

# Financing Climate Change Adaptation in Transboundary Basins

**EIB Perspectives on Future Needs  
(Geneva, 13 Dec 2017)**

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# Agenda

## 1. Financing Transboundary Basins

How is this different from financing projects within a single country?

## 2. Financing Climate Change Adaption

What is CC adaptation in the context of basin and how to measure it?

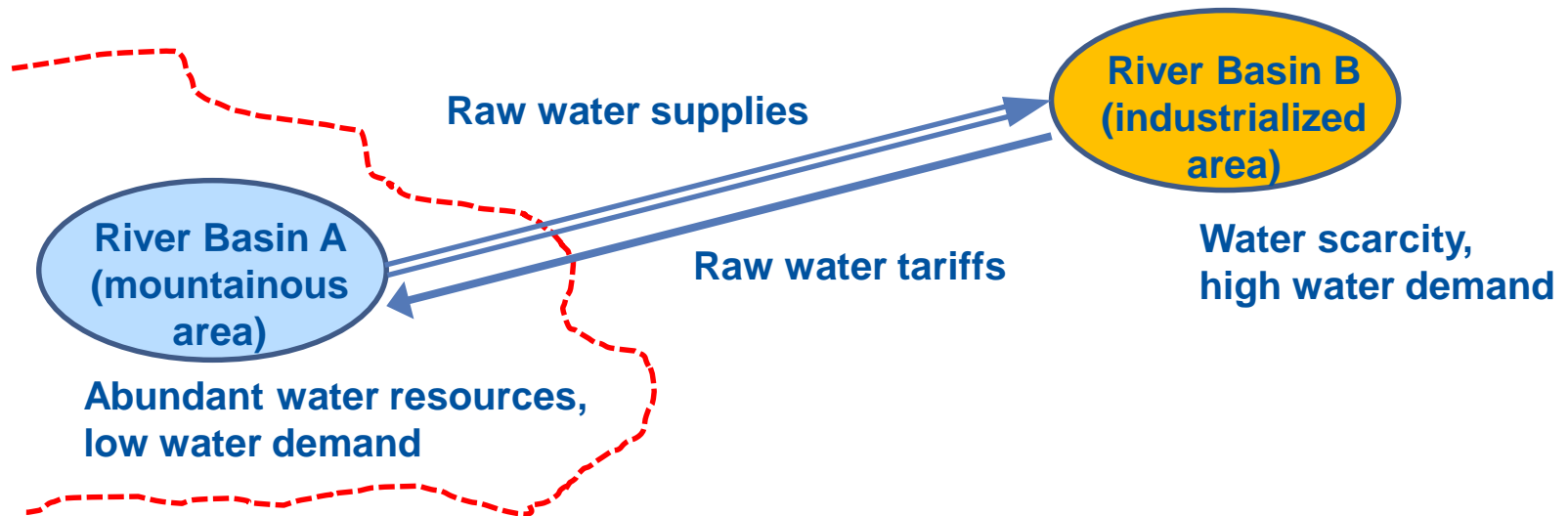
## 3. Future Needs

What does EIB need to finance projects in transboundary basins?

# 1. Financing Transboundary Basins

## How Do Borders Complicate Matters?

### Lesotho Water Highlands Project



### Additional complications

- Need for supranational coordination
- Need for international agreements on water use
- More complex financing arrangements

## 2. Financing Climate Change Adaptation

### EIB's Climate Action Targets

#### Total financing commitment

- Finance at least €100 billion for CC adaptation and mitigation during 2016-2020

#### Climate action as share of total financing

- Developing countries:  $\geq 35\%$
- All countries:  $\geq 25\%$

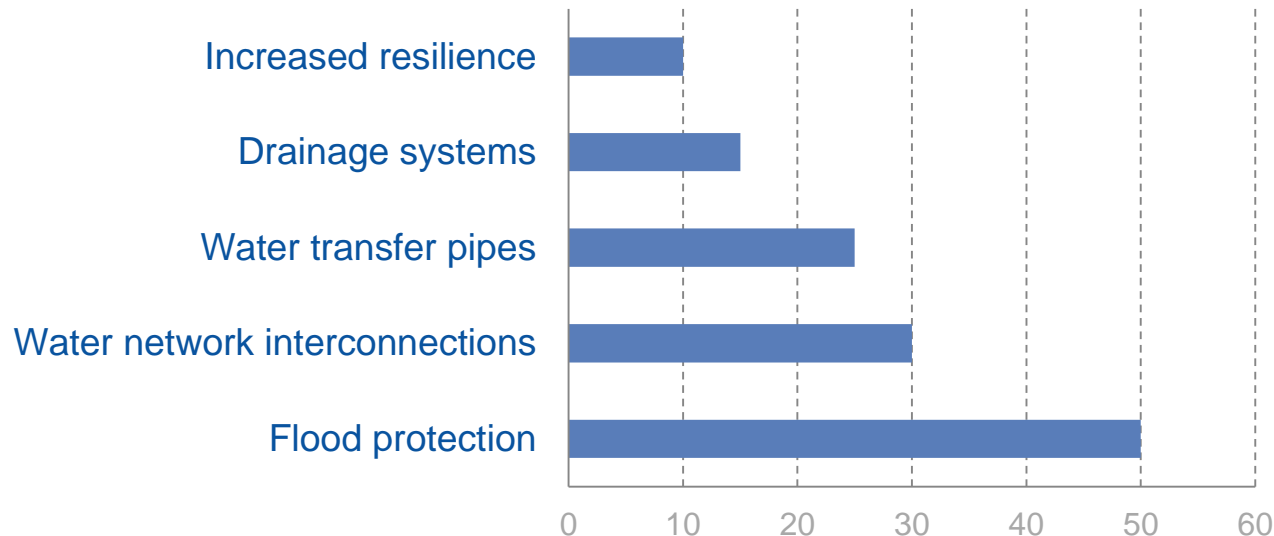
## 2. Financing Climate Change Adaptation

### How to Measure the Cost of Adaptation?

#### General principle

- Cost of Adaptation =  
Cost (with CC) minus Cost (without CC)

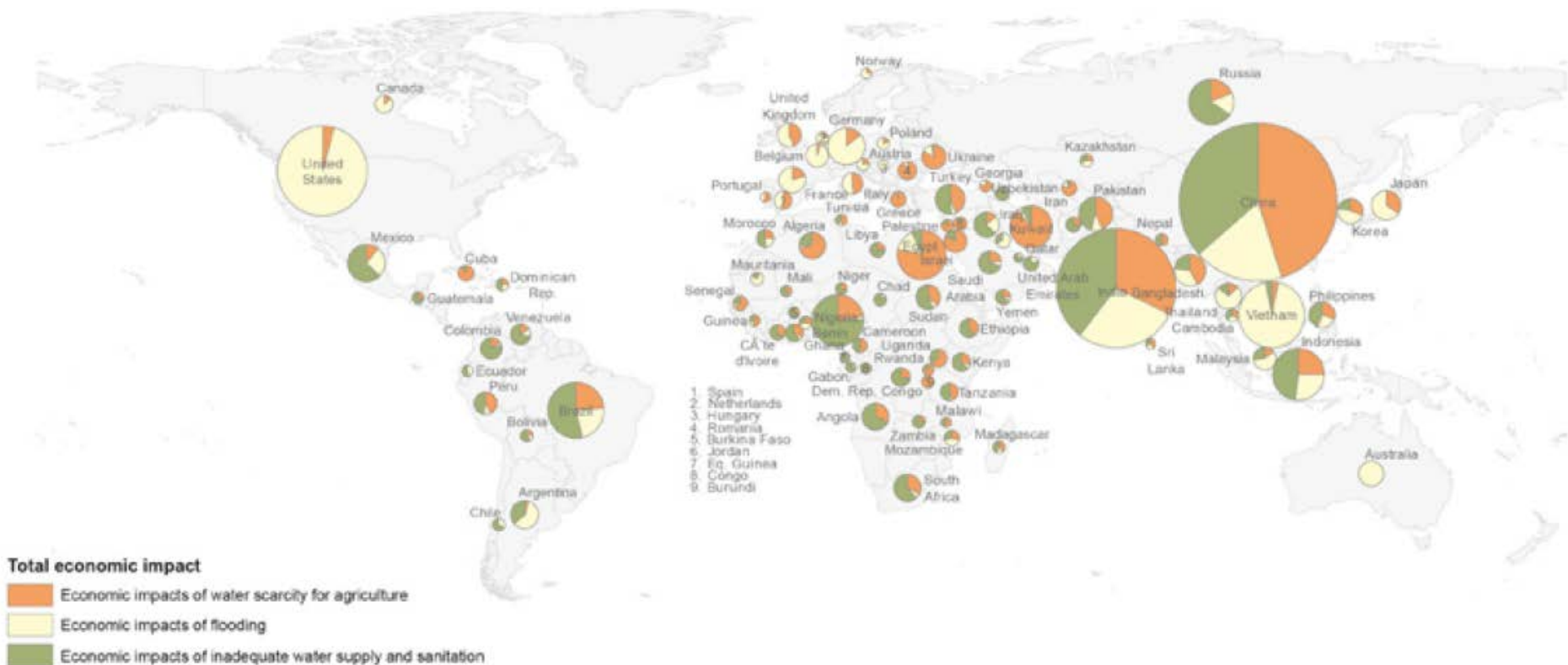
#### Cost of adaptation as % of project cost (indicative)



# 3. Future Needs

## No Size Fits All: Financing Needs Vary by Country

**Economic Losses due to Water Insecurity:  
> €450 billion per year**



Source: OECD/GWP (2015)

# 3. Future Needs

## EIB Requirements for Transboundary Water Projects

### Requirements for all EIB projects

- Project feasible, promoter capable, supports one or more EIB policy objectives, estimate of CA

### Requirements for all EIB water security projects

- IWRM framework

### Requirements for all EIB transboundary water projects

- Supranational agreement about use of shared water resources
- Supranational coordination mechanism
- Sustainable financing mechanism (single borrower!)