



## 2017 SCF Forum: “Mobilizing finance for climate-resilient infrastructure”

### Report back from Session 4

### Station 4: Financial structuring

#### Main barriers discussed:

- Technical Capacity / tools / data
  - ROI
  - Lack of tools for modelling of externalities; valuation methodology
  - Lack of information/data necessary for long-term planning/ screening (what is the incremental/additional cost?)
  - Monetizing non-commercial benefits
- Lack of capacity in the private sector
- Structures for non revenue generating projects
- Prioritization of public/concessional finance
- Difference in timeframes of different actors involved in infrastructure (ministries etc.)/economies/discount rates
- Small-scale projects often not attractive for lenders, investors (minimum ticket prices)
- Sovereign guarantees often required by MDBs for larger scale projects – not always feasible
- Definitional issues: resilience vs. adaptation; clear criteria for resilient infrastructure are needed
- Uncertainty on access to external sources of finance
- Good project design/engineering paramount; caution against business case for adaptation incremental cost alone

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Recent success stories/good practice:

- To address small-scale projects:
  - Asset pooling, project aggregation facility (limited experience, use); example: New Development Bank (BRICS) provided financing for a set of small-scale hydropower projects
- To address insurance related barriers:
  - Domestic action in the insurance sector in Morocco, i.e. new requirements for businesses to insure certain types of assets, development of a sustainable insurance roadmap

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