adaptation Business Vision for Japanese private sector**
 - Grasped global adaptation market size
 - World Bank, IPCC, UNEP, WRI, UK, etc.
 - Identified potential sectors and areas for adaptation activity
 - Analyzed more than 2400 Japanese companies
 - Compiled good practice examples to date
 - Discussed performance indicators for adaptation activity
 - **Call for Feasibility Study proposal**
 - 5 projects selected
 - Sectors include food/agriculture, finance, and disaster prevention

- **Perceived risk/challenge**

- KPMG (2008) analyzed:
 - Type of risks associated with adaptation including regulatory, indirect/direct, and reputational risk
 - Level of risks companies are facing
- Direct risk includes business interruption and physical damage to asset, impact on staff health, crop and livestock productivity, etc. (PWC, 2010)
- Indirect risk includes dramatic price rise and food riots due to droughts, disrupting global manufacturing cycle for floods in one particular country (GEF, 2012)

- **From risk to opportunity**

- Questionnaire done by KPMG (2008): 79% see adaptation as risk, at the same time, 82% consider opportunity
- C4C (2015) noted adaptation offers various business opportunities and benefits

Private sectors are standing at a turning point now, they can recognize climate change as a business opportunity and building a strategy on response to adaptation would appeal to investors, shareholders and customers.

- MUMSS's study has found that there are many existing technologies, products and private sector activities, such as the good practices presented here that contribute to climate change adaptation as well as SDGs.
- However, potential is not yet adequately recognized and greater effort is needed to encourage more private sector participation.

	Area	Project outline	Company
1	Resilient infrastructure / weather observation / early warning	Reduce potential risks associated with natural disasters for a potential construction site via Shimizu Global Hazard Evaluation System	Shimizu Corporation
2	Resilient infrastructure	Protect community from a threat of sea level rise by building permanent concrete seawall including wave control structures.	Taisei Corporation
3	Sustainable energy supply	Promote a solar lighting equipment to provide local community with access to electricity in times of major disasters	Panasonic Corporation
4	Food security and agriculture	Introduce high quality cacao agroforestry and build capacity of local farmers to enhance agricultural sustainability and productivity	Dari K Co., Ltd.
5	Health and sanitation	Provide insecticide-treated mosquito net to reduce the prevalence of infectious disease.	Sumitomo Chemical Co., Ltd.
6	Health and sanitation / food security and agriculture	Provide soap-based fire extinguishing foam to protect forest by reducing smoke damage caused by repeated wildfire.	Shabondama Soap Co., Ltd.
7	Climate monitoring / early warning	Install water leak detection system and undertake water demand projection system to reduce damages from floods, etc.	NEC Corporation
8	Sustainable water supply	Install clean water supply system featuring slow sand filtration method to reduce risk brought by water contamination.	Yamaha Motor Co., Ltd.
9	Climate change finance	Introduce weather index insurance to minimize financial losses caused by extreme weather events	Sompo Japan Nipponkwa Insurance Inc.



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