

## Invest Europe response to the European Commission Call for Evidence on a European climate resilience and risk management initiative

3 September 2025

The business and economic case for climate resilience has never been stronger. Resilience is not separate from business and economic interests; it is where asset protection, market stability, and growth opportunities intersect. Beyond weathering storms, resilience ensures functional markets, protects investments, and unlocks growth in an economy where climate volatility is the new normal. While mitigation often dominates attention, scaling adaptation and resilience solutions is essential to limit the escalating costs and disruptions of climate change.

As the Commission notes, adaptation is not only about preventing losses – it also presents opportunities. Rising demand for resilient infrastructure, adaptive agriculture, advanced water management, and climate-smart technologies is opening new value pools. The ecosystem of enabling products and services that support resilience at scale is expanding, creating space for innovation and economic growth.

However, significant barriers 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.

Public finance should strategically crowd in private investment. **Flexible financial instruments, regular reviews** of the investment landscape, and **active dialogue** with private investors are key to ensuring additionality. Catalytic capital should be deployed to achieve maximum impact and remain recyclable where possible. Public support can address unclear risks through blended finance, high-risk projects via risk mitigation instruments, and uncertain commercial returns through technical assistance or feasibility studies.

We also recommend:

- Better **coordination, harmonisation, and simplification** of EU and national instruments to support private investment at scale.
- **Streamlining** EIB/EIF governance to reflect private market realities.
- **Durable policy and public funding commitments** to create demand certainty.
- **Reforming procurement** to include climate resilience as a significantly weighted criterion alongside whole-of-life cost assessment, enabling earlier private sector engagement and innovation.
- **Capital charge incentives** for verified climate-resilient assets to improve risk-return profiles for private investors.
- **Climate-resilient debt clauses and guarantees** to mobilise capital efficiently.