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?

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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

Source: CCI 2023, citing Alvarado & Welch 2022

How to Tap Private Capital: Key Questions to Ask

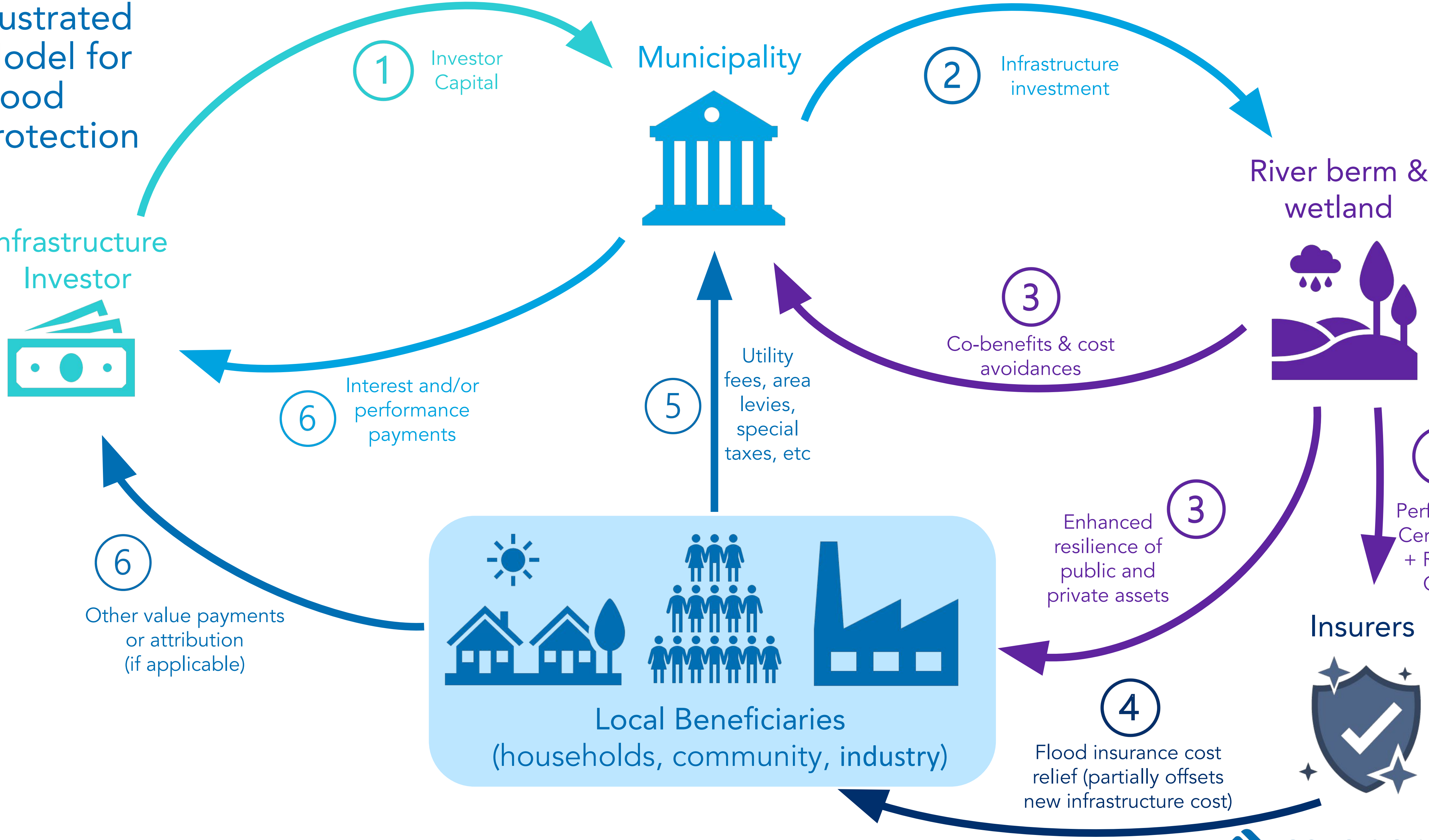
1. *Beneficiaries*: Who will benefit from enhanced resilience?

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



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