



PATHWAYS2RESILIENCE

# Pathways2Resilience climate resilience investment plan

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Insert subgrantee name here

Insert date here

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*Instructions: please delete upon submission*

## How to use this template

### Purpose of this deliverable

The **primary purpose** of this deliverable is to serve as stocktake of regional progress on investment and funding towards your journey to climate resilience.

The **secondary purpose** is for Pathways2Resilience to monitor and learn from your progress. Pathways2Resilience will monitor that you are complying with the terms of the subgrant agreement. Pathways2Resilience will learn from this data to improve the programme's frameworks, methodologies and tools – particularly towards increasing the effectiveness of the capacity building programme.

### What is the scope of this deliverable?

This deliverable is intended to document your outputs from the whole Adaptation Investment Cycle.

### Who is this deliverable for?

The **main audience** of this deliverable are the regional stakeholders, in order to inform and involve them on the climate resilience journey.

The **secondary audience** is the Pathways2Resilience consortium to inform programme delivery, monitoring, evaluation and learning.

## How to complete the template

### Structure

Deliverable templates are provided to Pathways2Resilience regions for guidance only. Regions are encouraged to adapt them to their own context and needs – including aligning with existing and relevant climate adaptation strategy documents relevant to your region.

Regions may choose to develop these documents in the local language and submit only an automatic translation to Pathways2Resilience's reporting team. Please review the translation before submission.

However, for monitoring and learning purposes, the Pathways2Resilience team requests that regions keep as much of the basic structure (headings and order) as possible.

If some sections cannot be completed (e.g. the corresponding task has been delayed), then feel free to remove them. Justification of your deliverable progress is not necessary here; it will be requested via the reporting questionnaire.

Sections and text **highlighted in yellow** are either instructions or additional information that should be deleted/excluded from the final deliverable. Please ensure the final deliverable doesn't contain any highlighted text.

### **Length**

It is recommended that this deliverable does not exceed 30 pages.

### **Terminology**

In case of doubt, you can consult the definition of terms **marked in blue** in the [Pathways2Resilience glossary](#).

### **Continuous improvement**

Note that this template is designed to be used as a 'living document' throughout the process. This means that sections may need to be refreshed or updated as you progress through your climate resilience journey.

Where relevant, please include hyperlinks to supporting documentation within the region.

***End of instructions: please delete upon submission***

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## Abbreviations and acronyms

Acronym	Description
<i>Example:</i> P2R	Pathways2Resilience
BCR	Benefit-cost ratio
IRR	Internal Rate of Return
NPV	Net Present Value

## Glossary

[Add definitions to any relevant term used in this document that would help the reader.]

Term	Short definition
<i>Example:</i> Resilience maturity	The level of development and preparedness a region or community has reached in terms of its ability to anticipate, prepare for, and respond to climate crises.

## Disclaimer

The content of this report reflects only the author's view. The European Commission is not responsible for any use that may be made of the information it contains.

This Investment Plan is not a substitute for proper due diligence on all investments listed within. All parties must seek appropriate legal, financial and commercial advice for any project in which they are involved.

# 1 Introduction

[Note: this section is the same as the baseline assessment and the climate resilience strategy, with additional sub-sections in the climate resilience action plan.]

## 1.1 Local profile

[Use this section to provide context and a general overview about your climate resilience journey, using the following sub-sections.]

### Geographical scope

[Include here which administrative territories are covered (in the rest of the document referred to as “your region”).]

### Thematic or sectoral scope

[Include here the motivation behind this strategic choice.]

### Key demographic and socio-economic data

[Include here characteristics and challenges.]

### Coordinating organisation

[Include here a description of the organisation(s) and/or department(s) coordinating the Pathways2Resilience work.]

### Deliverable development process

[Include here information about the context of your participation in Pathways2Resilience that can be shared with external audiences, including motivation and short description of the work process for this deliverable. Shortly describe [participatory design](#) processes taken up to date to complete this document and associated outputs (e.g. [planning objectives](#), [systems mapping](#)).]

## 1.2 Priorities

[Outline here the key economic, environmental and social strategies and policy goals that will influence the development of your region for the next years. Outline also key spending priorities, capital investments and decisions in the next five years. Please include all applicable levels.]

### Local level

...

### Regional level

...

### National level

...

### EU level



### Private sector

[If possible, include here actions taken by private sector actors with or without the support of the government.]

## 2 Financing context

[Note: this section comes from Phase 1 and 2 of the Adaption investment Cycle and its associated tasks. Its content is the same as the baseline assessment's section 7. It is recommended that you complete them at the same time.]

### 2.1 Budgetary process

[Set out here the standard approaches that the region takes to developing and approving both revenue and capital expenditure, and how these relate to the public financial management process. For example, this may include how the organisation's annual budget is set, or the development of a medium-term plan, as well as strategic planning approaches for the region. Note any key relevant milestones, metrics or financial spend requirements. Where relevant, include links to supporting documentation.]

### 2.2 Revenue and capital investment process

[Summarise the regional approach to developing proposals for revenue and capital investments, and how these relate to the public financial management process (i.e. annual budget or medium-term plan), and strategic planning for the organisation. Include relevant frameworks, deadlines, appraisal criteria or links where relevant. Examples might include business case requirements, as well as financial or economic Benefit-Cost ratios (BCR), Internal Rates of Return (IRR), [Net Present Value](#) (NPV), or costs of capital.]

### 2.3 Budget envelope

[Set out the budget for public sector spend over the climate resilience strategy and action plan period. Note: this is not the total amount of money to be spent on adaptation within the region, but the broad public financing envelope likely to be available to support implementation of adaptation over the Investment Plan period. Where relevant, outline any key assumptions or dependencies (e.g. regional tax takes, implementations of new regulations, national government funding settlements or transfers). Use the table provided below.]

Scenario	Y1	Y2	Y3	Y4	Y5
Upper					
Central					
Lower					

## 2.4 Costs of climate change and near-term investment needs

[This section is here the current costs of extreme weather events, as well as future estimates of the costs of climate change and high-level adaptation needs for the region. This helps provide a picture of the existing baseline in the region. Structure your description using the following sections and tables.]

### Financial impacts of historic weather events

[Outline in this table the financial impacts of historic extreme weather events (as listed in section **Error! Reference source not found. Error! Reference source not found.**). Disclose the total costs as well as any individual notable costs.]

Event	Date	Key impacts	Total costs	Relevant studies / data

### Costs of climate change (inaction)

[Summarise in this table evidence on the current and/or projected costs of climate change for your region. This could be internal estimates, model outputs, or from external projects (e.g. EU research and innovation studies or national projects). This should include financial costs (e.g. studies on the impacts to major organisations, or economic costs (i.e. viewed from the perspectives of society as a whole). Where relevant, include links to the studies and documents.]

Evidence	Date	Key impacts	Total costs	Key costs

### Existing adaptation funding and financing

[Summarise in this table the current and planned expenditure for adaptation within the region over the investment plan period. Note, this should cover investment from a diverse range of sources, such as the regional government itself, but also agencies and other public bodies, as well as the private sector.]

Sector	Item	Amount (€m)	Period	Public / Private	Benefits	Source(s)	Notes
<i>Example:</i> Flooding	Flood defence programme	€0.5m		Public	BCR of 1:4, reduction of risk to 100,000 households	LIFE Grant	
<i>Example:</i> Economic	Private sector adaptation					Wider private	Assumed expenditure based on



development	on goods and services					sector transactions	industry estimates
Total							

## 2.5 Existing planned investments

[Outline here the main planned investments in the region over the next 10 -15 years. Make sure not to just include adaptation investments, but also wider economic, social or environmental investments which may need to include an adaptation component. (e.g. the construction of new hospitals or buildings). This may be by the region or public sector directly, but also through public-private partnerships].

## 3 Climate resilience objectives

### 3.1 Planning objectives

[Indicate here the **planning objectives** covered by your climate resilience journey (particularly by the climate resilience strategy and investment plan) and how they contribute to the broader developmental goals of your region. Please include the following: **challenge statement**, primary objectives, secondary objectives.]

#### Challenge statement

[Include here the main problem you want to tackle, its context and impacts, its root causes, and your ideal outcome.]

#### Primary adaptation objectives

[Include here objectives that directly address climate risks, their associated performance metrics as identified through the Regional Resilience Journey Task 1.1.2, and the economic rationale, costs and benefits of objectives as identified through the Adaptation Investment Cycle Task 1.3.]

#### Secondary resilience objectives

[Include here an overview of additional objectives (e.g. job creation, public health, social well-being, economic development), their associated performance metrics as identified through the Regional Resilience Journey Task 1.1.2, and the economic rationale, costs and benefits of objectives as identified through the Adaptation Investment Cycle Task 1.3.]

### 3.2 Economic rationale

[Set out your region's economic rationale to undertake your climate resilience journey (e.g. delivering improvements in public services, providing social/public goods, improving the welfare efficiency of existing private sector markets, or achievement of social objectives considering ethical or distributional issues). Provide a summary of the existing economic and financial case for adaptation, including the extent of the adaptation deficit.]

### 3.3 Just resilience considerations

[Outline here the key groups in your region who are disproportionately affected by climate change and/or adaptation options. Examples could include low-income communities, coastal communities, elderly population, women, or youth.]

Explain concisely how your strategy, action plan and investment plan will address these needs, including how these groups have been involved in the development of this document, and how the resources allocated for the strategy and action plan will be distributed and/or shouldered in an equal, fair, and just manner.]

## 4 Strategic sources, instruments and barriers evaluation

### 4.1.1 Existing sources and instruments

[Set out in the following two tables the existing **sources** and **instruments** being used within the region to fund or finance adaptation action. For each, set out whether they are from public or private sector (or a mix), what they are being used for, and the indicative amounts of finance being used.]

#### Existing sources

Source	Sector	Purpose	Indicative amounts of finance
<i>Example: National government</i>	Public	General, unringfenced grant. Small proportion allocated to fund sustainability team.	€250,000 per annum
<i>Example: European Commission</i>	Public	LIFE grant for deployment of green spaces	€10m
<i>Example: EIB</i>	Public	Framework loan for regeneration of public spaces, with design considerations for adaptation included.	€100m

#### Existing instruments

Instrument	Sector	Purpose	Indicative amounts of finance for adaptation
<i>Example: Grants</i>			
<i>Example: Loans</i>			

### 4.1.2 Additional strategic sources and instruments

[Set out in the following two tables the additional set of sources and instruments your region would like to use to strategically scale the available adaptation finance. For each, set out why you want to use them, and the indicative amounts of finance that could be raised.]

#### Additional sources

Source	Type (public, private or hybrid)	Rationale	Indicative amounts of finance that could be raised
<i>Example: Universities</i>	Public	Significant research expertise	

<b>Example: EIB</b>	<b>Public</b>	<b>Widespread broader regional regeneration that could be financed more effectively with a framework loan</b>	<b>€5m</b>
<b>Example: Citizens</b>	<b>Private</b>	<b>Unused private savings in current accounts</b>	<b>€180m</b>

### Additional instruments

<b>Instrument</b>	<b>Sector</b>	<b>Rationale</b>	<b>Indicative amounts of finance that could be raised</b>
<b>Example: Green Bond</b>		<b>Significant amount of investment needed, repayment can be provided from other internal reserves</b>	<b>€100m</b>
<b>Example: Building tax</b>		<b>Building owners and tenants benefit from flood defence investments</b>	<b>TBD based on internal calculations.</b>
<b>Example: Crowdfunding</b>		<b>Significant amounts of local finance in bank accounts, enables citizen stake in local projects</b>	<b>€10m</b>

## 4.2 Mitigation financing synergies

[Provide here considerations on how this document may align with your **climate neutrality** or **mitigation** investment strategy and/or plans, particularly if your region is part of the Climate Neutral and Smart Cities **Mission**.]

## 4.3 Barriers to financing

[Evaluate and identify in the table below the range of structural/legal, policy, economic, and financial barriers for capital deployment in support of climate action. Note that the **capacity** of cities and regions to adopt different financing sources and instruments varies from place to place. For example, some regions can raise local taxes, whilst others cannot. Similarly, some regions may have a credit rating, whilst others may not be able to use debt finance.

This section outlines the range of currently identified barriers to financing for the region. These are listed here as context for the actions to improve the enabling conditions in section 5.2.]

Barrier name	Description	Typology of Barrier	Relevant sources and/or instruments	Importance (H/M/L)	Strength of barrier (H/M/L)	Sector and stakeholders involved	Possible actions
<i>Example:</i> Inability to levy taxes	The region does not have legal powers to introduce new taxes	Legal	Households / businesses via taxes	M	M	National government	Lobby for new powers
<i>Example:</i> Lack of credit rating	Lack of credit rating prevents	Legal	Capital Markets - Bonds	L	L	Regional government	Obtain estimates of costs of obtaining credit rating
<i>Example:</i> Legal contributions to flood resilience	Private sector is not required to contribute to the costs of flood defences	Policy	Businesses via Regulation	L		Chamber of Commerce, Real Estate owners and developers, national government	Engagement with chamber of commerce and businesses on viability

## 5 Investment strategies for adaptation pathways

This section provides general indications to readers of the Investment Plan about the various sources and instruments under consideration to meet the investment needs outlined above. By their nature these strategies are live and will be updated periodically. As such, they should not be treated as official regional policy, which is determined in other policy decisions. These strategies provide market signals, as well as making national governments and EU aware of growing financing needs.

These investment strategies will allow you to generate individual financing approaches for each action listed in the Action Plan.

### 5.1 Investment strategies for adaptation pathways

[Outline the investment strategies used for the adaptation options identified as high priority within the chosen adaptation pathways, including the main implementation and operational costs, the economic case, benefits and beneficiaries, revenue streams, sources and instruments and the overall delivery approach.]

#	Adaptation pathways	Time horizon	Implementation costs / CAPEX (€m)	Operational costs / OPEX (€m)	Economic case (CBR and/or IRR/NPV)	Main beneficiaries	Main revenue streams and value capture mechanisms	Sources Identified	Instruments identified	Delivery approach
1	Example: Flood risk to private businesses		€50m	€1m	10:1	Businesses	Possible avoided costs	Businesses, Business Improvement Districts	Taxes, regulation, subsidies, grants, insurance	Public investments, Match funding from private sector, planning regulation, advice and information, risk pooling and incentivisation
2	Example: Built environment		TBC	No	3:1	Domestic Homeowners, Commercial building owners,				Regulation for new developments grants and subsidies for

	retrofit for overheating					Insurance companies				private sector participation
3	Example: Tree planting to reduce urban temperatures					Health services, citizens,				
4	Example: Health warning system					Public	None	Businesses Public		

*For complex adaptation pathways, consider having multiple rows per adaptation pathway for each beneficiary or revenue stream.*

## 5.2 Enabling activities for financing the pathways

[Set out the range of enabling activities needed to mobilise the finance for the overall pathways set out above. Include new or updated laws, policies, regulations designed to help mobilise finance through new requirements or incentives, facilitating changes in risk ownership, including green budgeting designed to improve alignment of spending with adaptation goals or objectives, or mainstream consideration of adaptation into public finance or investment.]

Categorize them according to the 6 Key Enabling Conditions (1) knowledge and data, (2) governance and engagement, (3) finance and resources, (4) capabilities and skills, (5) behavioural change, and (6) experimentation.]

Enabling condition	Description	Condition type	In place?		Strength of barrier (H/M/L)	Degree of control	Sector and stakeholders involved
<i>Example: Ability to levy taxes</i>	The region obtains the powers to introduce new taxes	Governance	No	M	M	Low	National Government
<i>Example: Credit rating for debt finance</i>	Lack of credit rating prevents	Governance	No	L	L	High	Regional government
<i>Example: Legal contributions to flood resilience</i>	Private sector to be asked to contribute to the costs of flood defences	Finance and Resources		L			Chamber of Commerce, Real Estate owners and developers, national government

[This assessment of finance-related enabling activities should lead to the generation of specific actions in the Action Plan.]



## **6 [Optional] Action Portfolio**

[Consider including a high-level summary of the action portfolio (described in detail in the Action Plan) in order to publish this document on an investment prospectus, or submitted to the InvestEU portal, or other funding or financing mechanisms such as the Cities Capital Hub or the EIB's ADAPT Advisory platform.]

Indicate the overall finance needs, confirmed financial commitments from different sources, identified finance gap and approach.]

## 7 Governance

[Indicate the roles and responsibilities involved in the implementation of your Investment Plan. Indicate which are core and support roles in the plan, and their relationship(s).]

Roles	Responsible entity	Contact person	Core/support role?	Detail responsibilities
<i>Example:</i> Monitoring	...	...	...	...
<i>Example:</i> Public funding expert	...	...	...	...
<i>Example:</i> Project Management				

## 8 Monitoring, evaluation and learning (MEL)

[In this section, summarize the MEL component of the Strategy and complement it with specific considerations for the Investment Plan. This section should indicate any additional data collection methods, indicators or mechanisms necessary for evaluating progress on mobilising finance.]

In particular, it is relevant to note actions or future projects seeking or utilising private finance which comes with specific monitoring requirements (e.g.: those projects using ICMA green bond principles).

Ensure to include progress on the overall financing of the investments included in the plan (i.e., total amounts mobilised/secured). It should also report on pipeline development, and implementation of wider actions to provide the enabling conditions for implementing.]

### 8.1 Monitoring and scrutiny arrangements

[Detail the specific processes for monitoring and scrutinising the implementation and delivery of the region’s Climate Resilience Investment Plan by relevant bodies to identify challenges to implementation and assess progress. Include arrangements for the use of proceeds if relevant.]

### 8.2 Indicators

[In the table below, outline the key performance indicators that will be used to judge success of the plan. Example indicators are included below. This might relate to the surrounding financial context (e.g.: costs of extreme weather), or the mobilisation of different sources or financial instruments.]

Ensure these are aligned and complementary with the performance metrics associated with your planning objectives.]

Indicator Description	Unit	Target	Baseline (where relevant)
<i>Example:</i> Amount of grant funding secured for adaptation			
Total amount of private sector finance mobilised for adaptation			
Costs of extreme weather impacts to the region’s public bodies.			
Percentage of projects with clear routes to financing			

## 8.3 Learning

[Outline how the region will learn and reflect on its process on developing and implementing the Investment Plan. You should also outline how this will be captured and used to feed back into future iterations of the plan.]

## 9 Next steps

[Indicate here the current gaps and implications of this document, for your climate resilience journey and overall regional development. Also include any planned reviews or updates.]