

Adaptation financing and funding solutions in Europe - Best practices

An analysis of international best practices

CLIMATEFIT aims at **supporting innovative financing mechanisms for adaptation to climate change**. The project will engage its experts, Public Authorities and Financing & Investment Entities in the co-creation of **twenty investment strategies, ten investment plans, and four bankable investment cases**.

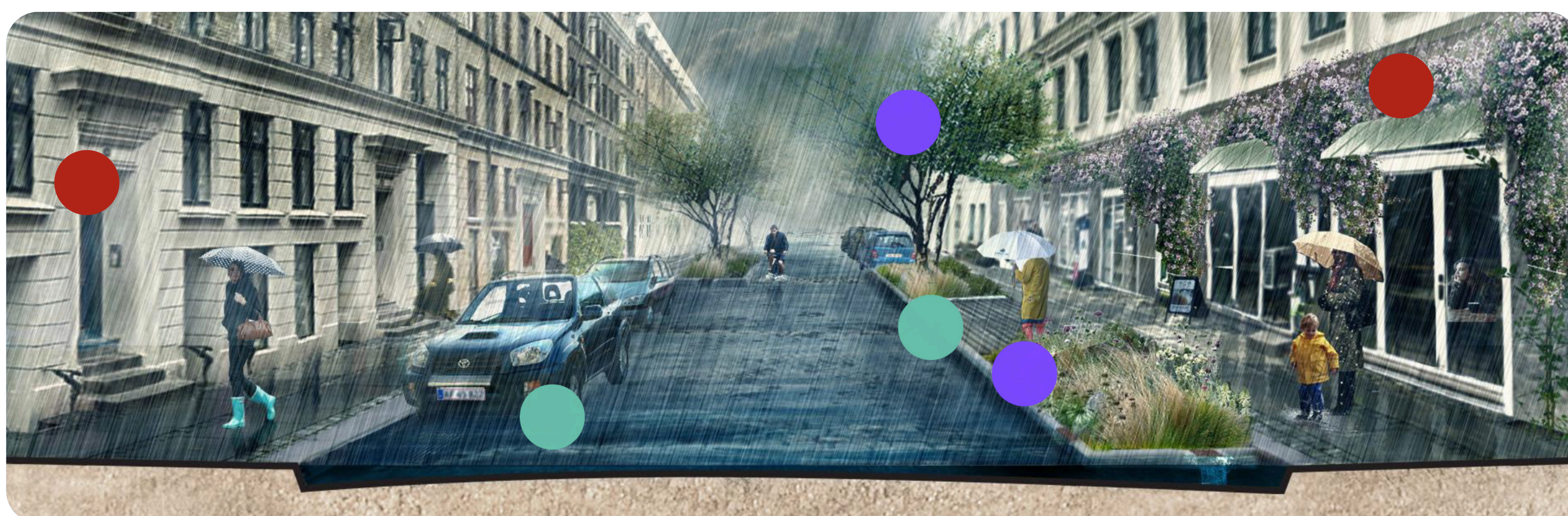
In **WP1**, we composed a **database of more than 250 diverse international examples** of innovative adaptation financing and funding solutions (AFFS). **Twenty of those were researched in depth. Three of these cases are presented on this poster.** Detailed reports of all twenty cases will be publicly available in the summer of 2024.



Groenfonds Midden-Delfland (The Netherlands)

In 2005, four municipalities created 'Groenfonds' or green fund as a foundation with the objective to maintain the agricultural cultural landscape of Midden-Delfland.

Groenfonds collects **developer obligations** from real estate developments, which are **defensively invested**. The **return on capital from those investments are used to pay dairy farmers for delivering green services** as a form of payment for ecosystem services.



Cloudburst Management Plan (Copenhagen, Denmark)

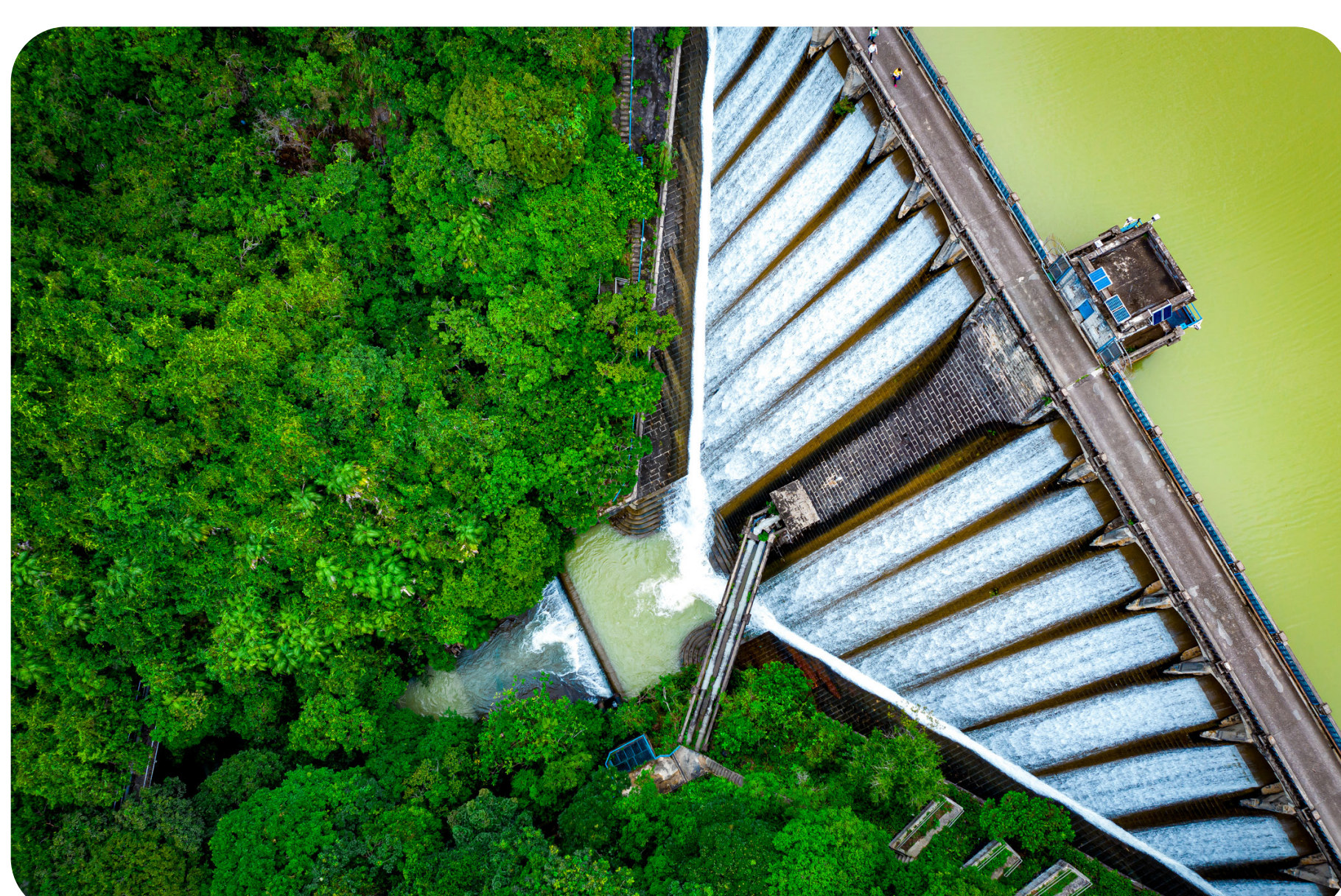
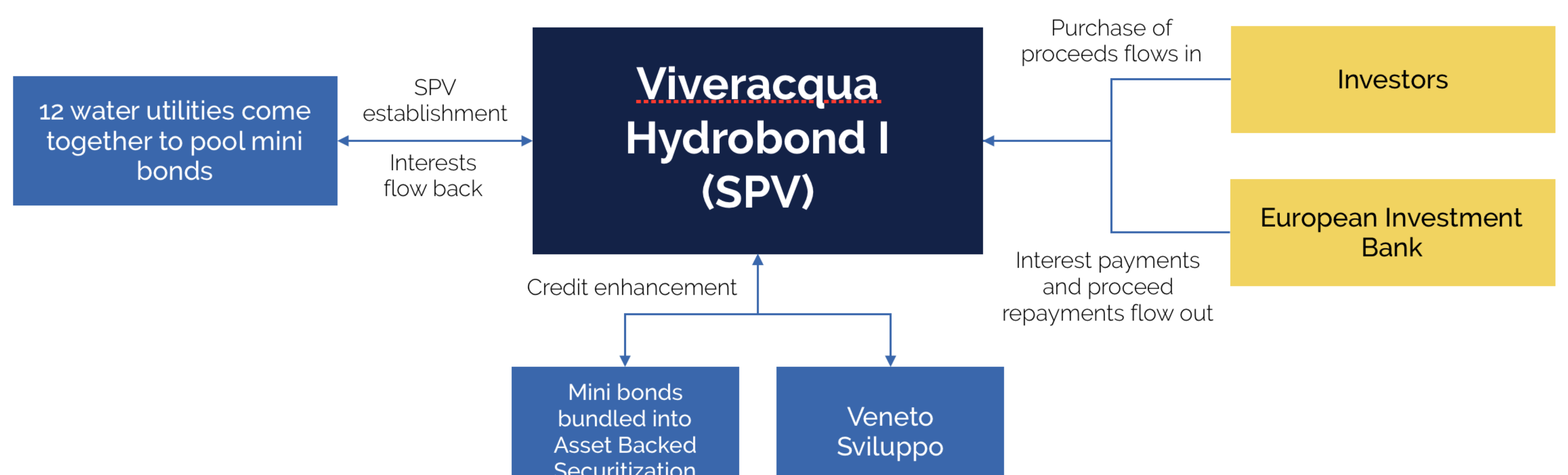
Copenhagen's CMP (2011) is an innovative **co-financing** strategy that shares the financial responsibilities for flood protection between the **municipality** (purple dots), the **water utility company HOFOR** (green dots), and **private property owners** (red dots).

A **legal change on national level** was enforced by the City of Copenhagen to **allow for utility companies to co-fund multifunctional green/blue surface solutions from water tariffs**.

Viveracqua Hydrobond (Veneto, Italy)

The Viveracqua Hydrobond aims to secure long term financing for water infrastructure in Veneto since 2014.

The consortium involves **twelve water utilities** who issued their own mini bonds. **The mini bonds were aggregated and securitized into an Asset-backed Security**. This SPV acquired the mini bonds to enhance investment attractiveness and diversify funding sources. Incomes from **water bills are the primary financial source to repay the bonds**.



Key takeaways

- **Good partnerships** between public and private actors are important
- Successful multi-actor adaptation financing and funding solutions have a **win-win for all partners involved**.
- Successful AFFS **combine different (existing) financial instruments**.
- **New approaches require significant resources**. Collaborations on a regional scale and/or between multiple municipalities may be necessary.