

ECDPM workshop – Enhancing European financing for adaptation to cascading climate risks

Monday 25th September 2023

I/ Context and key challenges

The public workshop on “Enhancing European financing for adaptation to cascading climate risks” is organized in Brussels on September 2023 (9:30-15:00), and co-organized by ECDPM and EDHEC Business School, in the framework of the H2020 CASCADES Project.

The workshop will look at how public institutions and especially development finance institutions (DFIs), public development banks (PDBs), and multilateral development banks (MDBs) can better assess and integrate climate risks into their risk strategies and approaches, as well as how they can more effectively scale up finance for adaptation and resilience in light of cascading and transboundary climate impacts.

Held in a hybrid (physical and virtual) setting, the interactive workshop will encourage informal discussions on the EU adaptation strategy, adaptation finance risks, and cooperation and collaboration among actors for more effective and increased adaptation finance.

Agenda:

- 09h30 – 09h35: Welcome and introduction by Hanne Knaepen, Head of climate action and green transition, ECDPM
- 09h35 – 11h00: Panel 1 Assessing climate financial risks: How to better integrate the risk dimension to inform adaptation finance
- 11h00 – 11h30: *Coffee break*
- 11h30 – 12h55: Panel 2 Bridging agendas: How to make different actors work together for adaptation? – Intervention of Expertise France (Jérôme HEITZ, Director, EF Brussels Office) on behalf of the Practitioners' Network
- 12h55 – 13h00: Conclusion and way forward by Daniel Adeniyi, Policy officer, climate action and green transition, ECDPM

[Link](#) to the event and registration

II/ Speaking point – Panel 2 Bridging agendas: How to make different actors work together for adaptation? (11h30-12h55)

Key discussion points:

1. *How to make public and private finance for adaptation work in an African high-risk context?*
2. *How to increase the synergy between donors' implementing agencies and DFIs to boost adaptation and resilience?*
3. *How to provide climate adaptation finance in fragile contexts?*

Speaking points

- I am pleased to be part of this panel to represent the Practitioners' Network for European Development Cooperation, today as Presidency of the Network.
- Founded in 2007, the PN is the leading network of public development agencies, composed of 24 Members. The PN is one of the three European networks dedicated to development issues, along with JEFIC for PDBs and EDFI for DFIs.

- By providing feedback on European international cooperation policies from a practitioners' perspective, the Network contributes to the coherence and complementarity of European development cooperation efforts. It encourages an integrated, pluralistic, innovative, pragmatic and efficient approach in implementing European international cooperation programmes.
- As a platform for European technical cooperation, the Practitioners' Network aims to strengthen cooperation, links and complementarity, creating opportunities for cooperation and synergies at the implementation level, providing feedback from the “How To” perspective. Our shared goal is to collectively ensure that we implement effective European cooperation to accompany partner countries in their efforts to achieve the SDGs. In this regard, with a focus on climate change issues, we intend to exchange best practices on how to integrate/take better into account climate change resilience in a cross-cutting manner in the conception and implementation of our projects. The Network promotes and pledges for stronger coordination between financial and technical cooperation, especially DFIs.
- In order to work efficiently together and to boost resilience and adaptation, we must achieve systemic change in a coordinated approach to contribute to the achievement of SDGs, this means combining bottom-up and top-down approaches: donors need to mainstream further climate change resilience within their cross-cutting and sectoral programming, encouraging therefore implementing agencies to integrate this matter on a more cross cutting manner, whereas implementing agencies which are more connected to local/on the ground best practices have the opportunity to influence design of programming and financial instruments from experiences based feedback and best practices to tackle more efficiently climate change resilience . That means stronger coordination, synergies, between development actors, PDBs, DFIs and implementing agencies that provide technical assistance.
- For that, we will need to:
 - Identify impactful and sustainable bankable projects: development cooperation agencies have the capacity to work jointly with financial institutions to identify such projects, in particular to consider climate impact.
 - Strengthen the regulatory, policy and business environment and the capacities of government institutions (central and decentralised level). An appropriate legal and policy framework must be in place, with intense dialogue prior to launching investments, to secure space for the expression and ultimately foster ownership by local actors. Development cooperation agencies have huge experience in providing technical assistance to support national authorities to build such a system.
- Last year, the PN released a study carried out by the **European Think Tank Group** on “*Enhancing coordination between European donors, development agencies and DFIs/PDBs*”. The study drew insights from case studies on existing coordination efforts among donors, implementing agencies and financial institutions for development:
 - Coordination allows for the management of not only financial risks but also security, political and reputational risks, in case of unfortunate events and operational failures, which are more likely in regions vulnerable to climate change.
 - Donors, implementing agencies and DFIs can pool together their unique sets of complementary expertise and knowledge and their existing networks in partner countries (public sector actors, private sector actors, civil society, and stakeholders).

- They should work together to overcome asymmetry in objectives and incentives and misalignment of priorities, sectors and thematic to unlock their full potential and engage in the ***Team Europe and Working Better Together approach***.
 - Effective coordination requires time, financial resources, flexibility, and a long-term approach, guided by a strategic vision.
 - Informal dialogue among the parties can play a key role in building trust and facilitating a common understanding of particular issues.
- These findings are especially relevant with regard to adaptation. As concrete examples, I would like to mention #TeamEurope programs that can enable changes through adaptation:
- The program **Adapt'Action**: implemented by a PN Member, Expertise France, and financed by a JEFIC Member/PDB, AFD. Adapt'Action supports countries and regional organizations particularly vulnerable to climate-change in the implementation of their adaptation strategies. It aims to better understand adaptation processes, but also to support the translation of scientific knowledge into governance mechanisms, public policies and adaptation investments. Through a threefold strategy, Adapt'Action works on...
 - ... operational knowledge and research – that is the Understanding pillar;
 - ... governance and public policy – that is the Planning pillar;
 - ... feasibility and vulnerability study – that is the Investing pillar.
 - The **European GCCA+ (Global Climate Change Alliance “Plus”) West Africa program**: It aims to step up the dialogue and cooperation in the fight against climate change between the European Union and the most vulnerable developing countries. The GCCA+ Initiative is continuing to support countries via two mutually reinforcing pillars: 1) Political and technical dialogue; 2) Support for the establishment of national and regional policies for climate change adaptation and mitigation, with greater emphasis on the management of climate knowledge and communication on it.
 - The **Dutch Fund for Climate and Development, climate resilience fund** set up by the Dutch government and managed by a consortium formed by FMO (Dutch entrepreneurial development bank), CFM (Climate Fund Managers), SNV (Netherlands Development Organisation), and WWF Netherlands. DFCD's mandate is designed to originate and develop new bankable climate projects with local private players, traditionally not supported by Development Finance Institutions (DFIs) or commercial banks. The Consortium does so by identifying and supporting climate adaptation projects with technical assistance until they "graduate" to the bankable stage and are eligible to be scaled up and developed further thanks to an investment by FMO.
- To conclude, I would like to emphasise that technical assistance can enable better cooperation and collaboration between actors for more effective financing of adaptation, particularly in fragile contexts. By strengthening complementarity between actors and maximising the effects on resilience and systemic change, it can better assess and integrate climate risks into its risk strategies and approaches. Together, European donors, development agencies and DFIs/PDBs can be more effective in increasing funding for adaptation and resilience in light of cascading and transboundary climate impacts.