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MULTI-SECTORAL INFRASTRUCTURE

Investment Planning for a Regenerative Economy: Balancing COOPERATION & PRIORITIZATION

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Planetary emergency

- ❑ Nature our real license to operate
- ❑ SDG agenda not on track
 - Water & Adaptation: 70-80% finance gaps
 - USD \$15 trillion infrastructure finance gap
- ❑ Mechanistic view:
 - Focus on growth
 - Siloed planning
- ❑ Erosion of ecosystems & social tissue

How do we reverse trends and deal with multiple interlocking challenges in a context of diminishing public resources?

3 revolutions:

UNDERSTANDING, PLANNING, FINANCING

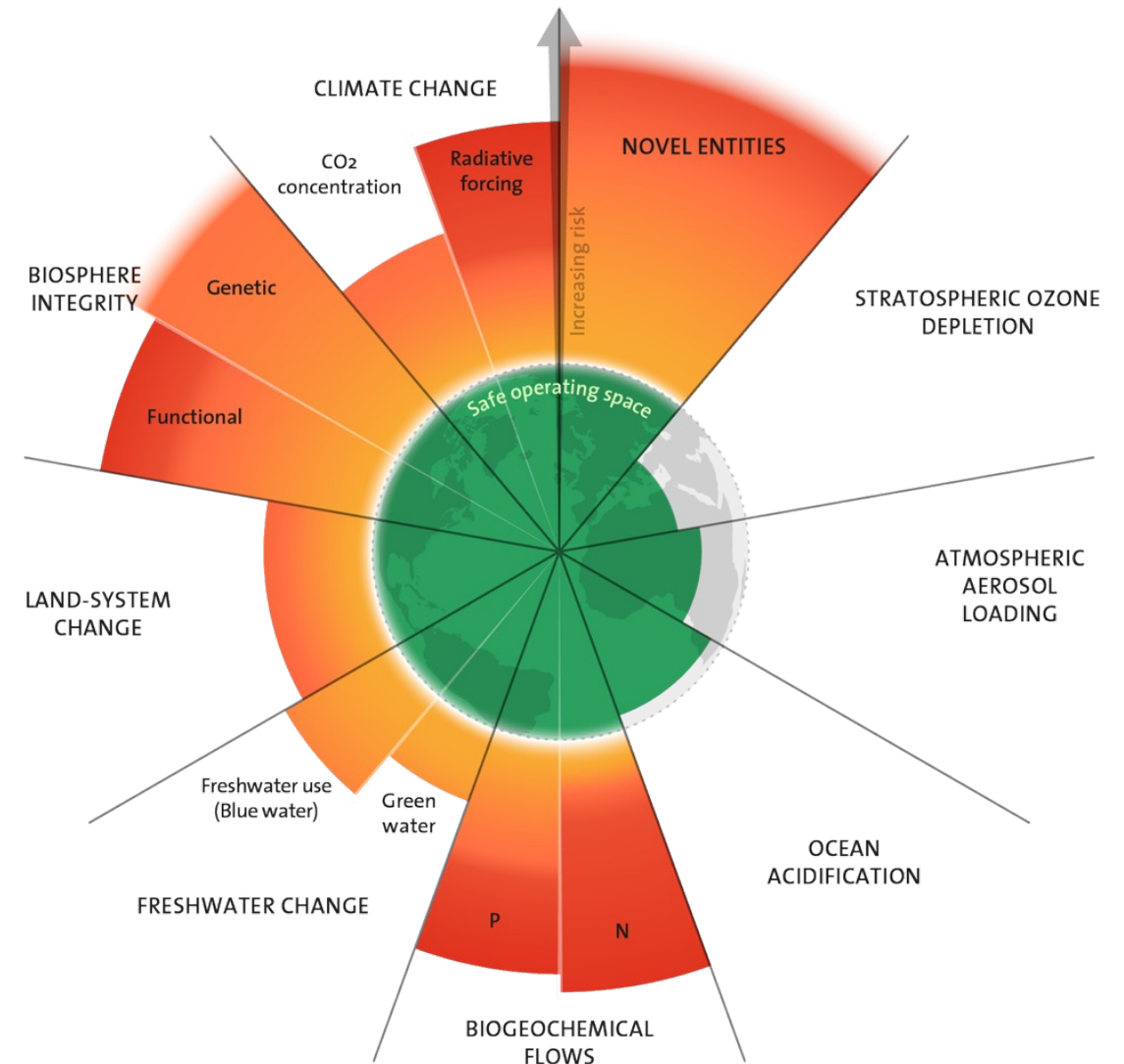


Figure 2. 2023 update to the Planetary boundaries. [Licensed under CC BY-NC-ND 3.0](#). Credit: "Azote for Stockholm Resilience Centre, based on analysis in Richardson et al 2023".

Financing opportunities

“When business and cities incorporate science-based targets to tackle both nature loss and climate change into their strategies they create immense opportunities and become more resilient”

Financial Regulations & Standards

- ESG & impact investing
- TCFD & TNFD
- EU Taxonomy
- Science-based Targets Network [SBTN](#)

Emerging keywords:

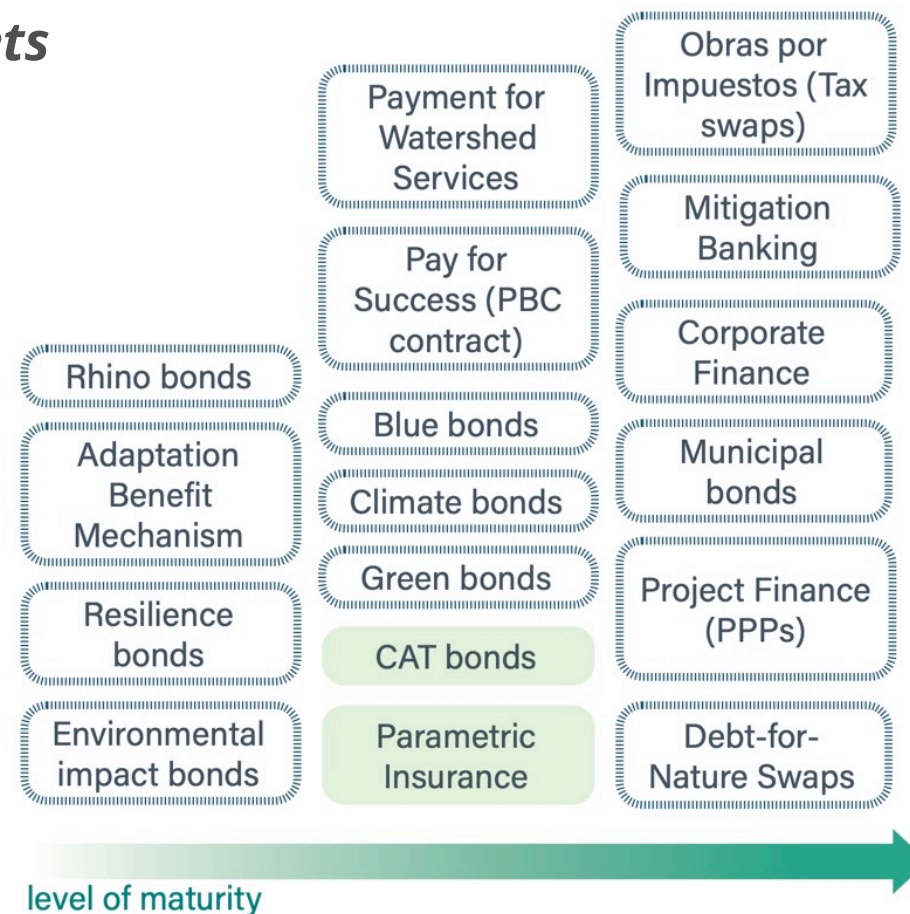
- Nature positive
- Water Positive
- Net-zero
- Regeneration

Impact investing trends:

- Resilience = business continuity
- Private sector interest on “regeneration”
- Higher scrutiny on impact (ESG)
- Science –based targets and pledges

**Mosaic projects
are the future**

Download report



Innovative financing instruments for adaptation and ecosystem-based DRR
Image Source: Altamirano 2021, page 100.

Source: [Leveraging Private Sector Investments in Adaptation](#): The Evolving Role of Climate Finance in Enabling a Paradigm Shift. Climate Markets and Investors Association (Altamirano 2021)

Challenges investment planning

Chile

Service gaps – most expensive to solve

- Rural areas
- Informal settlements
- Intensified by droughts

Increasing uncertainty

- Climate Change
- Social volatility

New expectations from population

- Resistance to infrastructure for single purpose
- Increasing pressure to limit environmental impact- NbS
- Increasing pressure for social justice – just climate transition

Economic \neq Financial

Eco-engineers

- Risk reduction potential
- Scale: watershed & society
- Stock: natural capital
- Multiple functions =
 - Cost reductions
 - co-benefits &
 - co-funding

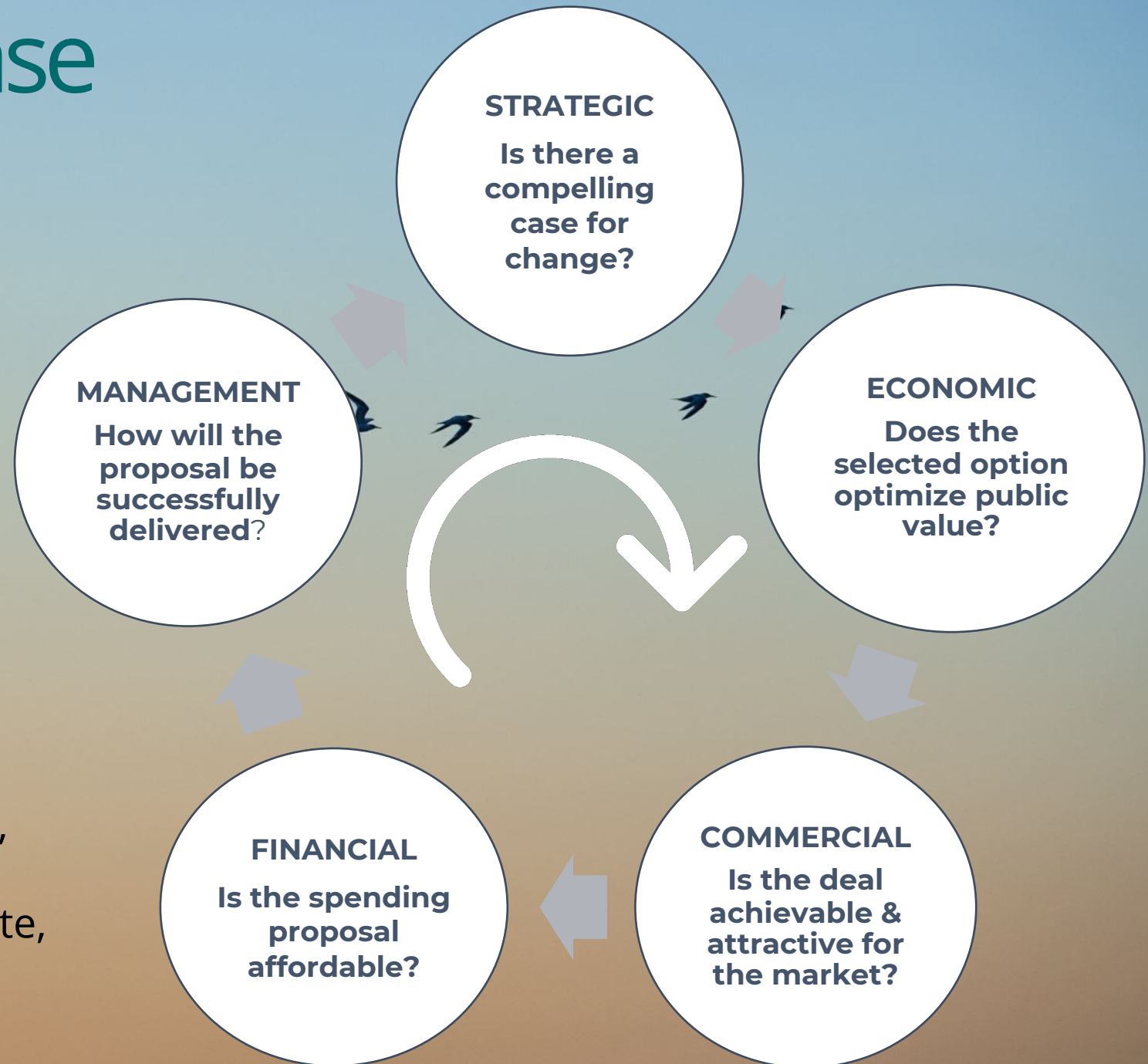
Financers & Project developers

- New technology \rightarrow risk increase
- Scale: project contractual boundaries
- Stock: cash balance – debt servicing capacity
- Multiple functions =
 - multiple principals = (+)contractual risks
 - (+) Construction & Operation risk

The Investment Case

Financing Framework for Water Security (FFWS)

1. **Transaction** –technical and financial
2. **Level of service** over lifecycle
3. **Institutional setting** insurance role, (dis)incentives and expertise and implementation strengths public, private, communities



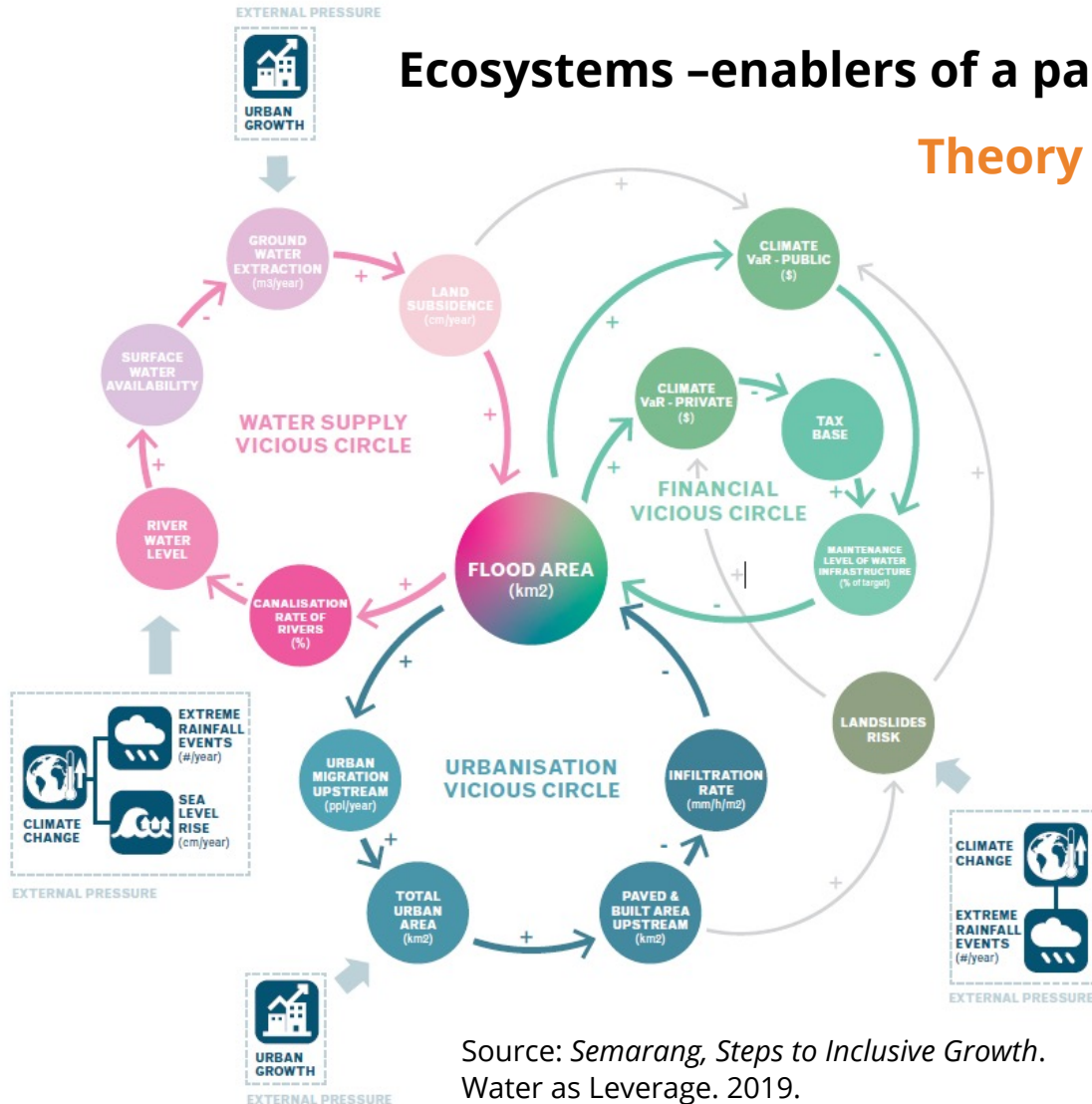
Phase 1: Zoom out Strategic and economic BC's



Water for
as Resilient Cities
Leverage Asia

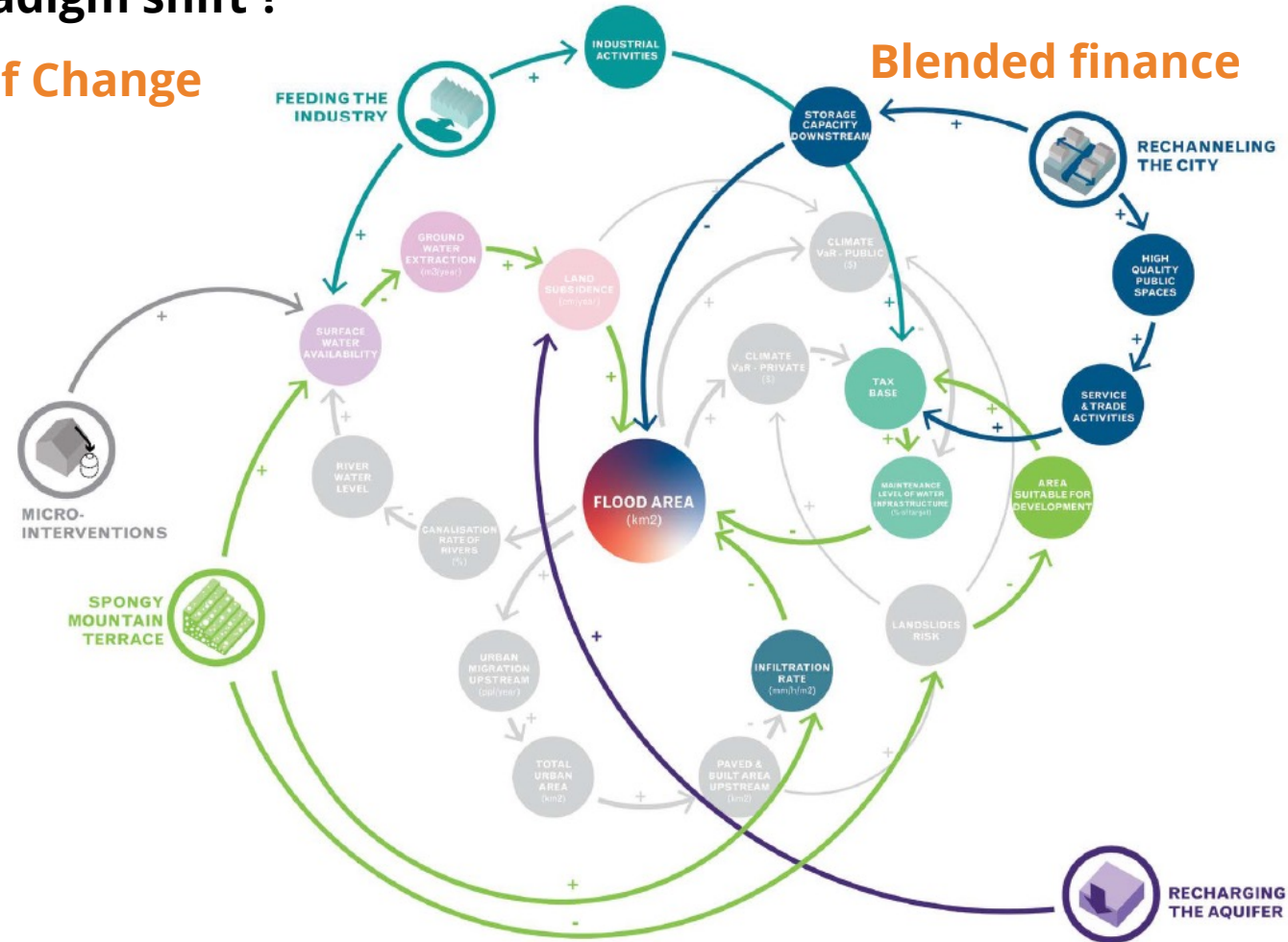
Ecosystems -enablers of a paradigm shift ?

Theory of Change



Source: Semarang, Steps to Inclusive Growth. Water as Leverage. 2019.

Blended finance



Graph: The five concepts and their impact on the water management system and inclusive & resilient economic growth

Phase 2: Zoom in

Cashflow + Risk profile

- ❑ Hierarchy of functions and services
- ❑ Level of **Service**
- ❑ **Risk** - to functionality throughout LCC
- ❑ Life Cycle Costs

Commercial, Financial & Management Business Cases

1.3 Strategic: Cascade measure, function, and levels of service Click instructions here					
Measure	Functions	Service	Level of Service		
			KPI	BaU	Solution
Measure 1 (infra-NBS)	Function 1	Service 1	SMART	#	#
		Service 2	SMART	#	#
Measure 2 (infra-trad)	Function 2	Service 3	SMART	#	#
		Service 4	SMART	#	#
Measure 3 (soft-measure)	Function 3	Service 5	SMART	#	#
		Service 6	SMART	#	#
Representation (map) of the BaU			Representation (map) of the solution		

Source: Financing Framework for Water Security. Handbook for the Implementation of Nature-based Solutions for Water Security (Altamirano et. Al 2021)

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NetworkNature Plus

- ❑ Accelerate upscaling NBS in science, business, policy and practice in line with the EUs' ambitions to address biodiversity loss, ecosystem degradation and climate change by 2030
 - Private sector participation
 - Blended finance
 - Justice and social inclusion
- ❑ EU Roadmap to 2030 for R&I NbS
- ❑ Design training programme: transformational pipeline of NBS investments
- ❑ Transdisciplinary, mission-driven planning of investments and collaborative design of a new generation of NBS projects along public-private partnership contracts
- ❑ Bootcamps



NetworkNature is a resource for the NbS community, creating opportunities for local, regional and international cooperation to maximise the impact and spread of NbS

Consortium: ICLEI Europe, IUCN E, Steinbeis, Oppla, Biodiversa+

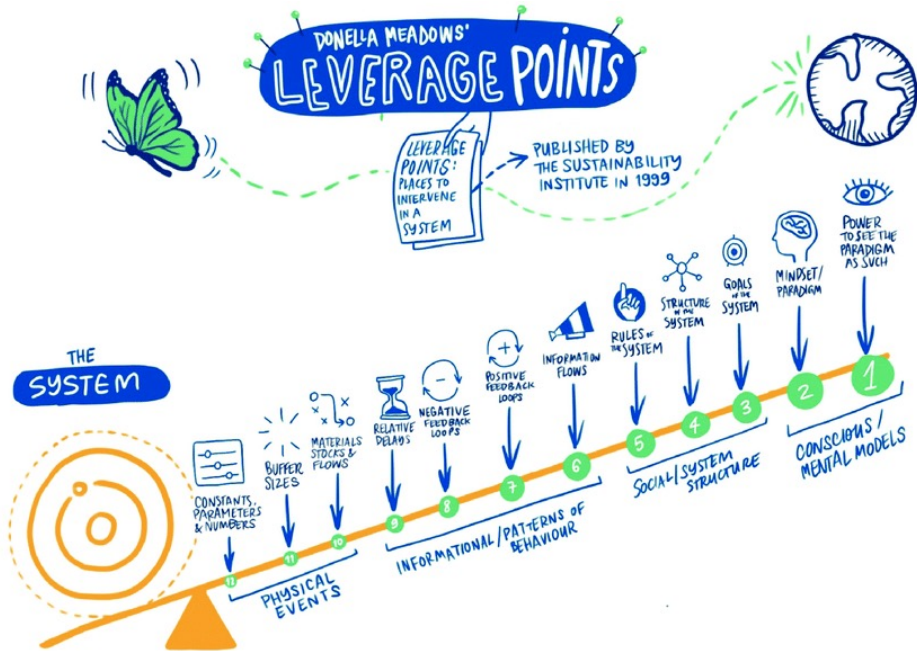
+ 6 new partners:

Altamira, Horizon Nua, IEEP, TNOC, Trinity College Dublin, UNEP-WCMC

Building blocks

Local capacity to prepare transformational NEXUS projects with a clear CLIMATE rationale

- Accelerated process of capacity development that break silos: zoom out & zoom in
- Safe spaces for Public-Private interaction and co-creation of blended finance structures
- System analysis techniques to build capability and evidence
- Institutional Economics + Finance



Thank you for your attention

Questions?

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Present narrative: One OR the other



- Is this true?
- What do these narratives ignore?
- Is what we call capitalism real capitalism?

- Finding yourself in a double bind?
 - Solution: Add Complexity!
 - A new dimension – new insights and ways out

**The MAP
is NOT the
TERRITORY.**