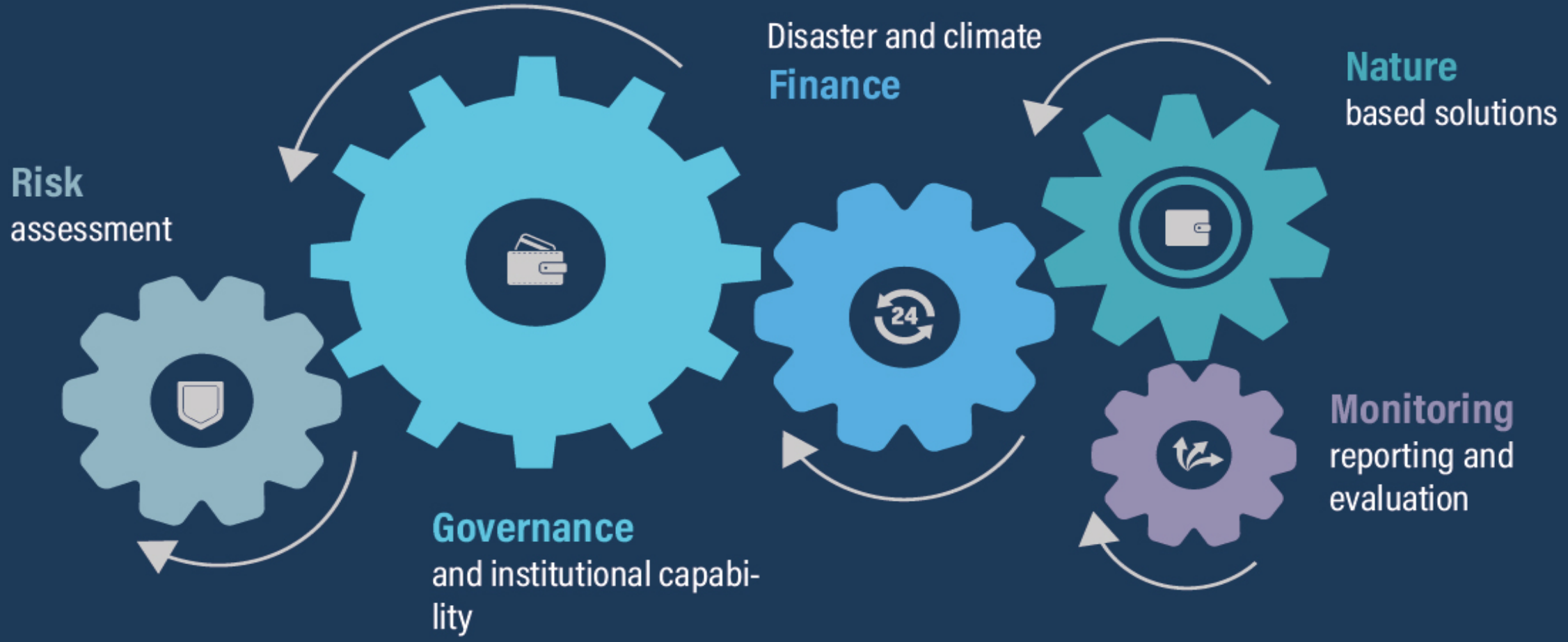


Climate change adaptation and disaster risk reduction

Financing Nature-based solutions

Jaroslav Mysiak, PhD
Euro-Mediterranean Centre on Climate Change and
University Ca' Foscari Venice

Webinar
10/05/2021



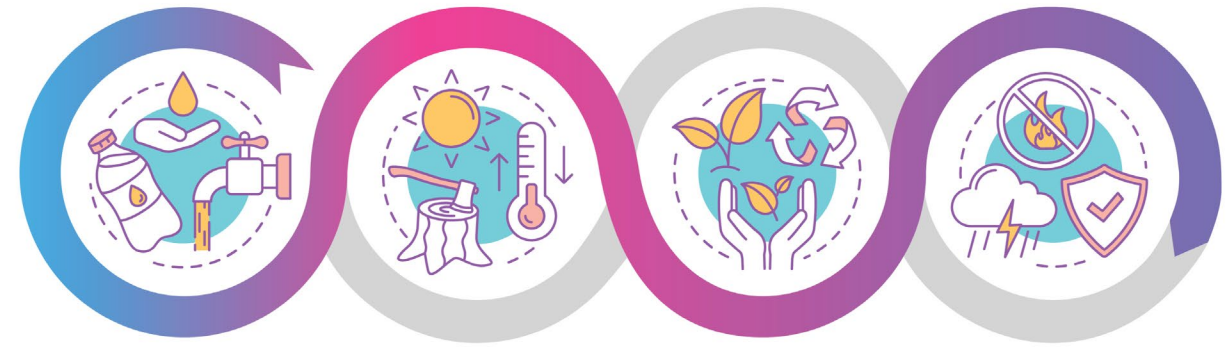
Ecosystem services

Ecosystem services have an economic value in the context of DRR and CCA, even if no price actually is paid for their provision and/or maintenance.

The failure to account for their true social value leads to market distortion and, ultimately, insufficient level of protection.

Comprehensive financial protection strategies combine various financial instruments - such as contingency funds, contingent loans and grants, and risk transfer solutions.

Risk-based actuarial pricing can provide incentives for investments in loss reduction. Catastrophe bonds are fully collateralized instruments that pay off on the occurrence of a defined catastrophic event. Resilient impact bonds remunerate investors based on how well resilient measures are implemented, according to pre-defined performance indices.

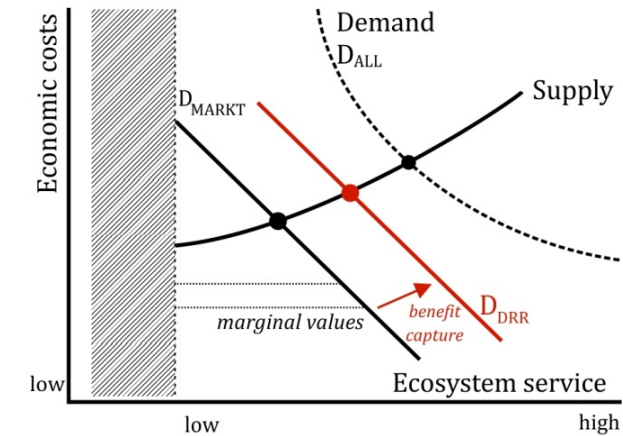
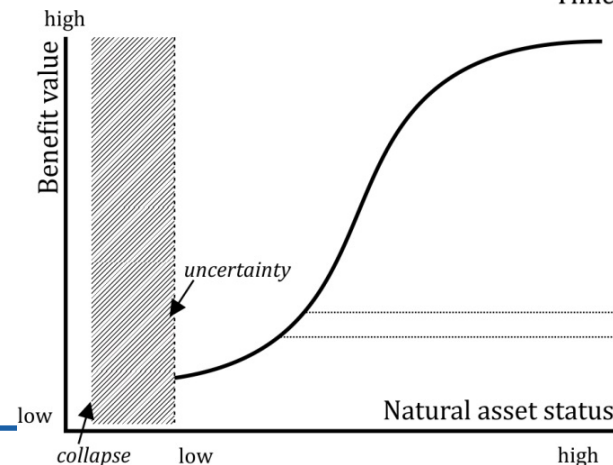
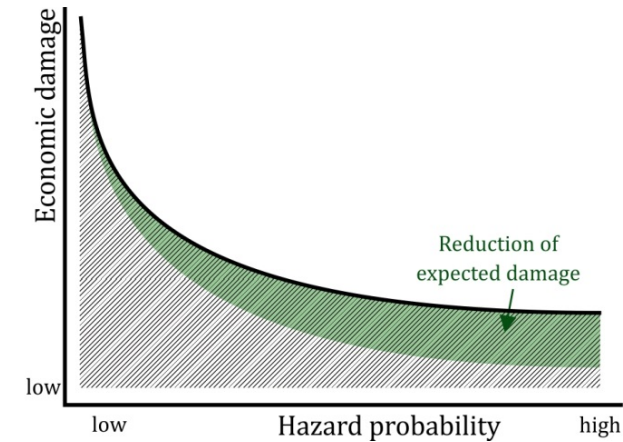
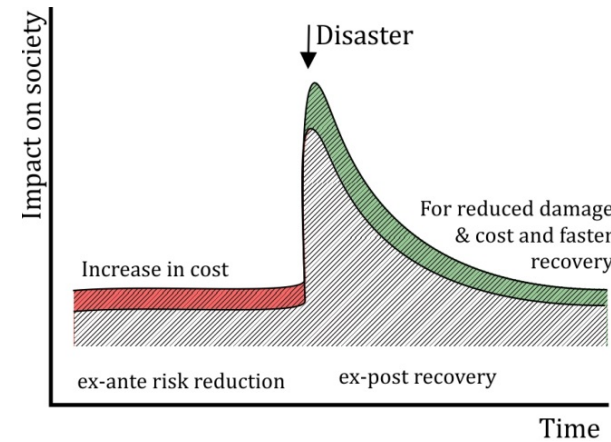


Water Resources Protection

Climate Stability

Maintenance of Ecosystems

Recovery from Unpredictable Events



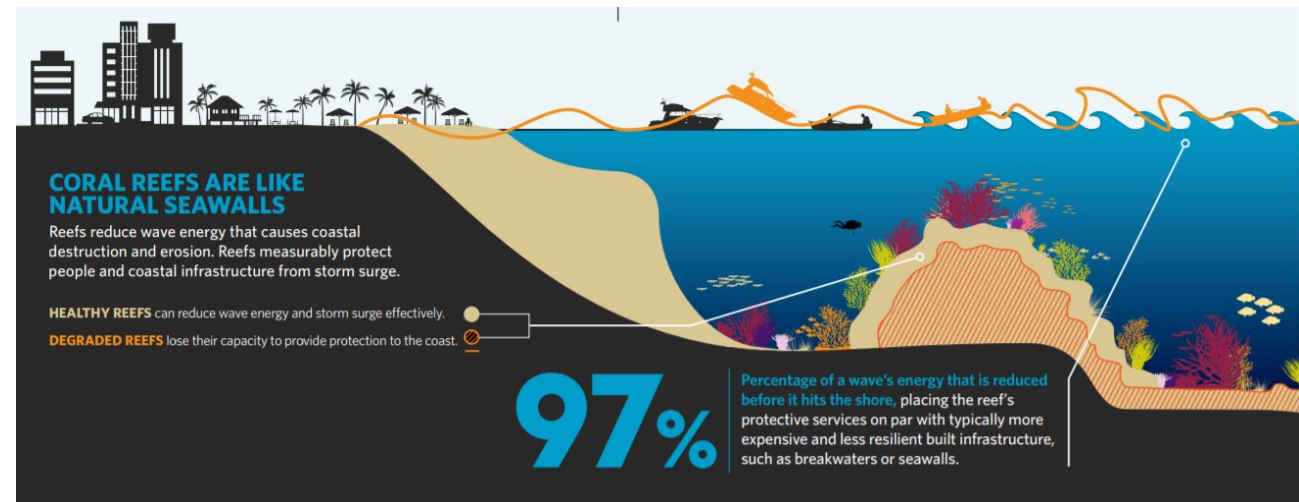
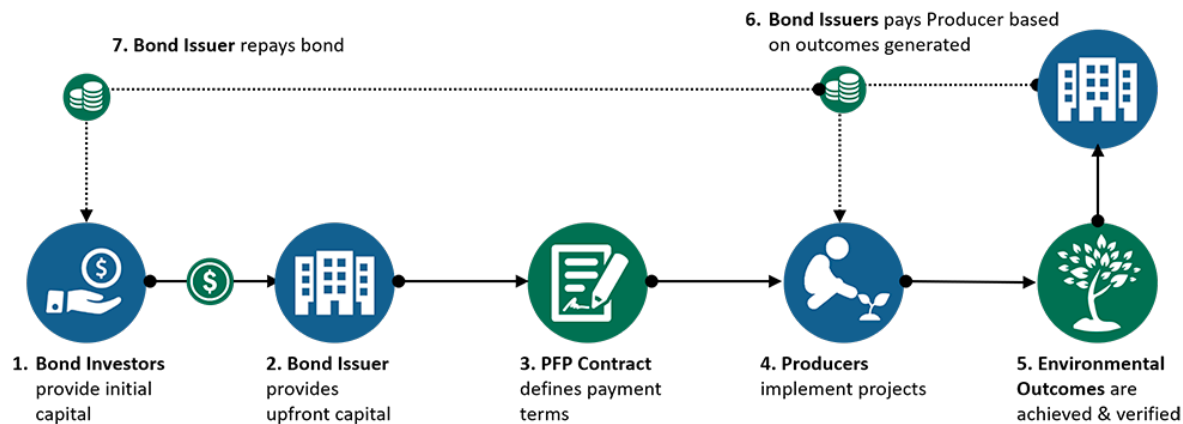
Risk financing by means of nature-based solutions

Green bonds

- *debt* instrument focusing on environmentally-friendly or sustainable initiatives - green infrastructure, water management, biodiversity,
- e.g. water utility may issue green bonds to finance green infrastructure to reduce pluvial flood hazards; repaid by stormwater fee,

Management trust and coral reef Insurance

- Coastal zone management **trust** established with support of **The Nature Conservancy (TNC)** to bring new private capital to coral reef and beach protection and restoration in Cancún and Puerto Morelos, Mexico,
- Parametric insurance scheme for the reef established with Swiss Re paid by the Trust



Thank you for your attention!

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