

The Investment case for a resilient future

Q+A from the webinar

Q: How can we stop referring to 'Operational Resilience' and instead use 'Organisational Resilience'. The latter encompasses the former, but not the other way round since Operational is, by definition, only at that level and not Strategic, whereas Organisational refers to all levels of management and the entire org.

A: In this webinar and the paper (plus the associated brief), the point we are making is that we should be thinking beyond "operational" and "organisational" resilience and move to a much more systemic definition of resilience that is focused on living with increasing uncertainty and turbulence, and fostering capacities for persisting, adapting and transforming.

Q: Climate adaptation and resilience are often used interchangeably in policy and even academic circles and there is still some confusion about the differences between these terms. Could you speak to that and how to make the investment case for adaptation and resilience?

A: An attempt at a very simple answer to a question that could trigger long hours of interesting discussions. I think to begin, one needs to distinguish whether responses and actions are adaptive or transformative. Adaptation are more minor/moderate or incremental changes to existing practices and behaviours, whereas transformations are more fundamental changes that have the potential to create new pathways or systems. We see resilience as encompassing the capacities to mitigate, adapt and transform.

Q: Could you expand on the idea of functional diversity and how we can encourage this thread in an age of populist polarised society?

A: Of all the attributes of resilience, diversity (for example, biodiversity, livelihood strategies and institutional diversity) is probably the one that has amassed the largest body of evidence supporting its crucial role in nurturing resilience. Diversity provides flexibility, through the ability to respond in multiple ways to systemic changes and shocks, and provides sources of innovation for novel conditions. Key dimensions of diversity have been lost in the Anthropocene. Biodiversity loss is occurring faster than at any time in human history, and is (together with wildlife trade and habitat loss) a primary driver of emerging novel zoonotic infectious diseases such as COVID-19. Growing demand for harvestable biomass (food, fuel and fibre) has been met by converting much of the Earth's biosphere into production ecosystems—ecosystems simplified and homogenised for the production of one or a few harvestable species. We have evidence that the presence of a diverse energy production mix, or the ability to produce a variety of foods and fibres, to withstand disruptions to trade or industry is critical to a functioning economy. Likewise, the diversification of markets and

sources of revenue is at the core of avoiding being unnecessarily vulnerable to external shocks.

Q: Can you please elaborate on the Single-point failure mentioned in Redundancy, should that be the starting point of a Resilience portfolio, being a more hands on task to tackle, or just a supporting aspect of a much broader attitude towards Resilience policies and application?

A: Redundancy is a great starting point for a resilience portfolio and using the avoidance of single-point failures is a metaphor that can trigger hands-on action to move towards resilience. In the paper, we trawled through the literature to get some solid examples for each attribute, and for redundancy we listed things like social safety net programmes, informal networks that provide social buffers, ecological safety nets, and expanded national-level options for assessing credit and stimulating economies. But at the end of the day, the ambition needs to be to stimulate the full portfolio of attributes.

Q: In Canada there are many transformation initiatives and not just adaptation. How can we push the transformation process harder?

A: Transformations are complex processes and require the fostering of multiple dimensions. For instance, recent ongoing research building on combined insights from the scientific transformations literature and development practice, highlighted five features for fostering transformative potential of local initiatives. These are **1.** Making sure the initiative is well aligned with the context (understands the local context and challenges, social norms, identifies key actors and local power dynamics in place) **2.** Providing external resources and support and enable, and not undermine, endogenous capacities (capacities for transformative change are many times already in place but lack the resources and support that allow them to scale and amplify impact. It is also crucial that resources do not reinforce negative power dynamics or corruption). **3.** Foster learning and system understanding (new shared understanding of the system/context we are trying to change among a diversity of stakeholders is often required for deeper levels of change. **4.** Changing power dynamics and established norms (transformations require power shifts among actors, so old structures and ideas that lock the system in undesirable states, can be replaced by new innovative ones that serve the new transformative goals). **5.** Fostering relationships and collaborations (this includes dialogue and collaboration between actors with different interests with a strong focus on cross-scale collaborations. Transformative processes occur when local/small initiatives or ideas start interacting with actors at broader scales (and with decision making). For transformations to gain momentum it is important to actively invest and foster several of those dimensions simultaneously.

This might be difficult to do through single initiatives or projects, ensuring that in a given context that we want to transform initiatives that can support complementary features of transformation, can be an effective way of increasing the potential for transformative change.

Q: Slide 24 shows a very interesting contrast in the resilience response of the different institutions - this is very surprising. Can you speculate on the reasons for this juxtaposition?

A: This was a very broad stocktake, and only focused on published response strategies to COVID-19. As such, some of the institutions could potentially have rather different and richer understandings of resilience in other alternative programme reports and similar. But differences that emerged in our stocktake could be due to different underlying mandates that they have, and different exposure to issues of resilience. However, it is worth reinforcing that overall the majority of these institutions did not define resilience, despite mentioning it in their response strategies - which is the key point we wanted to raise.

Q: No doubt there is a case to be made for top down (global responses) solutions to some of these problems. However, there needs to be more support for local focused solutions. Can truly regenerative solutions be top driven without considering local context? Some have made the case that globalisation and the rise of multinationals & transboundary corporates have had a hand in the excesses that we are seeing?

A: The challenge is to incorporate both top-down and bottom-up understanding to foster transformative pathways. This is an inevitable outcome of the current age we live in, the Anthropocene. The intertwined social and ecological dynamics of the Anthropocene mean that local and place-contexts are influenced by multiple drivers at larger scales, and have complex connections to other places. In a globalised world, these drivers (for example, trade, international commodity prices, technological improvements, large-scale land acquisitions, fishing, and agriculture) are themselves shaped by a complex array of forces. State power and supranational corporations (for example, the European Union) coexist alongside powerful multinational corporations. At the same time, research institutions and NGOs increasingly operate at a global scale. For sustainability researchers committed to instigating change, this requires considering such cross-scale dynamics to understand transformative pathways. So while corporate multinationals, for example, have played a role in the issues we are seeing, a more direct engagement with such global corporate actors might also leverage their unique ability to influence change. For example, the [Seabos initiative](#) is an ongoing transformative knowledge co-production process where researchers are actively engaging with keystone actors that shape marine ecosystems, to collaboratively develop solutions to ocean sustainability challenges. This process has led to the establishment of a [unique global ocean initiative](#), where science and business collaborate toward the United Nations Sustainable Development Goals. While emerging forms of co-production may produce remarkable gains, they will bring new risks and potential pitfalls. Engaging with industry can influence perceived scientific credibility and also challenge previously established power dynamics.

Q: Awareness around the importance of climate resilience is still very low in companies and the private sector at large. What is your view on raising awareness beyond the scientific and public sector?

A: There is a growing awareness of climate change, the implications on the planet and ultimately their businesses in many companies, large and small, as well as in business schools. What is needed is a common platform for learning more about resilience, what is happening, examples of what can be done, and new ways of approaching the problem. This can open up for more actors in the private sector to engage and adjust their structure and incentive schemes to be more in line with what needs to be done.

Q: One of the new buzzwords in business is "Regeneration." Is there a difference in where Resilience needs to be moving towards and the concept of Regeneration?

A: Resilience is a wider concept that has regeneration within it. Regeneration is critical, but in the framework of resilience there is the aim of moving beyond just regeneration, aiming for transformative change. This means that companies and communities (and so on) not only regrow and regenerate, but are allowed to evolve into more sustainable and resilient systems that are more resilient not just in the status quo but in the longer term as well.

Q: What is the role of governments in creating the necessary conditions to catalyse finance and action?

A: Governments absolutely play a role in creating the necessary conditions to catalyse finance and action. This requires combined efforts by the public sector, the private sector, civil society, and the research community. The main role of the government is to work with other sectors and quickly draw up guidelines based on the evidence we have already, and introduce those policies. By doing so they can level the playing field for the companies, they can encourage smarter ways of doing things, again based on science, and partner with the private sector to nurture new innovation and get the necessary funding activated.

Q: Providing investment certainty to encourage Nature-based Solutions is a must, how can we advertise success and returns on investments to encourage more investment?

A: Although there might not exist investment certainty in any sector, not investing in adaptation and transformative resilience building comes with risks that are greater than exploring investment opportunities. There are also many examples of where investments like this are working out, and these examples must be highlighted more, considering not only the Net Present Value of an investment (with the assumption that all other things remain the same), but with the understanding that the context within which investment decisions are made is changing rapidly.

It is also a question of time horizons. Traditionally investments are made with a short time horizon, often ranging from three months to a few years. The case for a longer term investment horizon, where real transformation can happen, is emerging in many new NbS fields. The best time to plant a tree was 100 years ago. The second best time is today.

Q: Can you share more about COP28 events to continue this conversation around financial mechanisms?

A: GRP is one of the managing partners of the [COP Resilience Hub](#), an inclusive virtual and physical space to mobilise action on resilience and adaptation at COP28. One of the themes of the Resilience Hub is finance and investment. The hub will host [a number of sessions](#) on the topic. You can attend in-person at COP28 in the Blue Zone or join virtually. [Registration is now open.](#)