



ENABLING RESILIENCE INVESTMENT

A systems and value creation approach to enable climate and disaster risk mitigation AND catalyse investments in recovery, adaptation and resilience

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Context

- Pre-disaster urban precinct-scale context
- Regular disruption from coastal flooding and inundation
- Detailed climate and disaster risk assessments, DRR options, and plans developed
- Struggling to get funding (recent unsuccessful investment case)



Context

- Regional, post-catastrophic disaster context
- Multiple flood disasters since the Black Summer bushfires
- Ongoing COVID impacts
- Recognition of the need to do recovery and development planning and investment differently



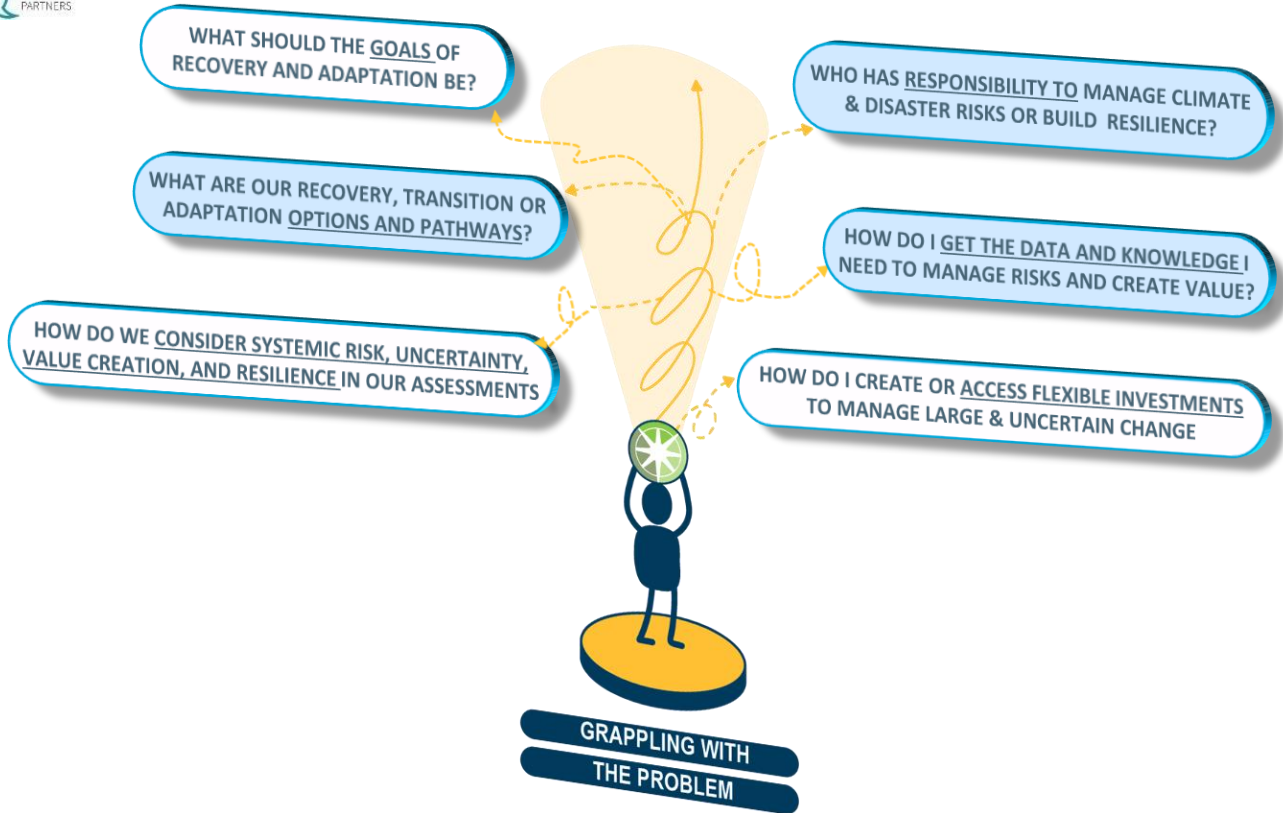
Context

- Regional coastal adaptation and regional development context
- Increasing stresses, impacts and costs to coastal assets as hazards and coastal processes change and intensify
- Asset management and investment **objectives becoming increasingly ambiguous and ambivalent (and costly)** due to the novel, uncertain, large, and cross-scale nature of environmental and social changes





Limitations to Australia's resilience investment environment





Adopting a regional place-based approach

Regions* are where climate and disaster risks manifest, so this is where risks need to be understood and addressed

**(Inter)National
scale**

State and Federal
Government

Corporate
finance

Business /
Industry

**Region
scale**

Policy choices

Funding & financing models

Strategic
planning



**Local
scale**

Asset management

Project investments

Place-based visions

Local
government

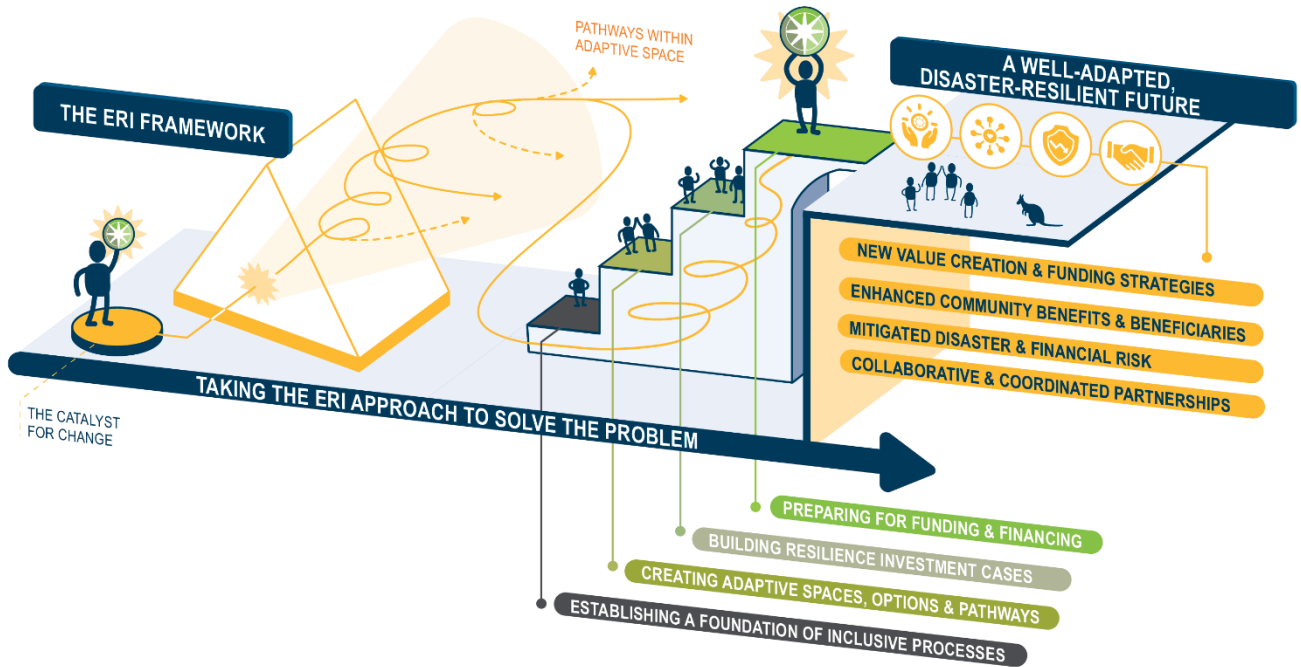
Community

Local business





The Enabling Resilience Investment approach





The Enabling Resilience Investment Framework



Bega Valley: visioning, scenarios, and recovery pathways

- What would you like to have happen in longer term (vision)?
- What will probably happen?
- What could possibly happen (exploratory)?
- What are we going to do about it (pathways planning)?



**2. Rapid
visioning**

**3. Scenario
generation**

**1. Welcome
and setting
context**

**4. Strategic
options in context
of each scenario**



Adaptive learning (pre- and post- workshop surveys)

PAE - building a DRR & resilience investment case

Understanding current and future risks - exploratory scenarios



Visions for a robust & desirable future region under climate change

Identify new value creation opportunities under future climates

Identify, shape & test funding opportunities & mechanisms

Opportunity	Benefit	Beneficiary	Funding Mechanism

Initial scoping of issues, opportunities & stakeholders

Initial service need & project concept

Opportunity	Benefit	Beneficiary

- Sluice gates
- Levees
- Sea walls
- Building codes
- Land-use zoning

Consulting investors & stakeholders

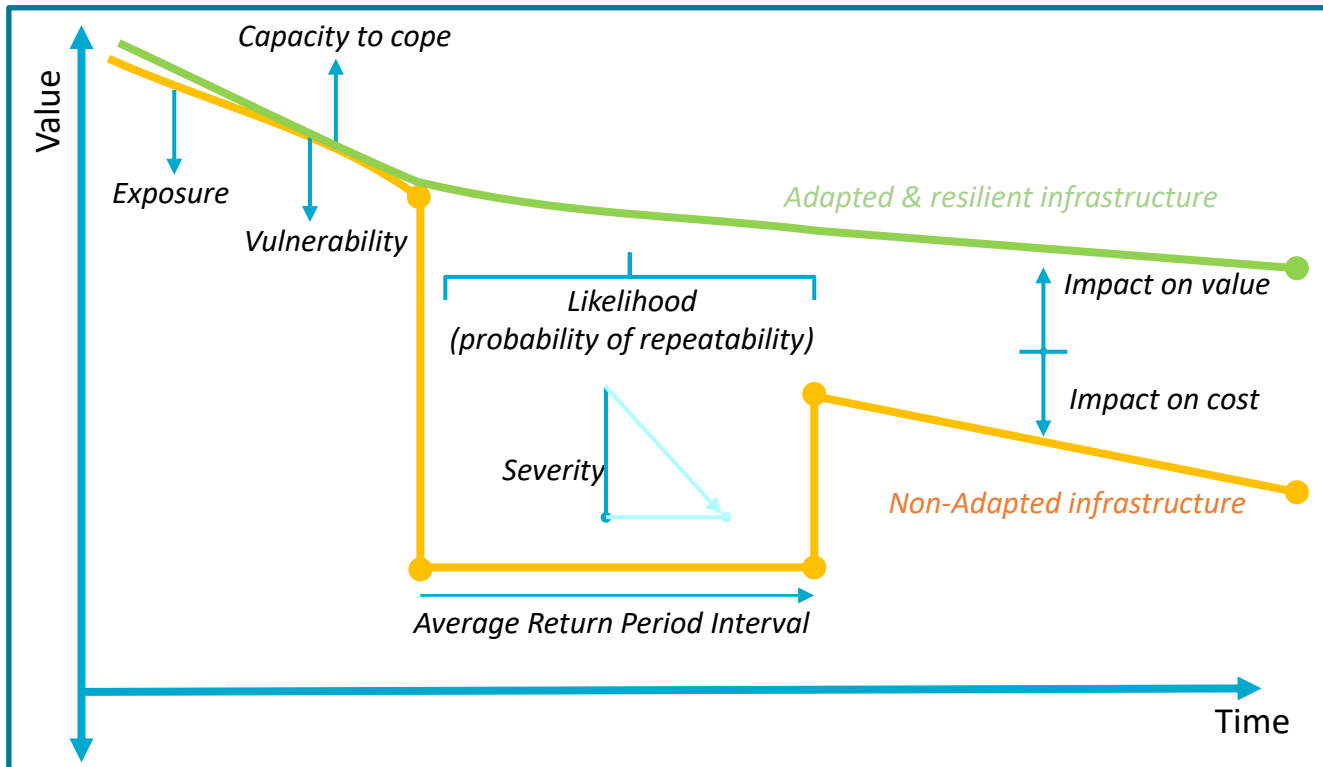


Shape and test project options

Investment case



Risk-adjusted values – to underpin DRR & resilience options



A
Evidence to assess resilience, adaptation, value and prioritised initiatives



B Detailed Financial Vehicle Options

Assess & review revenue streams

- 9 Governance & financing structures, procurement assessment & authorising environ
- 10 Assess capital effectiveness of proposed solution, and revenue integrity of proposed delivery

Develop & review risk

- 11 Financial instrument development incl. recoverability & reliability
- 12 Risk analysis & rating agency review. Align revenue & resilience benefits for project

C Realisation phase

Monetisation and Funding Delivery

- 13 Placement of financial instrument
- 14 Funding delivery from financial instrument

Procure delivery solution

- 15 Project design alignment with delivery model
Assess capital efficiency of options
- 16 Review assurance model for revenue delivery
Appoint trustees & custodians for revenue return

Execute & Realise

D Operate & Sustain phase

17 Revenue return of optimised risk models
Review assurance model for revenue delivery

18 Implementation of governance structure and combined governing entities

19 Optimisation of revenue streams
Progress monitoring & timeline optimisation

Operate & Sustain

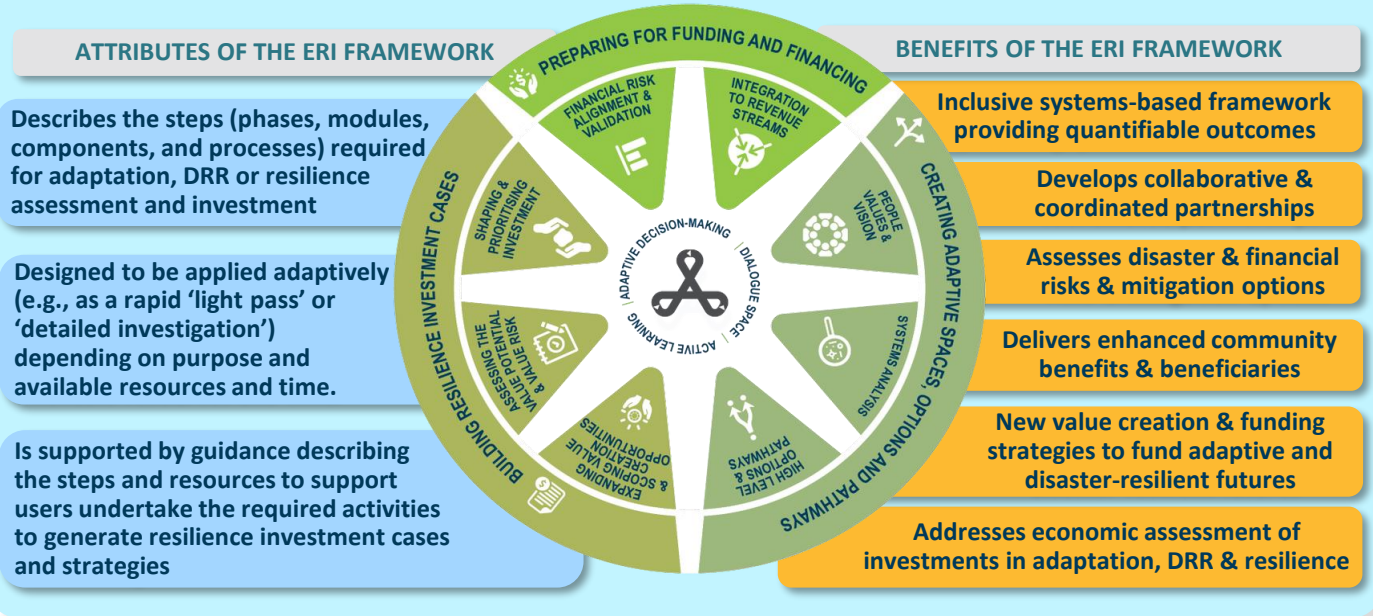
20 Evaluate project delivery
Optimise revenue streams within governance structure

21 Risk analysis and review revenue streams
Risk assessment and performance evaluation of governing entities

22 Performance reporting on financial and resilience outcomes. Review and align with policy changes

Tackling the investment challenges

The Enabling Resilience Investment approach



ERI...building the evidence, capabilities and competencies for resilience investment



Concluding comments

1. Climate and disaster risk information is NECESSARY but not SUFFICIENT to realise investment in DRR and adaptation.
2. Governance failings and limitations in capability (assessment approaches & tools, competencies, data) are the most critical barriers to effective investment in recovery and resilience
3. Using the ERI approach in PAE has created a shared vision amongst participants, broadened the scope of options and opportunities for DRR and value creation as the basis of a resilience investment case, and created networks and agency
4. There is need for mission-directed innovation policy and support to build a national enabling environment for resilience investments at scale



Thank you

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