

## European Commission Open Public Consultation for the new European Climate Resilience Framework

23 February 2026

### GENERAL QUESTIONS

- 1. How well informed do you consider yourself about the potential impacts of climate change that could affect you now and in the future?**

	Fully informed	Slightly informed	Neutral	Slightly uninformed	Totally uninformed
<u>Answer</u>			X		

**Optional: Please explain why?**

Answer: As Invest Europe represents the pan-European private equity, venture capital and infrastructure industry, we are unable to provide a single, unified response that reflects the views of all our members.

- 2. How prepared do you consider yourself to face the potential impacts of climate change?**

	Fully prepared	Slightly prepared	Neutral	Slightly unprepared	Totally unprepared
<u>Answer</u>			X		

**Optional: Please explain why?**

Answer: As Invest Europe represents the pan-European private equity, venture capital and infrastructure industry, we are unable to provide a single, unified response that reflects the views of all our members.

- 3. Who do you consider to be primarily responsible for preparing for the physical impacts of climate change?**

	<u>Answer</u>
Individual citizens	
Businesses and private actors	
Local and regional authorities	
National governments	

The European Union	
All of the above	X
Other	X

**If other, please explain why?**

Answer: We believe there should be a shared responsibility across actors rather than a single owner. Risk ownership should follow the principle of allocating each risk to the party best able to manage, mitigate, or absorb it at least cost. Clear, enforceable risk allocation reduces uncertainty, lowers the cost of capital, strengthens investor confidence, and enhances long-term project resilience under evolving climate conditions.

- Governments and public authorities are typically responsible for creating the enabling environment – stable policy and regulatory frameworks, transparent and efficient permitting processes, reliable climate hazard data, and, where necessary, targeted risk-sharing mechanisms. Public authorities should retain risks that private markets cannot efficiently price or absorb, including sovereign risks (e.g., policy change, currency inconvertibility) and extreme tail risks arising from systemic climate events.
- Private investors and operators are generally expected to manage the risks they can control or mitigate through design, engineering, and operational practices – such as asset-specific flood, heat, or storm resilience measures. Bankability requires predictable, performance-linked revenue mechanisms that allow investors to manage financing risk and incorporate lifecycle resilience investments.
- Development finance institutions (DFIs) and climate funds can act as catalytic risk absorbers by taking first-loss positions, providing concessional capital, or funding technical assistance. They help bridge the gap where commercial appetite is limited due to uncertainty or novel risk profiles.
- Insurers and reinsurers play a key role in transferring residual risks that remain after mitigation measures, particularly for low-probability/high-impact climate events. Structured instruments like catastrophe bonds or parametric insurance can formalise this transfer and enhance financial resilience.

**4. Which of the following would help you become better prepared for the impacts of climate change?**

	<u>Answer</u>
Easier access to data and information relevant to my area/situation	X
Expert support to prepare/protect my home/family/company etc. against possible risks, based on this data/information	
Easier access to funding or financing for my/our actions	X
Greater local ownership of planning, implementing measures, and monitoring success	X
Better planning and preparation by public authorities	X

Other	
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**If other, please explain why?**

Answer: Not applicable.

**5. Please name the three policy actions that would most help you improve your risk awareness and preparedness for climate change impacts:**

Answer:

Improved understanding of climate impacts and risks can be seen as both a foundational enabler and a persuasion tool for mobilising stakeholders.

Clear, credible, and widely shared information on climate hazards, exposure, and vulnerability is central to effective climate resilience communication. When decision-makers, investors, and communities have a better grasp of both the likelihood and potential severity of climate impacts, they can make more informed choices about where and how to invest in resilience.

For policymakers, improved risk understanding supports the prioritisation of interventions and the justification of resilience spending.

For private investors, it reduces uncertainty, improves pricing of physical climate risks, and can lower the perceived risk premium for adaptation projects.

For the public, transparent communication fosters trust, builds political support, and encourages behaviour change.

**CLIMATE RESILIENCE BY DESIGN****6. Which sectors are most important for integrating the principle of “climate resilience by design”?**

Answer: “Climate resilience by design” can be particularly relevant for real assets and infrastructure, including energy/electricity grids, utilities, transport/logistics networks, and related infrastructure services (e.g., monitoring/analytics), as physical risks damage assets and disrupt supply chains and productivity.

Certain adaptation activities are already generating returns and are increasingly appealing to private investors, particularly when they offer a combination of climate mitigation and adaptation benefits. Examples include:

- **Resilient power solutions and energy storage:** Driven by grid resiliency concerns and the growing industrial demand for 24/7 clean power, investments in grid and power resilience are gaining significant traction. This area stands out as a priority where public finance can play a catalytic role in mobilising private sector capital to unlock dual climate adaptation and mitigation benefits. For instance, improving infrastructure resilience to climate risks such as wildfires can simultaneously enable greater deployment of renewable energy sources.
- **Investments in infrastructure services,** such as electric utility services, wildfire management, and geospatial data and analytics for infrastructure monitoring and maintenance, are increasingly prioritised. These services not only improve resilience but also enhance operational efficiency, making them attractive to private investors.
- **Nature-based solutions** are gaining traction for their ability to deliver both carbon sequestration and climate adaptation benefits. These solutions often generate carbon credits, creating a revenue stream for investors. However, quantifying their return on investment and adaptation co-benefits remains challenging under conventional finance metrics.
- **Corporate resilience investments:** From a corporate perspective, building resilience is increasingly seen as a business imperative to ensure operational continuity and protect value. This is particularly true in highly exposed industries such as utilities, agriculture, and manufacturing.

***Underserved themes lacking private sector investment***

Despite progress in certain areas, investments in “pure play” adaptation and resilience solutions remain underserved by the private sector due to unclear revenue models and/or high upfront costs. Examples include flood mitigation infrastructure (e.g., seawalls, flood barriers), early warning systems for natural disasters, water stress or urban heat adaptation infrastructure – solutions which may remain publicly financed.

### ***Cleantech investments***

While they address different sides of the climate challenge, cleantech\* investments and climate resilience are closely linked and often converge. Distributed renewables and storage, for example, both cut carbon and keep critical services running during grid disruptions, while smart water and energy systems improve efficiency and strengthen communities against shocks. Cleantech investments also foster innovation ecosystems and financing models that can accelerate the growth of resilience-focused solutions. Together, they create a balanced approach: mitigation reduces long-term risks, while adaptation ensures stability and growth in the near term.

*\* For research purposes, Invest Europe defines cleantech as “any process, product, or service that significantly reduces negative environmental impacts through improved energy efficiency, sustainable resource use, or environmental protection activities.”*

### **7. Which policy areas or EU legislative frameworks should prioritise embedding this principle, and how should this be done?**

Answer: Among others, we believe the focus should be on:

- (i) Reforming procurement to include climate resilience as a significantly weighted criterion alongside whole-of-life cost assessment, enabling earlier private sector engagement and innovation.
- (ii) Capital charge incentives for verified climate-resilient assets to improve risk-return profiles for private investors.

More specifically:

#### ***Procurement rules***

Procurement rules in Europe are often too strict and complex, making it difficult for the private sector to engage early in project design or propose innovative resilience solutions. Investing in infrastructure resilience typically requires incremental upfront capital expenditure, but these costs are recouped over the asset’s lifetime through reduced maintenance, avoided disaster losses, and uninterrupted service. However, when public tenders are awarded primarily on the basis of lowest immediate cost, such long-term benefits are overlooked. This creates a market failure: short-term savings for the procuring authority can lead to much higher costs for society over time.

To correct this, procuring authorities should explicitly include climate resilience as a significantly weighted criterion in public procurement tenders, alongside whole-of-life cost assessment. Examples from Australia, the Netherlands, and Canada show that integrating resilience into procurement scoring not only mobilises private innovation but also reduces total lifecycle costs. Procurement frameworks could also include early market engagement, resilience certifications, and performance-based contracts to align incentives. Shifting away from a “lowest cost wins” approach toward a “best value

over time” model would enable Europe to build infrastructure that withstands climate shocks while delivering economic value for decades – indeed, resilient infrastructure can reduce lifecycle costs, insurance claims, and downtime.

### **Capital charges**

In regulated finance (e.g., banks under Basel III/IV, insurers under Solvency II), the capital charge is the amount of regulatory capital an institution must hold against a given exposure. Higher perceived risk means a higher capital charge, which reduces return on equity and makes the investment less attractive. For climate resilience projects, this creates two linked policy arguments:

#### **1. Resilience reduces underlying risk**

Infrastructure built to higher resilience standards is less likely to suffer physical damage, revenue loss, or service interruption during extreme weather. Lower risk of loss means lower expected default probabilities for lenders and lower claims volatility for insurers – which could justify lower capital charges under risk-based regulatory regimes.

#### **2. Capital treatment can influence investment flows**

If regulators explicitly recognise resilience measures in capital adequacy frameworks (e.g., lower risk weights for “resilience-certified” infrastructure), banks and insurers would have a financial incentive to finance such projects. This is analogous to “green supporting factors” in sustainable finance, but here linked to physical climate risk mitigation rather than only to emissions reduction.

EU legislators and regulators could work with financial supervisors to create capital charge incentives for verified climate-resilient assets. This would directly improve the risk-return profile for private investors in resilience projects, effectively mobilising more capital at lower cost – without direct fiscal outlay.

#### **8. Are there any existing policies or legislation (at EU, Member State, regional, local level) that prevent you from taking effective action to be better prepared for the impacts of climate change? If so, which ones and please explain how they impair your efforts.**

Answer: In addition to the regulatory frameworks discussed above, significant structural and administrative barriers continue to constrain the development of a robust pipeline of well-structured, investment-ready resilience projects. Even where capital is available, too few projects reach financial close due to weaknesses in preparation, permitting, scale, and risk allocation.

### **High front-end development costs and weak project preparation**

Resilience projects require substantial upfront investment long before they reach the financing stage. Early-stage activities—such as feasibility studies, hazard modelling, cost-benefit analysis, engineering design, and stakeholder engagement—are essential to assess technical, economic, and environmental

viability. However, these processes are costly and time-consuming, particularly for innovative or first-of-a-kind projects.

In the absence of dedicated project preparation facilities or public support mechanisms, these costs fall entirely on project developers, municipalities, or SMEs. With no guarantee of financial close, many promising projects are delayed, redesigned, or abandoned before they become investment-ready. As a result, the pipeline of bankable projects remains structurally thin.

### **Administrative and permitting uncertainty**

Climate resilience and cleantech projects face procedural hurdles that extend well beyond technological feasibility. Planning and permitting processes, environmental impact assessments, regulatory approvals, and—where relevant—grid connection procedures are often slow, complex, and unpredictable.

For smaller developers and new market entrants, these delays can be prohibitive. Lengthy approval timelines tie up scarce capital and postpone revenue generation. From an investor perspective, uncertain lead times increase perceived project risk, raising financing costs or deterring investment altogether. Even economically sound projects can lose bankability if administrative risk becomes too pronounced.

### **Fragmentation and lack of scalability**

Resilience investments are frequently localised, small in scale, or embedded within broader infrastructure upgrades. Projects are often tailored to specific climate risks, geographic conditions, and regulatory environments. While this bespoke nature enhances local effectiveness, it limits standardisation and repeatability.

The result is fragmentation: projects are heterogeneous, difficult to aggregate, and too small to attract large institutional investors seeking scalable opportunities. Limited replication also slows investor learning curves and increases due diligence costs, further constraining capital mobilisation.

### **Unclear risk allocation**

Finally, many resilience projects suffer from poorly defined contractual and financial structures. Where responsibility for climate-related, operational, or performance risks is not clearly allocated, investors may over-price uncertainty or avoid the project entirely.

Ambiguity around risk-sharing—particularly between public authorities and private investors—can significantly undermine bankability, even where the underlying resilience benefits are strong.

**Taken together, these factors create a structural bottleneck:** the challenge is not solely a lack of capital, but a lack of well-prepared, scalable, and clearly structured projects capable of absorbing it. Strengthening early-stage preparation, streamlining administrative processes, improving

standardisation, and clarifying risk allocation will be critical to expanding the pipeline of investment-ready resilience assets.

## LEGISLATIVE FRAMEWORK FOR CLIMATE RESILIENCE

9. The Commission considers that including the below aspects and requirements in its legislative proposal is essential to better prepare our economies and societies for climate change, and to prevent major losses and damage. What is your view on each of them?

### Common baseline climate trajectories/scenarios, and acceptable risk levels:

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
<p>Determination of the levels of global warming or a similar common baseline* for adaptation decisions that EU and national public policy and investments should consider, for example through common EU climate reference trajectories/scenario(s)</p> <p>* An example is the decision by France to establish a Reference Trajectory for Adaptation to Climate Change (TRACC), setting +1.5°C by 2030, +2°C by 2050, and +3°C by 2100 as reference for national and regional adaptation strategies. Respondents to the Call for Evidence supported the development of minimum precautionary levels for climate resilience / common reference scenarios / reference warming trajectories.</p>		X			
Duty to consider a common baseline (e.g. reference trajectories/scenarios) of global warming, as described in the preceding bullet point, in climate risk assessments.			X		
Duty to apply a precautionary approach by integrating a common baseline into planning decisions by the EU and Member States			X		
Common approach for deciding what level of residual risks society / public authorities choose not to eliminate: a way to determine what are we willing to live with and why			X		

Comments:

We believe it's helpful to combine forward-looking climate scenarios with localised impact assessments, visual tools such as hazard maps, and narratives that connect climate risks to tangible outcomes (e.g., service disruptions, asset losses, health impacts).

The level of detail should be proportionate and tailored to the needs of various stakeholders: policymakers may need comprehensive data to design regulations, investors may prioritise financially material risk metrics, and communities may benefit more from accessible visualisations and local stories.

Framing resilience investments as a response to clearly articulated and appropriately communicated risks helps shift the conversation from abstract climate threats to actionable opportunities for safeguarding value and improving quality of life.

**Climate risk assessments**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of climate risk assessments that would also cover the most affected policy sectors, at European level			X		
Development of climate risk assessments that would also cover the most affected policy sectors, at national level			X		
Common parameters for the scope and content of both EU and national climate risk assessments (e.g. climate scenarios, regularity, sector coverage)			X		

Comments: No further comment.

**Adaptation planning and determination of risk owners:**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Definition of climate resilience and adaptation targets (possibly including sectoral / thematic targets) for EU institutions and Member States	X				

Robust obligation on the EU/Commission to prepare and implement an EU adaptation strategy and plan		X			
Climate resilience and adaptation plans should also cover the most affected policy sectors at EU level		X			
Robust obligation on Member States to develop national adaptation strategies and plans		X			
Climate resilience and adaptation plans should also cover the most affected policy sectors at national level		X			
Identification of risk owners responsible for and mandated to address the identified vulnerabilities	X				

Comments: As mentioned previously, effective resilience finance depends on clearly defining responsibilities and risk ownership, allocating each risk to the party best able to manage it.

Challenges in adaptation and resilience financing also relate to the need for clear definitions and taxonomies. The concept of adaptation and resilience requires rethinking, as the field faces significant definitional challenges and is often perceived too narrowly, focusing primarily on obvious solutions like flood barriers. Taxonomies such as the [Climate Bonds Initiative Climate Resilience Taxonomy](#), or the [Guide for Adaptation and Resilience Finance](#) by Standard Chartered, KPMG, and UNDRR provide valuable frameworks to steer private sector efforts. Clear taxonomies defining what qualify as adaptation and resilience investments can support both the public and private sector in prioritising investments and establishing mandates.

**Complementing action at EU level by Member State action, in compliance with the subsidiarity principle:**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Member States adopting national legal frameworks on climate resilience and adaptation (covering issues such as administrative set-up and coordination mechanisms, regular climate risk and vulnerability assessments, adaptation planning, early-warning mechanisms, governance at regional and local levels, alignment with subnational strategies and		X			

plans, inclusion of stakeholders and vulnerable groups, monitoring and evaluation framework)					
Member States carrying out evaluations at appropriate levels to identify regions and groups of people that are particularly vulnerable to climate change, and developing plans for targeted adaptation measures to help these regions and groups			X		
Member States involving all relevant stakeholders, including particularly vulnerable groups, in adaptation policy planning			X		

Comments: No further comments.

**Monitoring, reporting, evaluation and learning:**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Development of a limited number of performance indicators for both the EU and Member States, for measuring the effectiveness of climate adaptation and resilience measures	X				
In line with the simplification agenda, improvement and streamlining of monitoring, reporting, evaluation and learning practices at EU and national levels, through more targeted reporting on climate impacts	X				
Incorporation of corresponding resilience progress indicators into existing sector legislation to avoid duplication and new reporting requirements	X				

Comments:

Despite growing recognition of the financial risks posed by climate change, significant structural barriers continue to limit private capital mobilisation for adaptation and resilience. These constraints relate not only to (early-stage) project development but also to measurement, monetisation, business model clarity, and the definition of the investable universe itself.

### **Measurement and monetisation challenges**

A central obstacle is the difficulty of measuring and monetising resilience benefits. Investors frequently lack clear, reliable quantitative and qualitative information on the resilience performance of assets and the measurable improvements generated by adaptation measures. Without robust indicators, it is difficult to assess the business case for resilience investments, justify higher upfront costs, or integrate resilience gains into asset valuations.

Unlike mitigation projects—where emissions reductions provide a relatively standardised and quantifiable metric—many adaptation investments generate avoided losses or broader public goods rather than direct revenue streams. Flood defenses, heat-resilient urban design, and drought-resistant infrastructure primarily reduce downside risk. Their financial value lies in loss prevention, business continuity, and long-term asset protection, which are inherently harder to quantify than new income generation.

The challenge is particularly acute for nature-based solutions. These interventions often deliver multiple co-benefits, including biodiversity enhancement, flood regulation, urban cooling, and carbon sequestration. However, these benefits are diffuse, long-term, and shared across stakeholders, making them difficult to monetise within conventional financial frameworks.

### **Weak business models and unclear revenue structures**

The absence of clear taxonomies, standardised reporting frameworks, and consistent data has reinforced the perception that viable business models in the adaptation and resilience space remain limited. Many pure-play resilience projects—such as engineered flood barriers—face unclear revenue models and unresolved questions regarding cost allocation, long-term maintenance, and responsibility for risk-bearing.

Where the beneficiaries of resilience investments are broad (e.g., communities, municipalities, insurers, or society at large), but payment mechanisms are narrow or fragmented, private investment becomes difficult to structure. Misalignment between those who pay and those who benefit increases uncertainty, complicates due diligence, and raises transaction costs.

As a result, even when adaptation measures are economically rational from a societal perspective, they may struggle to meet private-sector return thresholds under existing market structures.

### **Translating climate risk into investable opportunities**

Even within infrastructure asset management, where awareness of physical climate risk is growing, firms often face difficulties translating climate risk assessments into actionable adaptation financing strategies. Many organisations have developed sophisticated capabilities to model exposure to extreme weather, sea-level rise, or heat stress. However, converting these risk insights into concrete capital allocation decisions, adaptation pathways, and measurable investment targets remains a significant challenge.

A related constraint lies in defining the universe of investable adaptation and resilience solutions. Rising demand is driving the development of innovative products and services—such as climate-resilient construction materials, engineered flood protection systems, and emergency response technologies. Yet adaptation-related revenues are frequently embedded within broader sectors such as materials, engineering, utilities, and infrastructure. This lack of clear delineation makes it difficult to identify relevant companies, benchmark performance, construct thematic portfolios, and conduct efficient due diligence.

The resulting ambiguity increases perceived risk and slows the scale-up of urgently needed resilience solutions.

Taken together, these barriers create a structural gap: while awareness of climate risk is increasing and capital is available, limitations in measurement, monetisation, business model clarity, and investment classification continue to constrain the growth of a mature and scalable adaptation finance market. Addressing these challenges will require improved metrics, clearer taxonomies, innovative revenue mechanisms, and stronger integration of climate risk analysis into mainstream investment decision-making.

**10. Please specify other impactful measures with transformational impact that the Commission should include in its legislative proposal on climate resilience:**

Answer:

Adaptation investments lack the robust policy support and funding mechanisms that have been developed for climate mitigation. While some jurisdictions, such as the EU and the US, have begun increasing public funding for adaptation through initiatives like the EU Adaptation Strategy and the US Infrastructure Investment and Jobs Act, these efforts remain insufficient compared to the resources allocated for mitigation.

Many adaptation projects, such as sea walls, flood protection, and water security initiatives, face challenges due to low commercial returns and high risks, making them less appealing to private investors and highlighting the critical role of public finance in bridging this gap.

Catalytic capital should be deployed strategically, ensuring it achieves maximum impact and is recyclable. The EU should prioritise enhancing private sector involvement by targeting areas within adaptation that have the potential to generate commercial returns but are currently unproven. This approach ensures that public finance provides a temporary subsidy only where there are clear pathways to full-scale commercialisation.

Public finance involvement should always aim to crowd in the private sector. Achieving this will require the use of flexible financial instruments, supported by regular reviews of the investment landscape and active dialogue with private investors, to ensure public funds effectively complement private finance (i.e., ensuring additionality). Given the limited pipeline of adaptation

finance projects, it is critical that where there are potential commercial returns, the private sector is involved. This principle defines private sector involvement. The EU and public sector at large can play a role in both raising private sector awareness of such opportunities and contributing towards adaptation finance becoming a commercially viable sector.

Public finance can support adaptation investments in three main areas: targeting unclear risks using blended finance approaches, addressing high-risk with risk mitigation instruments, and tackling unclear commercial returns through technical assistance.

- Untested and unproven concepts in the adaptation space that have the potential to generate returns. Here, blended finance can help adjust risk-return thresholds.
- High-risk investments with expected high returns (which may be rare in adaptation), where instruments such as insurance or guarantees can be useful.
- Technical assistance or project feasibility studies that can reduce uncertainty.

**DECISION-SUPPORT TOOLS FOR CLIMATE RESILIENCE**

**11. Where do you look for information about how climate change could affect you or your activities?**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Sectoral organisations resources, including advisory and support networks		X			
Regional and/or local authorities' resources		X			
National government resources, including national meteorological services		X			
European climate adaptation platforms and/or climate services		X			
European scientific programmes and networks		X			
Reach out to a consultancy to find and analyse this information for me		X			
In the media, social media and online		X			
Using artificial intelligence					
I have never looked for such information					

**12. What information would help you determine if and how to take action to better prepare for the effects of climate change?**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Recent economic losses or damage caused by climate events in my area or in activities related to my job	X				
Current severity of extreme or unseasonal weather in the area where I live or work (e.g. expected number of days with temperatures exceeding 35 °C)	X				
Estimates of future severity of extreme or unseasonal weather in the area where I live or work	X				
Current impacts of extreme or unseasonal weather on my community and me in terms of health (e.g. excess mortality due to dangerous heat waves), and economic activities (e.g. crop production losses from heat, damage to energy infrastructure due to floods, etc).	X				

Estimates of future impacts of extreme or unseasonal weather on my community and me in terms of health and well-being, and economic activities		X			
Information on insurability of exposed assets		X			
Benefits of specific adaptation solutions in reducing impacts on health and wellbeing and specific economic activities.		X			

**If other information, please specify.**

Answer: No further comments.

**13. The Commission considers developing a user-friendly web-based tool for non-experts that provides authoritative and harmonised quantitative information on climate change across Europe. This tool could translate the common climate scenarios into national, regional and local climate and weather conditions, which can be expected under these scenarios, and help to find possible solutions for addressing the identified risks. The Commission considers this tool essential for informing EU policies, addressing cross-border risks, and supporting people and businesses lacking alternatives. Would you benefit from such a tool?**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
<u>Answer</u>	X				

**14. What features would help you use that tool?**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Simple language that does not require specialist knowledge	X				
Tutorials and onboarding information			X		
Visual presentation of information, e.g. on a map	X				
Ability to download data or summary reports	X				
Clear link between climate risks and adaptation solutions	X				
Navigation support through an AI-powered chat			X		
Links to other trusted sources for more specialised information	X				
Access to a help desk			X		

**15. What other features would you find helpful?**

Answer: Such a tool should be built on the following principles:

**1) Translating science into actionable terms**

- Technical climate risk data often needs simplification to be meaningful for operational decision-making or public engagement. Joint public-private communication platforms can convert climate projections into practical sector-specific, location-specific guidance (e.g., what a 1-in-100-year flood risk means for logistics or agriculture). This contributes to removing ambiguity and helps businesses and communities understand exactly what is at stake.

**2) Building trust and transparency**

- Transparent sharing (for example, through open-access platforms) of climate risk information (e.g., hazard maps, risk assessments, and resilience plans) builds trust, reduces misinformation, enables informed investment decisions, and accelerates joint action. Private sector disclosure (e.g., via TCFD or ISSB reporting) can complement public data on hazards and vulnerabilities.

**3) Showcasing joint success stories**

- Highlighting collaborative public-private resilience projects – such as flood protection infrastructure, early warning systems, or resilient supply chain initiatives – helps demonstrate

the economic and societal value of cooperation, including tangible benefits, builds political and commercial support, and inspires replication.

#### **4) Creating feedback loops**

- Public-private dialogue should not be one-off; it must be an ongoing exchange where the private sector's operational experience feeds back into public policy. This can be done by setting up permanent public-private climate resilience councils or working groups that meet regularly, not just after disasters – ensuring real-time exchange of insights and allowing rapid adjustments to evolving risks.

**PROTECTING PEOPLE AND SUPPORTING REGIONAL AND LOCAL ACTION**

**16. What policy measures should the EU and Member States take to ensure that the most vulnerable groups and geographical areas receive adequate support and are protected from the disproportionate impacts of climate change?**

Answer – EU: No comment.

Answer – Member States: No comment.

**17. What measures should the EU and Member States take to protect people’s health against the impacts of climate change?**

Answer – EU: No comment.

Answer – Member States: No comment.

**18. What measures should the EU and Member States take to provide greater support to regional and local stakeholders?**

Answer – EU: No comment.

Answer – Member States: No comment.

**19. What targeted initiatives should the EU and Member States implement to specifically support the EU’s outermost regions in adapting to climate change, considering their particular exposure to extreme weather events and their unique geographical and socio-economic contexts?**

Answer – EU: No comment.

Answer – Member States: No comment.

**20. What are the most pressing barriers that should be removed to enable action at regional and local level?**

	Answer
Lack of sufficiently specific data and information about current and future risks to design science-based policies	X

Limited access to specialised support (specialist language, too technical, etc.) to help develop impactful measures, provided at national or EU level	
Insufficient funding or financing for regional and local measures, including access to dedicated national and EU funds	X
Insufficient institutional capacity to absorb funding and develop a project pipeline	X
Limited engagement of local communities in designing and implementing measures	
Existing legislation that complicates efforts to deal with climate impacts	X
Lack of consistent monitoring and reporting schemes that would provide incentives to act	X
Other	X

**If other, please explain or complement your answer above.**

Answer:

Current public funding mechanisms – such as InvestEU, the Innovation Fund, the EIB and EIF – remain fragmented, overly complex, and insufficiently aligned across EU and national levels, making funding hard to access and costly for SMEs, due to complex processes and high consultant fees. Better coordination, harmonisation and simplification of EU and national public instruments is urgently needed, among others to support private investment at scale.

**21. How could the EU Mission pilot be leveraged or replicated to support action by all European regional and local stakeholders?**

	Answer
Encourage Member States to develop Mission-type national initiatives with dedicated financial resources for their implementation	
Define the roles and responsibilities of National Missions within the Framework	
Mandate Member States to set up national platforms or coordination tables where local and regional stakeholders have a legally recognised role and responsibility	
Encourage Member States to dedicate financial resources to support regional and local action	
Connect EU funding opportunities with the relevant stakeholders to scale up the regional and local climate adaptation solutions developed within the Mission	
Other	

**If other, please explain or complement your answer above.**

Answer: N/A

**COMPETITIVENESS – HARNESSING INNOVATION OPPORTUNITIES**

**22. In your sector/industry/area, what are the climate resilience technologies/innovations that you need to develop or scale up to make your sector/industry more competitive?**

Answer: As Invest Europe represents the pan-European private equity, venture capital and infrastructure industry, which invests in a broad spectrum of different sectors, we are unable to provide a single, unified response that reflects the views of all our members.

**23. What measures could improve the competitiveness and innovation of climate resilience products/services in your sector/industry the most?**

	Very relevant	Relevant	Neutral	Not very relevant	Not relevant at all
Increased public funding and investment	X				
Increased private funding and venture capital	X				
Improved access to specialised expertise/workforce		X			
Improved market certainty and regulatory support	X				
Access to technologies/ modernisation of equipment		X			
Increased consumer awareness and demand	X				
Innovative climate risk management and insurance tools (e.g. parametric coverage)			X		

**If other, please specify.**

Answer:

***Public funding must unlock and complement – not replace – private investment.***

- Private capital should drive investment, with public funding focused on de-risking early-stage and high-risk projects, correcting persistent market failures, and catalysing private investment.

Public or blended finance mechanisms that co-fund feasibility studies or provide grants and technical assistance early on, can help build a stronger pipeline of investment-ready projects. These measures de-risk the early phase, making it easier for private capital to step in once a project moves toward implementation.

- In parallel, the governance of the EIB/EIF must reflect private market realities. Processes that are overly bureaucratic or detached from how investment decisions are made will fail to attract private investors. Governance should be streamlined, responsive, and market-aware.

***Mobilising private capital for the climate transition requires clear, durable market signals.***

- **Creating demand certainty to attract and scale private investment**

As long-term investors, private equity and venture capital is well-placed to back innovation where traditional capital is risk-averse or too cautious, but only if there are clear signals to the market, such as durable policy and public funding commitments.

Private capital will not move at scale if climate ambition appears temporary, politicised, or fragmented. Investors need confidence that this transition is here to stay and visibility into future public investment priorities.

One of the biggest things governments can do to attract private investment is to signal that there is – and will be – a real market for clean technologies. That means creating demand certainty. Key policy levers include reviewing mandates (e.g., clean power requirements), product standards (e.g., energy efficiency regulations), and procurement requirements.

- **Enhancing risk sharing tools**

First-of-a-kind clean industrial projects – like hydrogen plants or carbon capture facilities – face high risks and limited data, making it difficult for PE/VC to build strong exit strategies. A coordinated public-private risk-sharing model is the missing link to scale these technologies. What we need is a more enabling environment – one that gives fund managers the right tools, incentives, and de-risking mechanisms to support the next generation of clean, resilient European businesses. Tailored support from public finance can help de-risk these early stages and convert a promising idea into an investable project. That’s when PE/VC can step in with growth or scaling capital.

Without credible, lasting climate ambition and clear public investment priorities, private capital will not move at scale.

## FINANCE AND INSURANCE

### 24. Public sector role in funding climate resilience

	Yes	No
Is it necessary to integrate climate resilience considerations in fiscal planning and financial decisions at all levels of the public sector as well as in the private sector?	X	
Would incorporating climate resilience considerations in investments, including public spending and procurement limit economic losses from climate events?	X	

### 25. Private-sector investments and climate resilience

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
National adaptation plans should be designed to serve as resilience and adaptation investment plans, unlocking the full potential of private-sector funding.		X			
The private sector needs more guidance on how to incorporate climate resilience into investment and business decisions.		X			
Effective public-private risk sharing mechanisms for climate adaptation investments (such as public-private partnerships, blended finance, disaster bonds, etc.) would increase resources invested in climate resilience and adaptation.	X				

### 26. What are the key obstacles for scaling up investments strengthening climate resilience and adaptation?

Answer:

Climate resilience projects – like flood defenses, drought-resistant agriculture, or resilient energy systems – often deliver substantial social and environmental benefits but struggle to attract purely commercial investment. Reasons for this include: (i) returns are uncertain or long-term (e.g., avoided future damages); (ii) risks are high (e.g., new technologies, political instability, climate vulnerability of the host region); and (iii) cash flows are indirect (e.g., benefits accrue to communities, not always directly to investors).

In addition, as mentioned elsewhere in this response, significant obstacles persist, including financial, institutional, regulatory, and informational challenges – leading to an insufficient pipeline of well-structured, investment-ready resilience projects:

1 – **Financing clarity:** Clear definitions and taxonomies are needed to help public and private investors prioritise projects and establish mandates.

2 – **Impact measurement:** Understanding impact and returns is difficult without clear information. Investors often lack reliable quantitative and qualitative data on the resilience performance of assets and measurable improvements from adaptation measures, making it hard to justify higher upfront costs or integrate resilience into asset valuations.

This reinforces perceptions that viable adaptation business models are scarce. Pure-play resilience projects often face uncertain revenue streams and unresolved questions about who bears development costs.

3 – **Policy support gaps:** Adaptation investments often lack the robust policy support and funding mechanisms available for mitigation projects.

4 – **Investment complexity:** Defining the universe of investable adaptation solutions remains challenging, since adaptation-related revenues are often embedded within broader industrial sectors.

5 – **Scalability:** Projects are often bespoke to local contexts, making them costly to design and difficult to replicate at scale, which slows investor learning.

6 – **Administrative and preparatory barriers:** High early-stage preparation costs for feasibility studies, design, and stakeholder engagement can prevent bankability even for technically strong projects.

7 – **Procedural hurdles:** In parallel, slow permitting, impact assessments, and approval processes can tie up capital and delay revenue, particularly for SMEs and new market entrants.

8 – **Incompatible or misaligned timelines:** Private sector investment cycles (5-10 years) often do not align with the long-term horizons of adaptation infrastructure, where benefits may take decades to fully materialise.

Blended finance tools can help bridge this timing gap. Concessional capital can absorb early-stage risks and support projects through the initial years until cash flows stabilise, while instruments such as resilience bonds or guarantees can provide more predictable returns in the interim, matching the project's benefit timeline. In some cases, integrating revenue-generating components – such as renewable energy – into resilience projects can further accelerate cash flows and meet private sector expectations.

## 27. What policy measures would help overcome these obstacles and boost climate resilience finance?

### Answer:

By addressing the above hurdles in tandem – improving information availability, increasing project replicability, aligning investment timelines, reducing administrative and preparatory barriers, and building a stronger pipeline of investment-ready resilience projects – public policy can foster an enabling environment in which private capital views climate resilience as a viable, scalable, and attractive investment opportunity.

In addition, public finance should be used strategically to crowd in private investment. Catalytic capital—designed to be recyclable where possible—should address market failures by absorbing first losses, mitigating high-risk exposures, and supporting early-stage project preparation. Flexible financial instruments, regular reviews of the investment landscape, and structured dialogue with private investors are essential to ensure additionality and maximise impact.

- **Public–Private Partnerships (PPPs)** can convert resilience objectives into clear, enforceable, and investable commitments by bundling design, finance, construction, and long-term operation under a single contract. This creates stronger incentives for private partners to invest in measures that reduce climate risks and lifecycle costs. Predictable, performance-linked revenues (e.g., availability payments or user fees) improve bankability, while targeted public risk-sharing lowers the cost of capital. With stable regulatory frameworks and clear climate risk allocation, PPPs can attract institutional capital at scale.
- **Blended finance** is a key lever for resilience investment. By strategically combining public or concessional funds with private capital, it mobilises private sector financing by mitigating investment risks and improving the risk-reward profile of projects, enabling capital to flow into areas that would otherwise appear too risky or unprofitable.

Public or concessional resources can absorb first losses, provide guarantees, or offer favourable terms. In addition, blended finance can enable larger project sizes by pooling resources, which can attract institutional investors, and support early-stage or untested solutions until track records are established. In doing so, blended finance helps turn high-impact but underfunded resilience projects into bankable opportunities, aligning public interest with private sector participation.

- **Green, blue, and resilience bonds** can mainstream adaptation in capital markets. By embedding resilience criteria into bond frameworks, issuers can access larger investor pools, lower-cost capital, and long-term financing suitable for infrastructure. Resilience-labelled instruments enhance credibility, attract ESG-oriented investors, and can be combined with blended structures to further reduce risk.

- Nature-based resilience solutions often lack direct revenue streams. **Biodiversity and nature credits** can monetise ecosystem services—such as flood protection or water regulation—creating supplementary income that improves project bankability. These instruments should complement, not replace, public funding, and can be integrated into blended finance structures to bridge the gap between upfront restoration costs and future ecological returns.
- **Climate-resilient debt clauses and targeted guarantees** should be expanded to mobilise capital efficiently.

**28. Does the existing EU accounting framework duly reflect the climate physical risks in the valuation of assets? If not, what policy measures do you propose?**

Answer: We are not in a position to comment on the EU accounting framework, including whether and how it reflects climate-related physical risks in asset valuations.

However, the private equity and venture capital industry follows its own valuation standards — the [International Private Equity and Venture Capital Valuation Guidelines](#). The latest edition (December 2025) includes a dedicated section on sustainability (Section 5.17, page 65). Please find below a relevant extract:

*“ESG factors may impact Fair Value from both a qualitative and quantitative perspective. When projected cash flows have incorporated all known and knowable information, they will by definition include the quantitative impacts related to ESG, though they may not be able to disaggregate ESG impacts from other impacts on cash flows unless there is a specific cash flow that the company would otherwise not receive, such as selling a manufacturing by-product.*

*Quantitatively, observable or measurable, ESG considerations may include the following:*

- *Impact on projected cash flows, positive or negative, from ESG actions taken or anticipated, such as: alternative sources of energy, employee costs, facilities costs, supply costs, compliance costs, reporting costs, etc.*
- *Impact from changed risk profile, company-specific risk premium (judgemental impact).*
- *Determining that comparable public peer companies have a similar ESG profile.*

*Qualitative factors may not be quantifiable yet may judgementally impact what a Market Participant would pay for an Investment. Considerations may include:*

- *Proximity of buildings to coastal areas and risk of flooding.*
- *Likelihood of governmental action impacting a business model.*

*The above considerations are for illustrative purposes only. It is likely that measurable ESG factors are included in projected cash flows though they may not be separately identified. All known and knowable information which would impact how a Market Participant would view an Investment and what they*

would pay for an Investment should be included in each Fair Value determination. Risks and opportunities from ESG initiatives and the ESG regulatory environment should be included in Fair Value estimates to the extent they are deemed known or knowable.”

**29. Do the other existing policy / regulatory frameworks duly account for the climate physical risks? If not, what policy measures do you propose?**

Answer: No comment.

**30. Climate risk insurance**

	Fully agree	Slightly agree	Neutral	Slightly disagree	Fully disagree
Location-specific comprehensive information on climate hazards could improve insurance uptake.			X		
Climate risks insurance products need to be clearer on the hazards they cover			X		

**31. What policy / regulatory measures - based on market-based mechanisms - do you propose to address the increasing insurance gap and improve access to affordable insurance?**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.

**32. What kind of risk pooling and transfer mechanisms would be most suitable to increase insurance cover for secondary perils in the European Union?**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.

**33. How can insurers in the Union access new capital to back climate-related policies?**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.

**34. How to mobilise private investor interest in insurance-linked investment vehicles?**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.

**35. Is there a need for a European marketplace where climate-related risk can be pooled among insurance companies and non-insurance investors?**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.

**36. Additional comments**

Answer: No further comments.

**37. What policy measures would be needed to avoid climate insurance protection gaps from having negative repercussions on financial or macroeconomic stability?**

	Answer
Promote innovative climate risk diversification and/or transfer approaches to mitigate the concentration of risk within specific sectors or regions.	
Encourage market-based solutions that connect those who can afford to finance risk with those seeking climate risk coverage – this helps ensure business continuity and avoid disruptions caused by natural catastrophes.	
Other	X

**If other, please specify.**

Answer: As this is not Invest Europe’s core area of expertise, we have limited our input on this section but are happy to support further if helpful.