

# Show Me the (Private) Money!

Accelerating Adaptation through Whole-of-Society Action

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REMEMBER:

If you can fund your  
climate project entirely  
with  
public funds... *DO IT!*



Speed & Scale



Sharing of Risk



Sophistication

# Tapping private capital requires cash flows to pay back the investment

Pop Quiz: What's a potential source of cash flow?



# 3 ways cash flows arise from adaptation infrastructure

## Direct

- User fees
- Changes in insurance premiums
- Other incremental revenues

## Indirect

- Avoided mop-up costs
- Enhanced infrastructure reliability
- Development cost charges
- Local improvement charges
- Tax-increment financing

## Independent

- Taxes
- General operating revenues
- Transfer from other orders of government

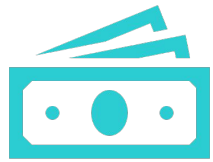


# How to Tap Private Capital: Key Questions to Ask

1. *Beneficiaries*: Who will benefit from enhanced resilience?
2. *Concentration*: For each category of benefit, how concentrated is the benefit among citizens / stakeholders?
3. *Quantification & Cash-ability*: Can the benefits be quantified and monetized? What is their financial value?
4. *Harvestability*: Can that financial value be aggregated and harvested in some way?

# Illustrated Model for Flood Protection

Infrastructure Investor



Municipality



River berm & wetland



Local Beneficiaries  
(households, community, industry)

Insurers



① Investor Capital

② Infrastructure investment

③ Co-benefits & cost avoidances

⑥ Interest and/or performance payments

⑤ Utility fees, area levies, special taxes, etc

⑥ Other value payments or attribution (if applicable)

③ Enhanced resilience of public and private assets

③ Performance Certification + Reduced Claims

④ Flood insurance cost relief (partially offsets new infrastructure cost)