



Service Area Factsheet

Economic Development

How will economic development be impacted by climate change?

Our climate is changing. We each need to understand our role in addressing this challenge and work together to increase the resilience of our organisations and society. Cutting carbon emissions is vital as we must reduce the severity of climate change. However, it is equally important to begin preparing for the increase in extreme weather which we are already experiencing, and which is projected to increase substantially in intensity and frequency in the coming decades. We call this act of preparation 'Climate Adaptation.'

Local councils will play a pivotal role in the implementation of any measures, and so require a collaborative approach from different service areas in order to address the impacts of climate change. Every service has something to offer to increase resilience for the council and communities it represents, from overall strategies to daily decisions and management.

This brief is not designed to provide a comprehensive overview, but rather to initiate discussion on the role of economic development in addressing climate change impacts as part of a wider suite of documents for other services.

What are the climate risks/opportunities for businesses?

As the climate changes, all sectors of the economy in Northern Ireland will be faced with preparing for a range of new threats and opportunities'. In NI, 99.9% of the private sector is comprised of small and medium-sized enterprises (SMEs). SMEs can be particularly vulnerable due to their limited time and resource capacity to assess and prepare for climate risks. Risks to business from climate change include:

Impacts of climate breakdown - Risks		Potential causes
Damage to property and infrastructure	Both the businesses' assets, but also public infrastructure enabling businesses in your area to operate normally (roads, ports and airports). Ultimately this could prove a barrier to investment in your area.	Sea levels rising, flood damage, extreme weather events, eroding coastlines
Supply chain disruption	Inability to source materials on time, reliably and at a manageable price.	Flooding, excessive heat, extreme weather events.
Lack of security of food supply	Disruption both to international and local food supply chains, increased prices of raw materials.	Droughts, floods, reduced biodiversity

Impacts of climate breakdown - Risks		Potential causes
Heat exhaustion	Reduced productivity of employees, health threats to employees.	Heatwaves and generally hotter summers
Impacts to the bottom line	Shocks like damage to stock, equipment or loss of business continuity directly affect the bottom line.	Flooding, subsidence, excessive temperatures and storms.

Impacts of climate breakdown - Opportunities		Potential causes
Production opportunities	Possibility for the agri sector to grow new crops and/or to rely less heavily on greenhouses as winter heating costs may be reduced.	Higher temperatures
Market opportunities	Opportunities for the hospitality industry, at the fringe of high season, and for the outdoor and leisure industries	Higher temperatures

What actions could you take?

Appropriate adaptation is required to maintain a council area that remains attractive to investors and businesses. You could take action by getting involved with your council's adaptation planning process, which should outline short to long-term impacts, implications and recommended actions for economic development which can support businesses:

- Encourage businesses of all sizes to develop a Business Continuity Plan which addresses climate risk. This may include consideration of supply chain disruption as well as extreme weather impacts on staff, premises and services (such as energy, IT and transport).
- Promote and enable adaptation by providing advice and support to local businesses and organisations on adaptation through workshops and business engagement.
- Improved awareness of the risks and actions that prepare businesses for flooding can reduce the overall impact.
- Provide support for climate resilience and business continuity through business support programmes.

Additional Resources

Non-Executive Directors' Association: Chapter Zero – A Climate Change Boardroom Toolkit. <https://www.nedaglobal.com/ned-insights/publications/chapter-zero-a-climate-change-boardroom-toolkit/>

NI Business Info: Guides for businesses on carbon emissions and climate change. <https://www.nibusinessinfo.co.uk/content/carbon-emissions-and-climate-change>

UKCIP: A changing climate for business. https://www.ukcip.org.uk/wp-content/PDFs/UKCIP_Business.pdf