

# Funding Segment



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MODERATOR





WORLD  
RESOURCES  
INSTITUTE

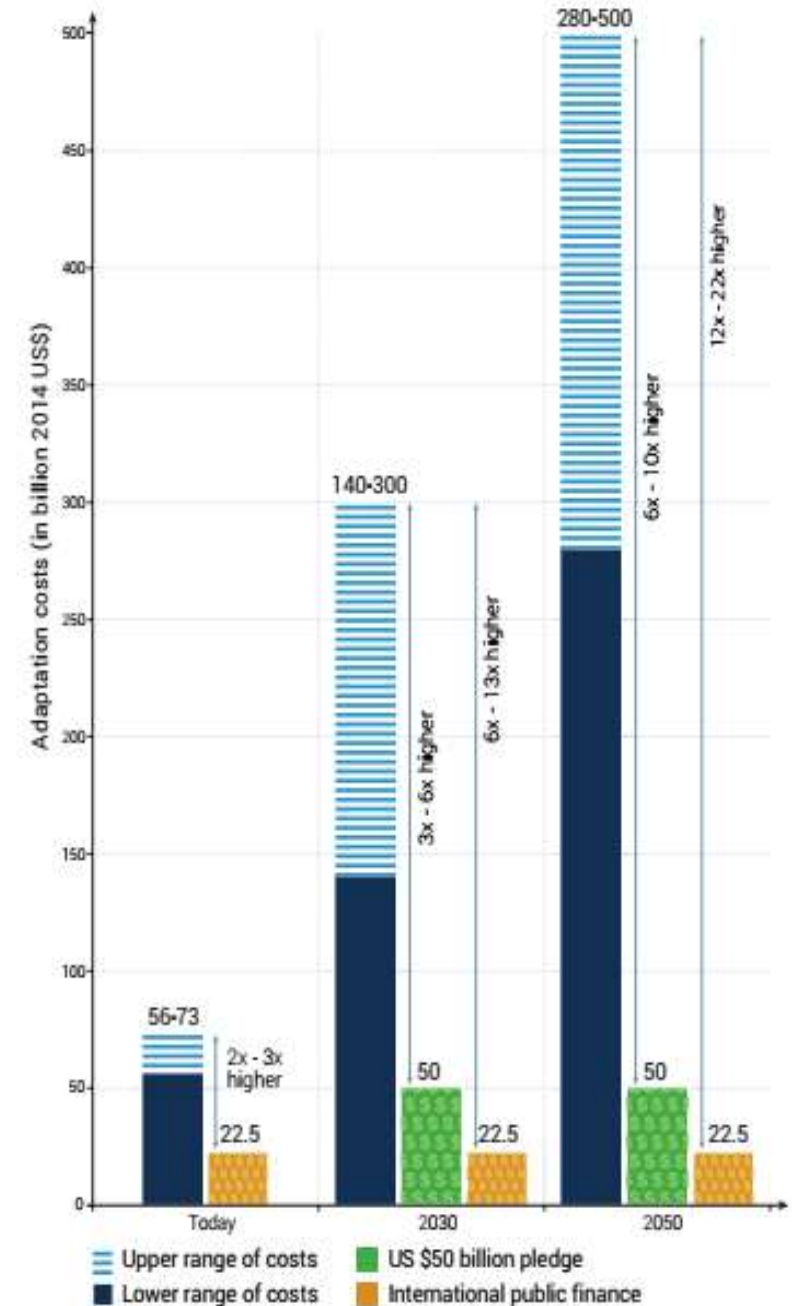
# ADAPTATION & RESILIENCE FUNDING:

*Lessons from Global Case Studies*

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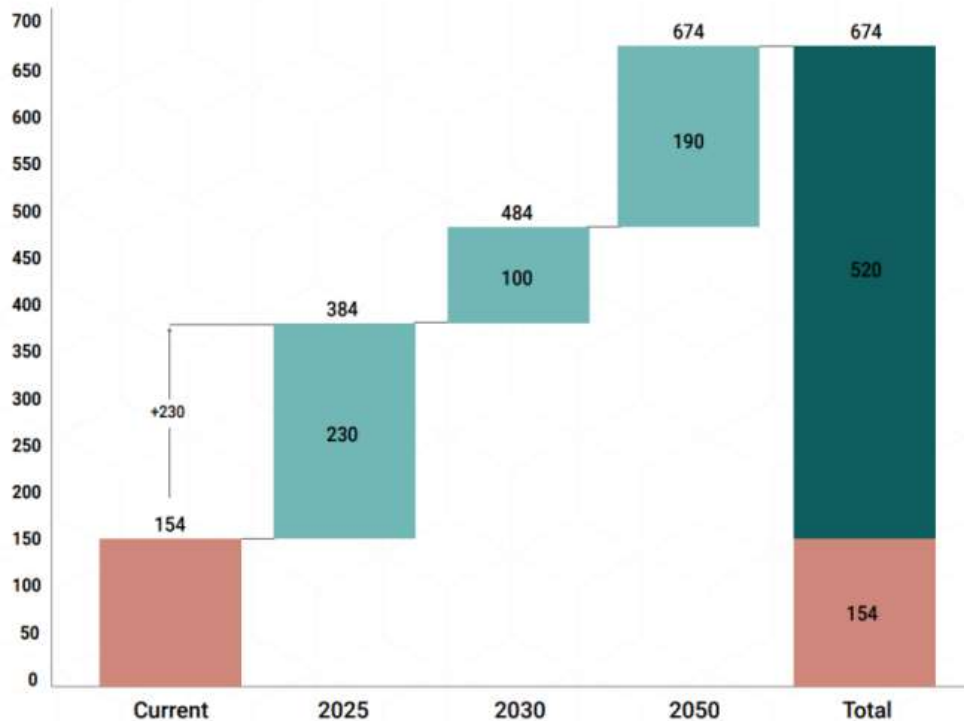
# ADAPTATION & RESILIENCE FUNDING LANDSCAPE

- Costs associated with adaptation are on the rise.
- For every year that GHG emissions continue to rise and investments in resilience are delayed, the costs of adaptation increase.
- The gap between the costs associated with adaptation needs will grow between 3x-6x by 2030 and 6x-22x higher,

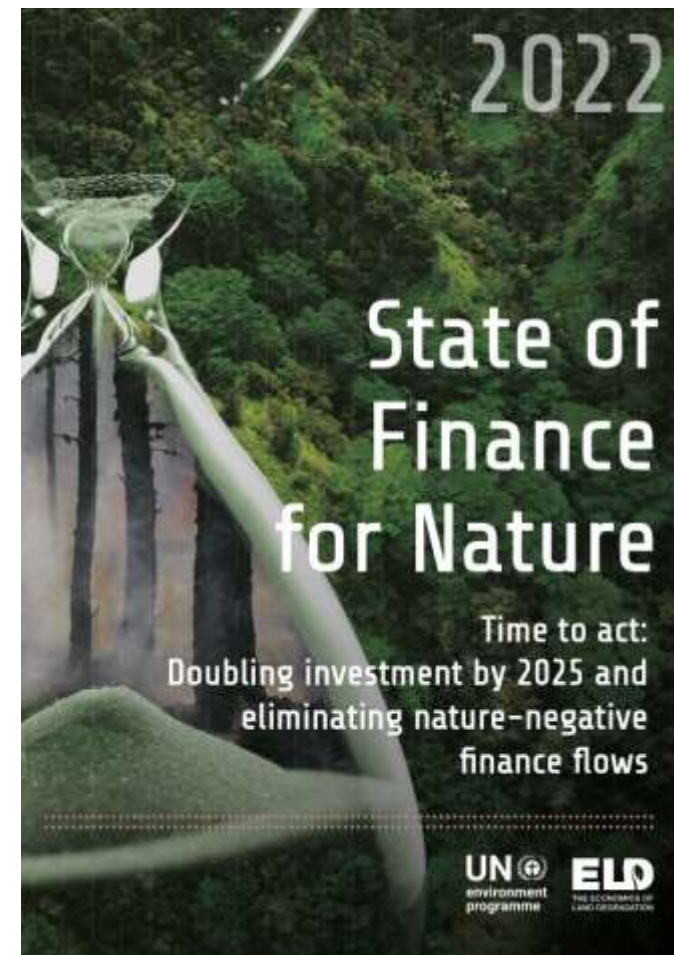


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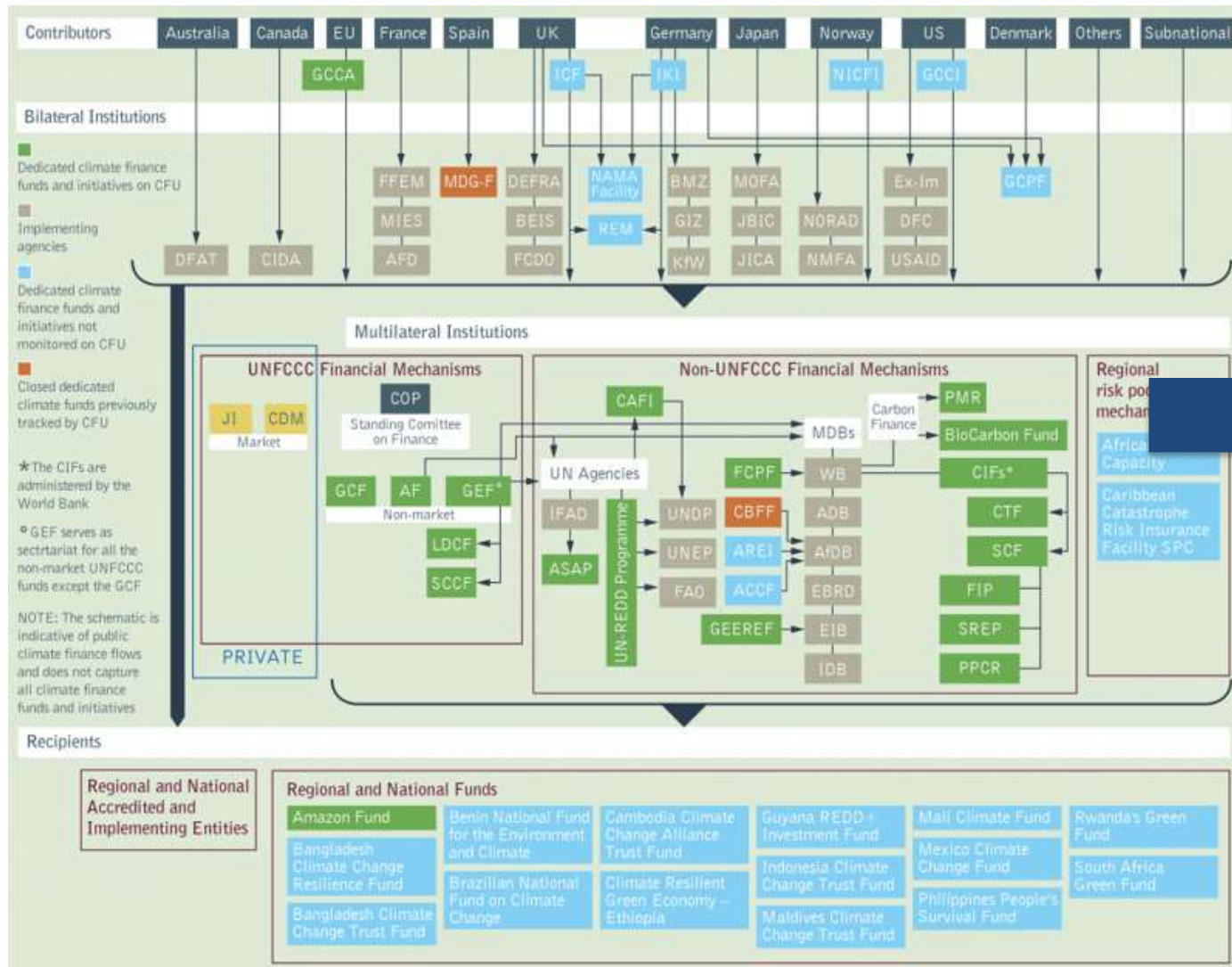
# NATURE-BASED FUNDING LANDSCAPE



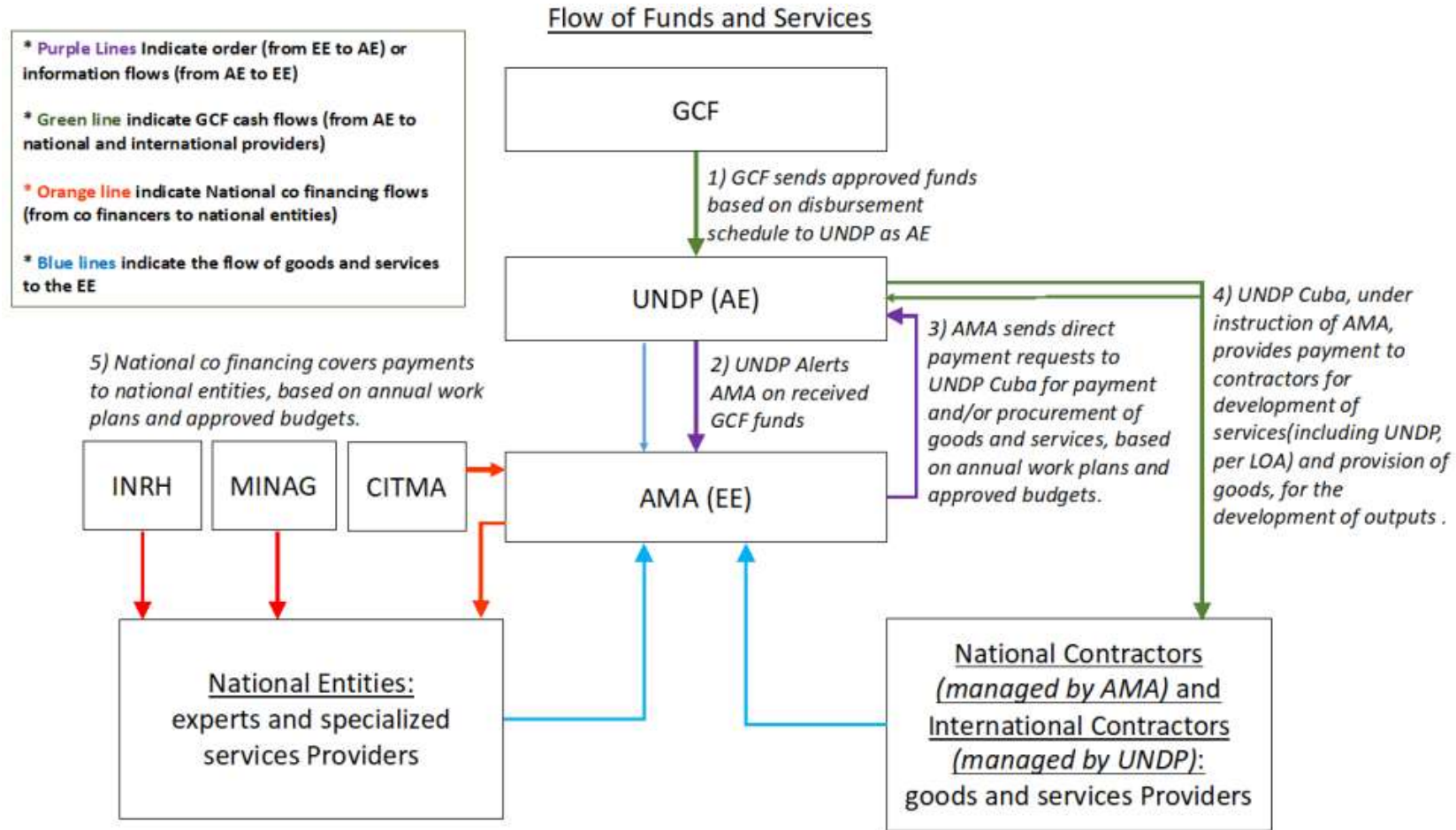
**Figure 1. The trajectory of annual investment needs in nature-based solutions to limit climate change to below 1.5°C, halt biodiversity loss and achieve land degradation neutrality, USD billion (2022). Amounts in pink indicate existing financing.<sup>17</sup>**



# EXAMPLE 1: INTERNATIONAL PUBLIC FINANCE

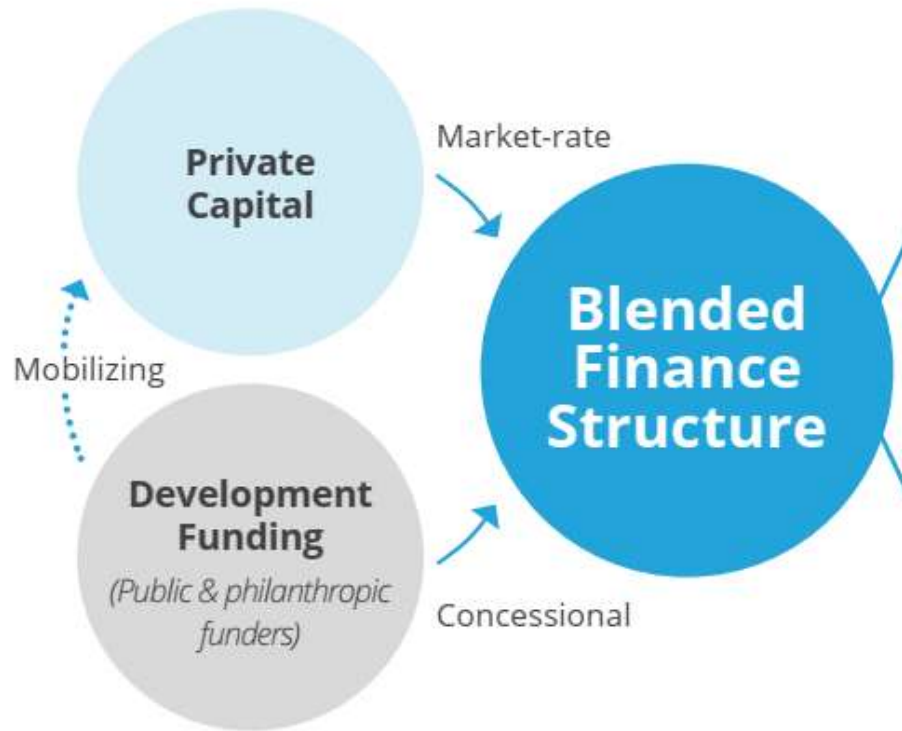


# EXAMPLE 1: GREEN CLIMATE FUND



# EXAMPLE 2: BLENDED FINANCE

Figure 1: Typical Blended Finance Mechanics and Structures



## EXAMPLE STRUCTURES

Private equity or debt funds with concessional public or philanthropic funding attracting institutional investment



Bond or note issuances with concessionally priced guarantees or insurance from public or philanthropic funders



Grant funding from public or philanthropic funders to build capacity of investments to achieve expected financial and social return

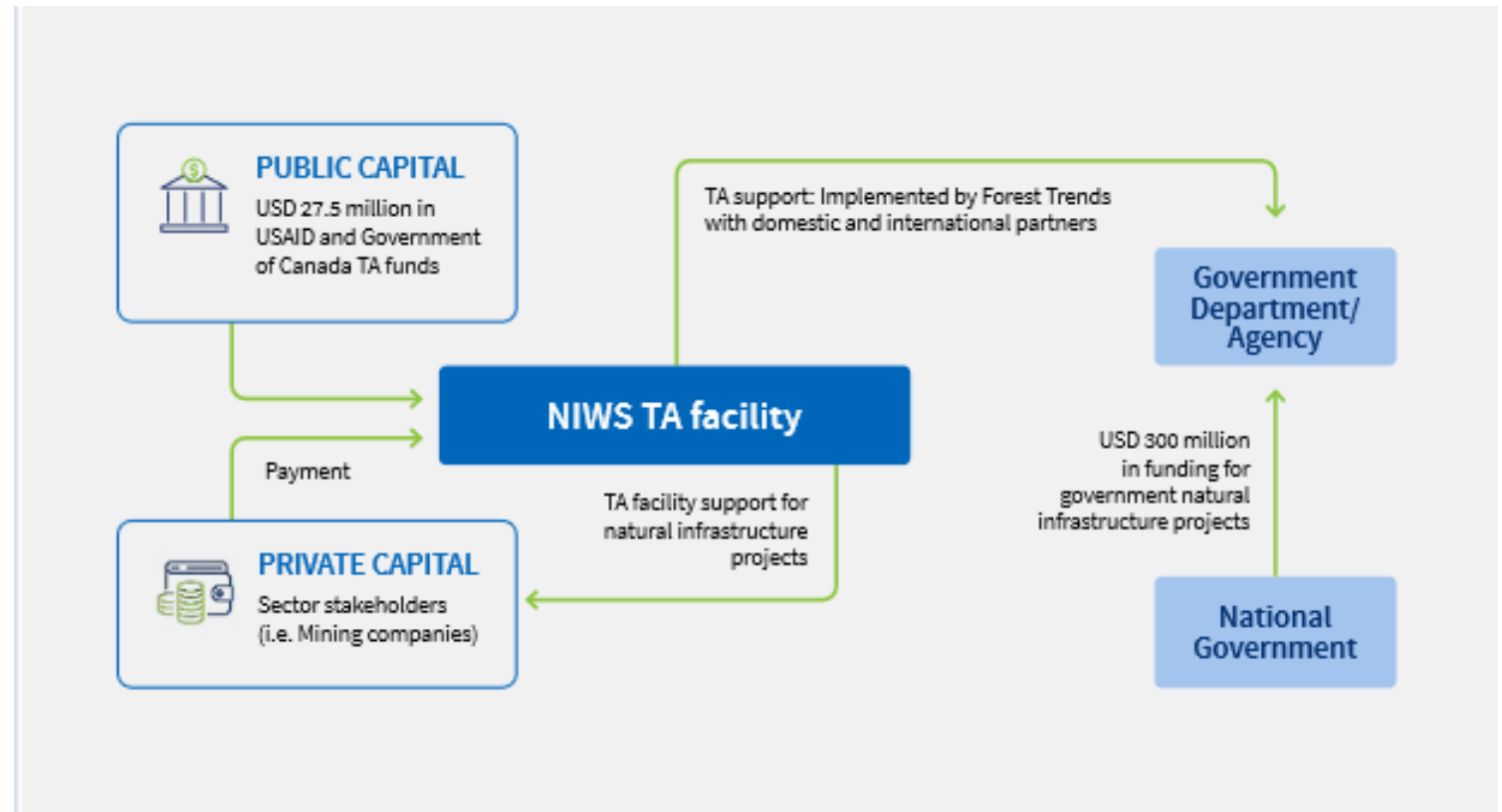


Grant funding from public or philanthropic funders to design or structure projects to attract institutional investment



# EXAMPLE 2: BLENDED FINANCE

- Natural Infrastructure for Water Security Project





# EXAMPLE 3: DEBT FOR CLIMATE/NATURE SWAP

- Basic idea: creditors agree to restructuring of debt in exchange for investment in climate resilience
- Debt for nature swaps common in the 1990s, idea reemerging considering debt and climate crises

*Most basic version:*



# EXAMPLE: DEBT SWAP IN BELIZE

- Belize worked with TNC to access a **\$364** million USD 'blue bond' to buy back its external commercial debt (**\$553** million at a discounted price \$0.55 per dollar)
- This resulted in reduced debt of **\$189** million
- In exchange Belize agreed to spend **\$4 million** through 2041 on marine conservation and to double-marine protected areas.

