



WHITE PAPER

The Role of Public-Private Partnerships in Mitigating Health Challenges Brought by Climate Change and Accelerating Health Resilience

The increasing frequency and severity of climate-related events is an ever more present threat to public health systems and vulnerable populations, with the need to address health resilience in this context increasingly pressing.

At the 77th World Health Assembly in Geneva on May 30, 2024, the Prudence Foundation hosted a panel discussion– “Unlocking Solutions Together – Accelerating Climate & Health Resilience”.

In this white paper, we explore some of the key topics from this discussion, including the crucial role of public-private partnerships, highlighting their significance from various perspectives, opportunities they present, and the challenges they face.

About the Prudence Foundation

The [Prudence Foundation](#), as the community investment arm of [Prudential plc](#) in Asia and Africa, is committed to helping improve health resilience in the face of climate change. This aligns with our mission to enhance community safety and resilience in Asia and Africa, where the impacts of climate change are most acute.

Together with our business, we approach this issue through three main avenues:

Firstly, we invest in mitigation efforts to support an inclusive and just transitioning to green economies in Asia and Africa through our responsible investment strategy.

Secondly, we support scientific research to advance data on the intersection between climate and health, partnering with organisations like the [International Federation of Red Cross and Red Crescent Societies](#) (IFRC) and the [Earth Observatory of Singapore](#).

Lastly, we invest in adaptation and resilience efforts within communities, such as disaster preparedness initiatives, climate and health resilience programmes protecting vulnerable communities.

The Geneva Association's Climate Change and Health report

The [Geneva Association](#) is a leading international think tank that focuses on strategic and global insurance issues. It conducts research and promotes dialogue among its members to address key challenges facing the insurance industry, such as climate change, financial stability, and emerging risks. In their latest study from February 2024, Geneva Association highlights the risks, and the challenges life insurance companies are facing from climate change:

- **Acute Risks:** Extreme weather events like heatwaves, floods, and wildfires increase mortality and acute health events such as injuries, posing immediate health risks.
- **Chronic Risks:** Long-term exposure to adverse climate conditions, such as poor air quality and rising temperatures, exacerbates chronic health issues.
- **Transition Risks:** Shifts towards cleaner energy can improve air quality but may also bring new health risks.
- **Litigation Risks:** Increasing legal actions related to health impacts of climate change could compel insurers to address these risks proactively.

Climate-induced health risks present actuarial challenges. This is due to the fact that such risks are dynamic in nature and past climate events may not always be a good representation of the future. This challenge is further exacerbated by socio-economic characteristics of the population, the capacity of local health systems, and the lack of comprehensive data, which hinders accurate risk assessment related to the extent of shock that may spill over to health and life insurers. At present, health and life insurance liabilities appear unaffected by climate change. But stating this with certainty may be ill-advised as tools and data for measuring the impact remain absent. However, insurers have the opportunity to proactively take action to address some of the challenges with particular focus on prevention and adaptation to preserve insurability. Innovations like parametric insurance, which pays out based on specific triggers, are a good example of such interventions but require further development.

For more details, you can download the full report [here](#) (The Geneva Association).

Insurers Confronting Climate Change: Risks, Challenges, and Reassessment

Climate change harbours considerable risks for insurers. Losses, excluding health and life insurances, totalled USD 60 billion last year, more than doubled compared to the average of the last 10 years. This can be explained by the increasing frequency and intensity of climate events.

However, a key problem for the life and health insurance sector is being able to quantify the risks especially related to long-term health consequences of climate change, particularly in the case of chronic diseases. While extreme weather events and their immediate effects are relatively easy to recognise (the causality may be easier to establish), there is a lack of comprehensive data and models to capture the long-term health risks and their costs to the healthcare system. These long-term effects, which are often less obvious, can place a heavy burden on people, adversely affect their longevity outcomes (health and wealth spans), the healthcare system and the insurance

industry. For example, the elderly over 80 years of age are disproportionately affected by heatwaves, which significantly increases mortality rates as well as morbidity.

Climate change requires a reassessment of our health and pension capital as well as our products and services. The rising costs and challenges associated with longevity risk, particularly in long-term care and chronic disease, reinforce this need. It is critical that we reassess risks in a rapidly changing climate and how we also share risk with the population in such a volatile and unpredictable climate situation. In addition, strong public-private partnerships are needed to accelerate the challenges of climate and health resilience.

Key Observations from the Panel Discussion “Unlocking Solutions together – Accelerating Climate & Health Resilience”

During the 77th World Health Assembly in Geneva, Switzerland, experts were invited to discuss risks and opportunities, best practice projects as well as the importance of public and philanthropy-private-partnerships:

The **Prudence Foundation**, represented by its chairperson, Diana Guzman, started by emphasising the necessity of partnerships in tackling climate change challenges. Prudential, with its extensive experience across Asia and Africa, identifies climate change as a significant risk to the markets it serves. Prudential collaborates with various stakeholders, including governments, private sectors, NGOs, and academic institutions, to help build community resilience against the climate risks. She highlights the importance of leveraging both philanthropy and business assets/levers in bringing solutions to the table, as well as making insurance more inclusive, recognising this as a vital tool in providing a safety net for vulnerable people, preventing them from falling into poverty.

The co-host of the side event at the margins of World Health Assembly, the **IFRC**, highlighted the funding challenges in the humanitarian sector, which relies heavily on grants. They advocate for shifting funding towards resilience-building and collaborating with insurance companies to develop a commercial insurance product that is sustainable. This approach encourages more sophisticated disaster response emergency funds, allowing rapid payouts during crises. By leveraging insurance, the IFRC aims to secure additional funding beyond grants, enhancing their response capacity. There is potential for scalability and further collaboration with this model.

The organisation "[Climate Resilience for All](#)" aims to protect vulnerable women from extreme heatwaves. Their "SEWA" program, currently assisting 50,000 women, combines financial aid, insurance, protective gear, and an early warning system. Funding comes from partnerships and donations. They collaborate with medical professionals and community leaders to adapt to local needs and emphasise multi-sector collaboration for effective solutions to climate challenges. Their focus includes ensuring the program's efficacy and adapting to evolving community needs.

[Save the Children](#) operates in over 100 countries, and collaborates with private sector partners, governments, foundations, and philanthropists, along with local and national experts to deliver lasting impact. They focus on the interconnectedness of climate and health crises, advocating for multi-stakeholder collaborations to achieve sustainable change for children and communities. By partnering with the private sector, they unlock investment for innovative solutions and pilot projects, as well as derisking funding and providing blended financing which may not otherwise be possible using traditional income streams. Their approach to managing and mitigating the impacts of climate change includes working with communities to design and carry out solutions as well as supporting children to claim their rights and take part in decisions about climate change. Collaboration with entities like the Green Climate Fund and Prudence Foundation helps implement strategic, integrated, and effective solutions.

[AVPN](#) (Asian Venture Philanthropy Network) underlines the challenge of bridging the gap between the climate and health sectors, emphasising the need for a shared understanding of goals and outcomes, for a common language to facilitate collaboration and identify mutual objectives. AVPN champions acceleration of impact led capital for

integrating climate adaptation responses into public health systems and private sector service providers to tackle chronic issues worsened by climate change, emphasising the need to prevent the loss of lives, especially in vulnerable regions like Asia through the Climate x Health Lighthouse initiative.

The Roles, Challenges and Opportunities of Multi-sector Collaboration

The following key takeaway emerged from the panel discussion:

Collaboration between public and private sectors is crucial for effective climate and health resilience. It ensures a holistic and practical approach to addressing global challenges at the local level.

Through Public-Private Partnerships (PPPs), governments, humanitarian organisations, and companies can collaborate to finance and implement infrastructure projects, disseminate technology, and address social challenges. Every actor plays a crucial role in successful cooperation:

1. National and local governments

Due to their political authority and financial resources, governments generally play an important role in development cooperation by improving infrastructure, education and healthcare and combating poverty. In impoverished and crisis-ridden countries, particularly in Asia and Africa, governments are dependent on international support and resources for urgent needs must be prioritised. Building partnerships with development organisations and private companies is even more important, as is the involvement of local communities to ensure sustainable development initiatives.

2. International, regional, and local humanitarian organisations

Humanitarian organisations, both multilateral and non-governmental organizations (NGOs), play a crucial role in providing technical expertise, resources, and support to developing countries. They can implement various projects and programmes to enhance people's living conditions, such as providing humanitarian aid, promoting sustainable development, empowering civil society, and advocating for women's rights.

3. Private organizations

Private organizations can act both as development actors and as catalysts. They can conduct research, make investments, promote innovation, and drive projects forward strategically and operationally.

However, comprehensive collaboration usually faces various challenges on all levels, internationally, regionally, and locally, but there are opportunities as well:

Challenges

- Resource constraints
- Differing agendas and priorities
- Cultural aspects
- Communication barriers
- Legal and regulatory hurdles

Opportunities

- Leveraging expertise for innovation
- Building capacities
- Enhance impact and sustainability
- Share responsibility and accountability
- Improve risk management
- Promoting a common taxonomy for impact (between the climate and global health community)

Overall, there is a need for a cohesive, multi-sectoral approach to tackle climate and health challenges, since currently there is a lack of communication and coordination among health, finance, and environment ministries. This fragmentation obstructs effective climate action and health integration. Improving inter-ministerial collaboration is also required to addressing the systemic nature of these issues. Including health in Nationally Determined Contributions (NDCs) would acknowledge the interconnectedness of climate and health at the policy level. Leveraging the thought leadership present in organizations can create essential connecting points between ministries, enhancing financing and support for adaptation and mitigation efforts.

Acknowledging the Role of the Private Sector

The private sector can play a significant role in addressing the health impacts of climate change in several specific areas:

Investments in resilient health infrastructures:

- Construction and modernisation of hospitals and health facilities capable of withstanding extreme weather conditions.
- Deployment of mobile health units in hard-to-reach areas.
- Development of digital health platforms for remote monitoring and care.

Technological innovations and solutions:

- Promotion of research and development for new drugs and treatment methods against climate-induced diseases.
- Implementation of health surveillance systems and early warning systems for climate-related health risks.
- Utilisation of clean energy technologies in health facilities to reduce emissions and ensure continuous energy supply.

Sustainable supply chains and resource management:

- Ensuring the supply of necessary medical goods even during climatic extreme events.
- Adoption of sustainable practices in the production and distribution of medical products.
- Promotion of circular economy to reduce waste and conserve natural resources.

Partnerships and collaboration:

- Formation of public-private partnerships (PPP) to jointly address health crises.
- Integration of climate-health resilience into environmental, social and governance (ESG) strategies.
- Utilisation of innovative financing mechanisms such as blended financing and climate bonds to fund health projects for climate adaptation.

Capacity building and training:

- Conducting training and providing technical assistance for healthcare professionals in affected areas.
- Promotion of education and awareness campaigns to raise awareness among the population about climate-related health risks and prevention measures.

These measures not only help mitigate the direct health impacts of climate change but also strengthen the long-term resilience of affected communities.

But what does this mean for governments and development organisations? What action steps need to be taken?

Concrete Action Steps for Governments and Development Organizations

- **Inter-Ministerial Coordination:**
Enhance communication and collaboration among health, finance, and environment ministries to address climate and health challenges holistically.
- **Integration of Health in National Policies**
Include health considerations in Nationally Determined Contributions (NDCs) to recognise and address the interconnectedness of climate and health at the policy level.
- **Utilise Thought Leadership**
The private sector and non-governmental organisations can help provide expertise and leadership within governments to create more effective links between ministries, leading to better funding, improved communication and support for adaptation and mitigation measures, more public goods in terms of research and evidence by aggregating knowledge and supporting research to inform solutions.
- **Public-Private Partnerships**
Fostering partnerships with the private sector is essential to unlocking investments for innovative solutions and pilot projects that address climate and health challenges. By collaborating, public and private entities can combine their strengths and resources, driving forward initiatives that might otherwise lack the necessary funding and support. This collaboration can lead to the development and implementation of effective strategies to tackle these global issues at both local and broader scales.
- **Develop Climate and Health Intelligence Systems**
Implement systems to better understand and respond to long-term health risks exacerbated by climate change, particularly focusing on chronic diseases. One example of this is to explore how International Classification of Disease can start incorporating climate sensitive information and how its utilization may be scaled up.
- **Data Utilisation**
Employ granular data to map and understand the impact of climate change on health, considering factors like demographics, infrastructure, and preparedness.
- **Innovative insurance models**
The private sector is supporting research into parametric insurance options, such as heat insurance for agricultural workers in India, and using insurance as a tool to incentivise climate-friendly behaviour.

“The necessity of collective efforts is underscored, as no single entity can address these complex challenges alone.”

(Diana Guzman, Chair of Prudence Foundation)