

## Why GAO Convened This Forum

According to the National Climate Assessment, climate-related impacts can present wide-ranging and sometimes cascading risks across the economy and at all levels of government. This assessment and a study by the Center for Climate and Energy Solutions—a nonpartisan, nonprofit organization—reported that climate-related risks can affect businesses in a variety of ways. In addition, GAO has previously found that the federal government faces fiscal exposure from climate-related risks and that building in resilience to protect against future damage is one strategy to help manage these risks.

On July 21, 2015, GAO convened a group of leaders to discuss: (1) businesses' climate-related risks, actions to identify and manage them, and justification of resilience efforts; (2) interdependencies of business and government entities and implications for building resilience; and (3) challenges and opportunities for businesses and governments in addressing climate-related risks and building resilience.

The participants, selected with assistance from the National Academies, included representatives from businesses, federal agencies, local governments, academia, and nongovernmental organizations. This report summarizes the discussion by forum participants. Comments expressed in the report do not necessarily represent the views of all participants, their organizations, or GAO. Participants reviewed a draft of this report, and GAO incorporated their comments, as appropriate.

View [GAO-16-126SP](#). For more information, contact J. Alfredo Gómez at (202) 512-3841 or [gomezj@gao.gov](mailto:gomezj@gao.gov)

## HIGHLIGHTS OF A FORUM

### Preparing for Climate-Related Risks: Lessons from the Private Sector

#### What Participants Said

During the GAO-sponsored forum, participants discussed the following topics:

#### **Businesses' Climate-Related Risks, Actions to Identify and Manage Them, and Justification of Resilience Efforts**

Forum participants representing businesses across a variety of industries described climate-related risks to their operations, infrastructure, and supply chains. Participants also discussed their businesses' actions to identify and manage climate-related risks, such as better understanding and quantifying these risks, taking physical actions to build resilience, and embedding resilience into business processes and plans. Several business participants also described how their businesses place a value on resilience in order to justify actions to build resilience.

#### **Interdependencies and Implications for Building Resilience**

Forum participants discussed public and private sector interdependencies—areas in which various entities rely upon one another for support and services—that exist between and within the sectors, such as infrastructure, supply chains, and data and tools. Participants also discussed the implications of these interdependencies for building resilience, including the importance of

- establishing partnerships to leverage information and resources,
- examining the resilience of all components of a system, and
- pursuing a collective effort that engages all stakeholders.

#### **Key Challenges and Opportunities**

Forum participants discussed challenges and opportunities for businesses and governments in the following three key areas:

- **Identifying climate-related risks and developing actions to build resilience:** Several participants said they face challenges in finding and accessing sufficient data to identify risks; needing more tools and technical assistance to develop actions to build resilience; and having limited internal expertise for such efforts. Several participants described opportunities to address these challenges, such as by sharing existing information, providing tools and technical assistance, and building expertise through partnerships.
- **Providing incentives for resilience:** Several participants described challenges, including inadequate pricing of risks and limited policies and guidance on placing a value on resilience. Several participants discussed opportunities to address these challenges, including developing metrics and standards for resilience, providing better incentives and removing disincentives, and better using existing policies to encourage resilience.
- **Addressing interdependencies across sectors:** Some participants discussed challenges with unclear leadership roles and communicating across sectors. Several participants described opportunities to enhance leadership and coordinate efforts within and across sectors, engage communities early in the process, and assess current resources and needs for resilience efforts across sectors.