



Adaptation
Finance
Innovation
Lab

Adaptation Finance Innovation Lab

Introductory Webinar

20/11/2025

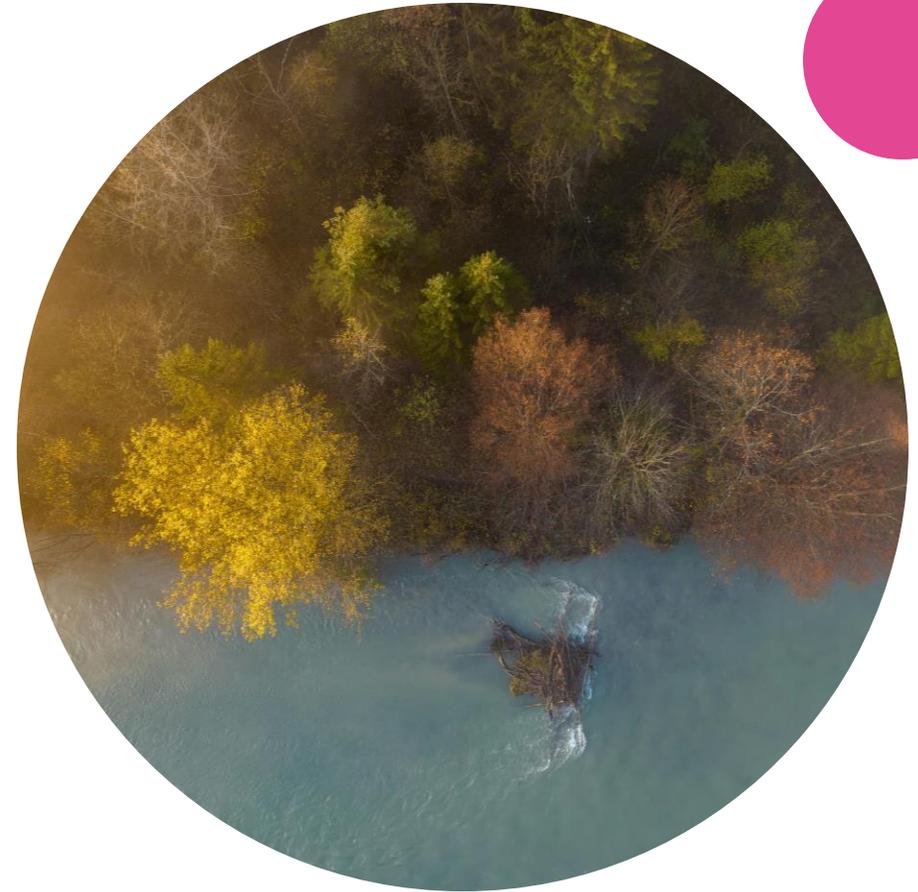


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Purpose of this webinar

- To provide an overview of the Lab and its goals.
- To present the high-level requirements for participation and enable applicants to begin planning their proposals.
- To showcase the key elements of support the Lab will provide to participants.

N.B. The call for proposals will launch on the **15th of January 2026**, and further guidance will be released prior to this on the P2R website.



Agenda

TIME	TOPIC
15:30 – 15:35	Welcome and introduction to the Lab Secretariat
15:35 – 15:45	Introduction to Pathways2Resilience (P2R)
15:45 – 15:55	Context-setting: The gaps in adaptation finance
15:55 – 16:15	Introduction to the Adaptation Finance Innovation Lab (AFIL)
16:15 – 16:25	Q&A
16:25 – 16:45	Deep-dive on applications
16:45 – 16:55	Q&A
16:55-17:00	Next steps & close



HOUSEKEEPING

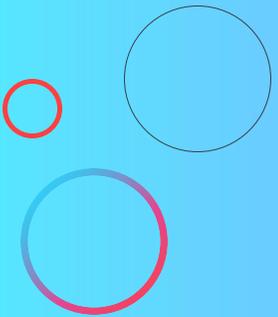
 Please mute your microphone when not speaking.

 There is a dedicated Q&A session included in the middle and at the end of the session, but feel free to place any questions you have in the chat as well.

 No such thing as a stupid question – if you're unsure, others might be too!

 The session is being recorded and will be available online.

Who we are





Lab Secretariat



Ana Enev
Operations Manager



Konstantinos Dellis
Incubation Programme
Manager



Ricardo Silva
Applications
Manager



Sarah Johansson
Communications
Lead



Kit England
Technical Lead



Fernando J. Díaz López
Technical Lead



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Technical Lead



Chengchen Qian
Technical Lead

Lab Steering Committee



Robert Fisher



Mark Robinson



Dr Phoebe Koundouri



Paul Watkiss



Juraj Jurik



Lorenzo Pezzati



Reinhard Mechler



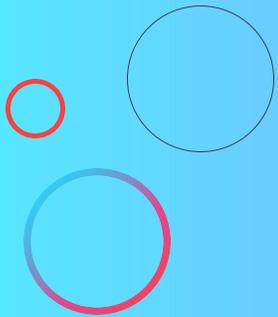
Robin Ivory



Renata Haseth



Introduction to P2R



Pathways2Resilience accelerates climate adaptation in Europe

The Pathways2Resilience project contributes to the objectives of the EU Mission on Adaptation to Climate Change by allocating **€21M** in sub-grants via two open calls to support at least **100 European regions and communities** to co-design pathways towards a climate-resilient future, while providing them with support services and capacity-building activities.

Duration: 5 years

Starts M1
Jan 2023

Current = M35
Nov 2025

Ends M60
Dec 2027

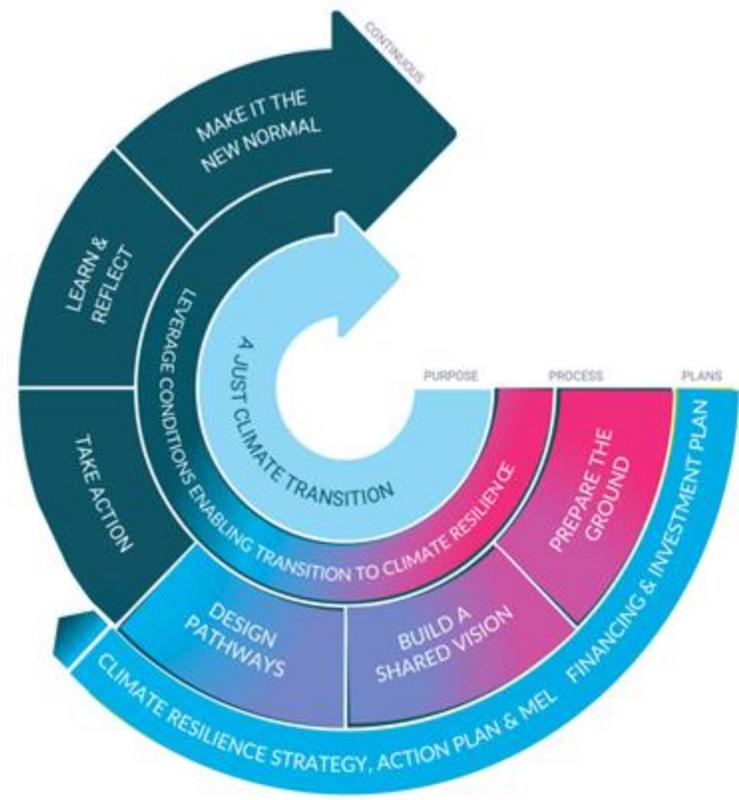




Key features of P2R



Experiment



Framework

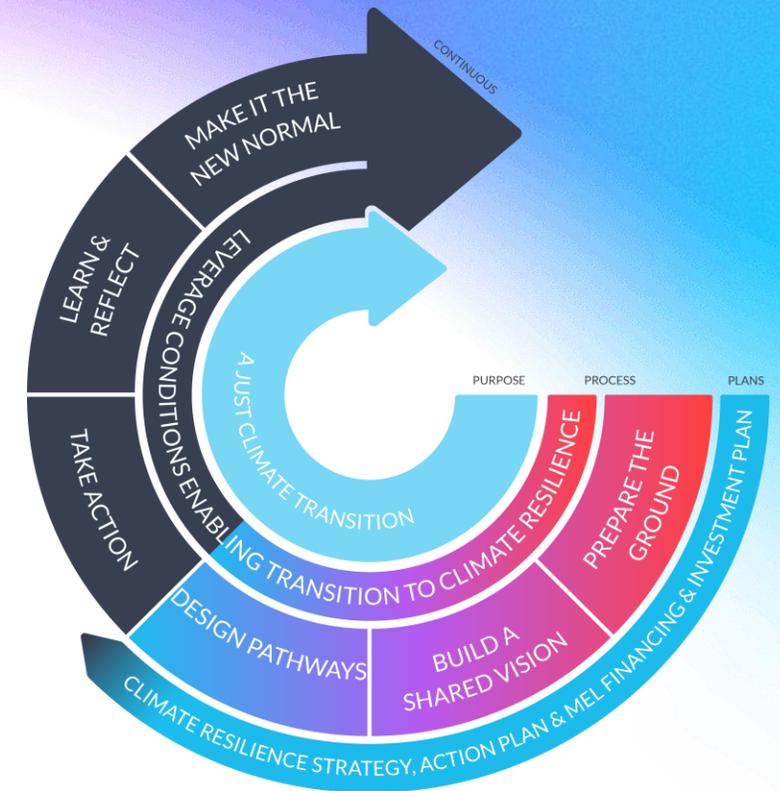


Support Programme

Pathways2Resilience accelerates climate adaptation in Europe

The Pathways2Resilience transformational adaptation framework – the **Regional Resilience Journey**, will guide regions and communities through different steps to accelerate their path towards climate resilience, resulting in the creation of:

- **A Climate Resilience Baseline Assessment**
- **A Climate Resilience Strategy**
- **A Climate Resilience Action Plan**
- **A Climate Resilience Investment Plan**





P2R and Regional Adaptation Finance

Development of the **Adaptation Investment Cycle** -Supported by Guidance

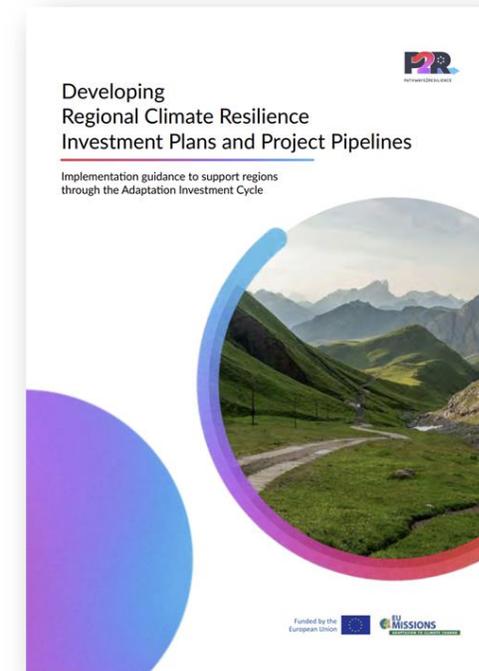
Multi-layered **Capacity Building** Process – 5 AIC Training Sessions

Finance & Resources Deep Dive – Integration with Mission Projects and Objectives

Tailored **1-1 Support** for 4 Regions in Cohort 1 – more than 330 hours

Integration of learnings into the EU Adaptation Strategy – upcoming European Climate Adaptation Plan (ECAP)

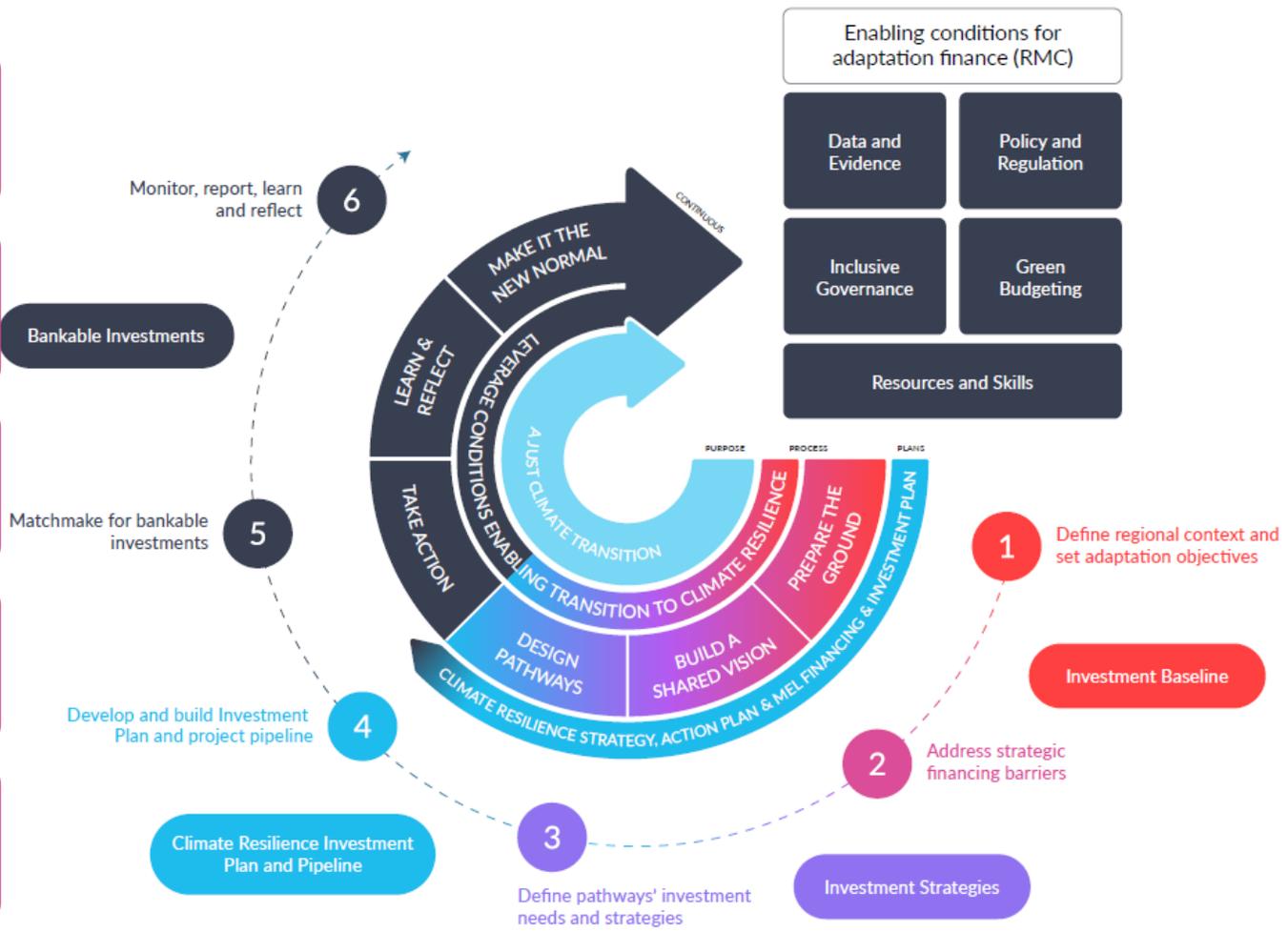
P2R actively contributes to the Mission objective to **bridge the Adaptation Finance Gap** for 100+ European regions





Adaptation Investment Cycle (AIC)

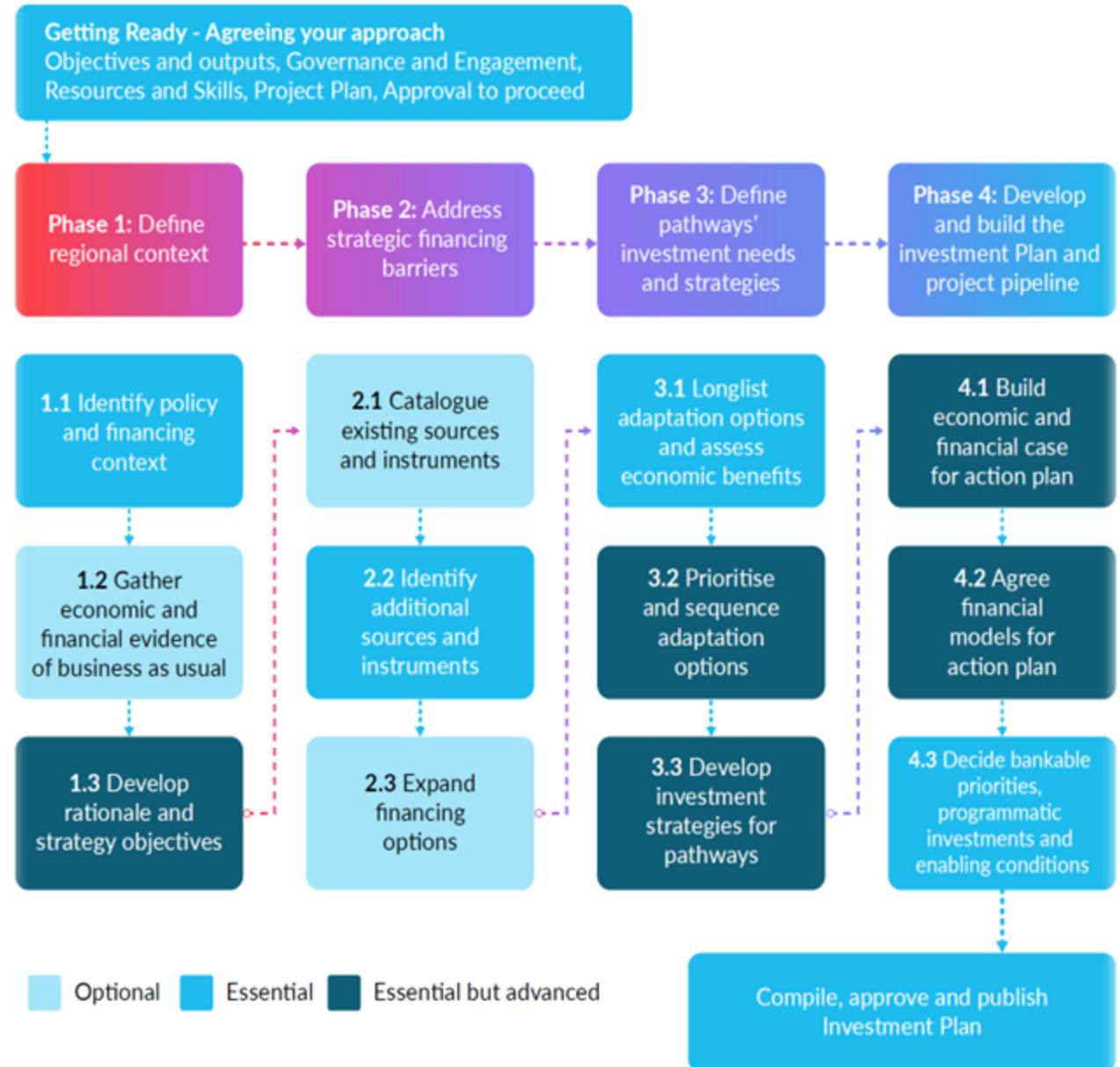
- Comprehensive & *flexible* 6-step Process to support the RRJ
- Translates high level visions into pipelines of bankable projects
- Focus on **addressing barriers** to adaptation finance
- Emphasis on financial and economic Rationale from **Step 1**
- Traditional adaptation cycle very science based - Economics and finance left until step 4 (assess options).





AIC Specifics

- Output is **Climate Resilience Investment Plan** aligned with Climate Resilience Strategy and Action Plan.
- Developed in 6 phases, supported by *enabling conditions* for adaptation finance.
- All tasks recommended, but some more important/difficult than others.





AIC - Addressing common barriers

Economic & Market

Identifies economic and social benefits of adaptation and encourages the development of an economic **rationale**

Financial

Encourages the diversification of funding sources and prioritizes *bankability* considerations from early on

Political

Streamlined process acknowledging regional priorities and processes

Behavioral

Co-creates value propositions with all relevant stakeholders

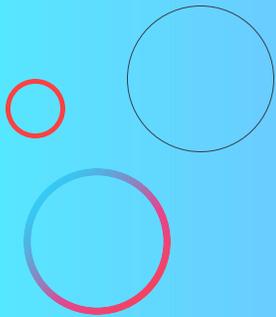
Technological

Embedded in Innovation Agendas + introducing financial innovations

Knowledge & Awareness

Steers regional planners to directly address the systemic financial barriers

The gaps in adaptation finance





The climate crisis is here

- 2024 was the **hottest year ever recorded**, with global temperatures reaching 1.47°C above pre-industrial levels.
- Europe is the **fastest-warming continent on Earth**, with the impacts of those increasing temperatures being more severely projected in Southern and South-Eastern Europe, low lying coastal regions and the EU's outermost regions.
- Economic losses reached **€822bn** between 1980 and 2024 (EEA, 2025)
- EU Climate Risk assessment highlights a wide range of urgent risks.

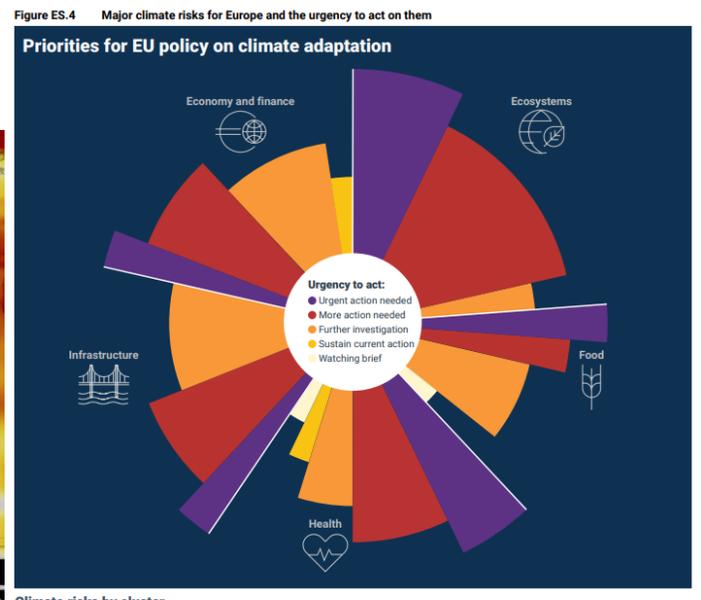
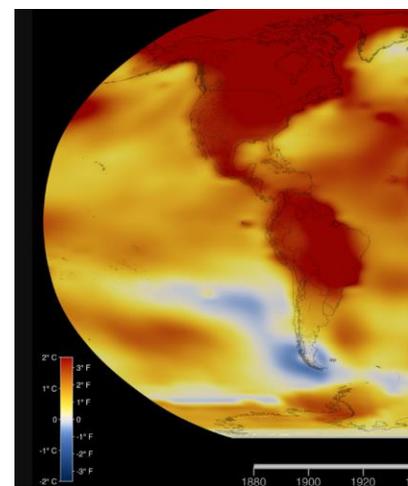
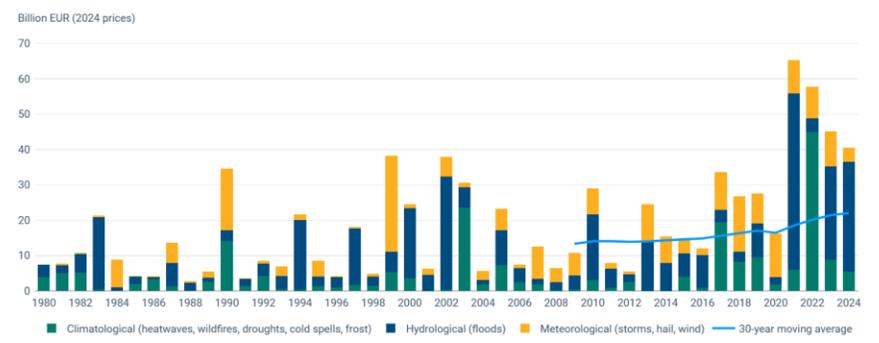


Figure 1. Annual economic losses caused by weather- and climate-related extreme events in the EU Member States





Significant finance gap.

- World Bank and EC estimates spend of **€15-64bn a year** of needs through to 2030.
- Provisional analysis of CDP disclosures for Pathways2Resilience highlights adaptation finance flows of **€8.3bn to cities within the EU27 in 2022 (England et al., 2023)**
- This is not just a challenge in EU – many a global issue (UNEP, 2025).
- **Existing resources and mechanisms are not enough.** While the EU has made important strides, the current initiatives have yet to tackle **one of the most critical bottlenecks: the innovation gap in adaptation finance.**



THE COSTS OF ADAPTATION
IN EUROPE

€15-64bn/yr
to 2030

World Bank and EC 2025. Estimates vary according to different projections and different climate scenarios.



93%

Of the EU Adaptation Mission Signatories cite financial resources constraints as a barrier for their climate resilience (EC, 2023)





There are significant barriers to adaptation finance

Wide range of **barriers**:

- Information gaps on risks and effectiveness of options
- Public good characteristics and positive externalities
- Low/no revenues
- Financial returns are low / long payback
- Adaptation projects can be small-scale, complex, and context specific, requiring significant coordination
- Limited policy and regulation
- Low willingness to pay

Also range of practical challenges (e.g. capacity)

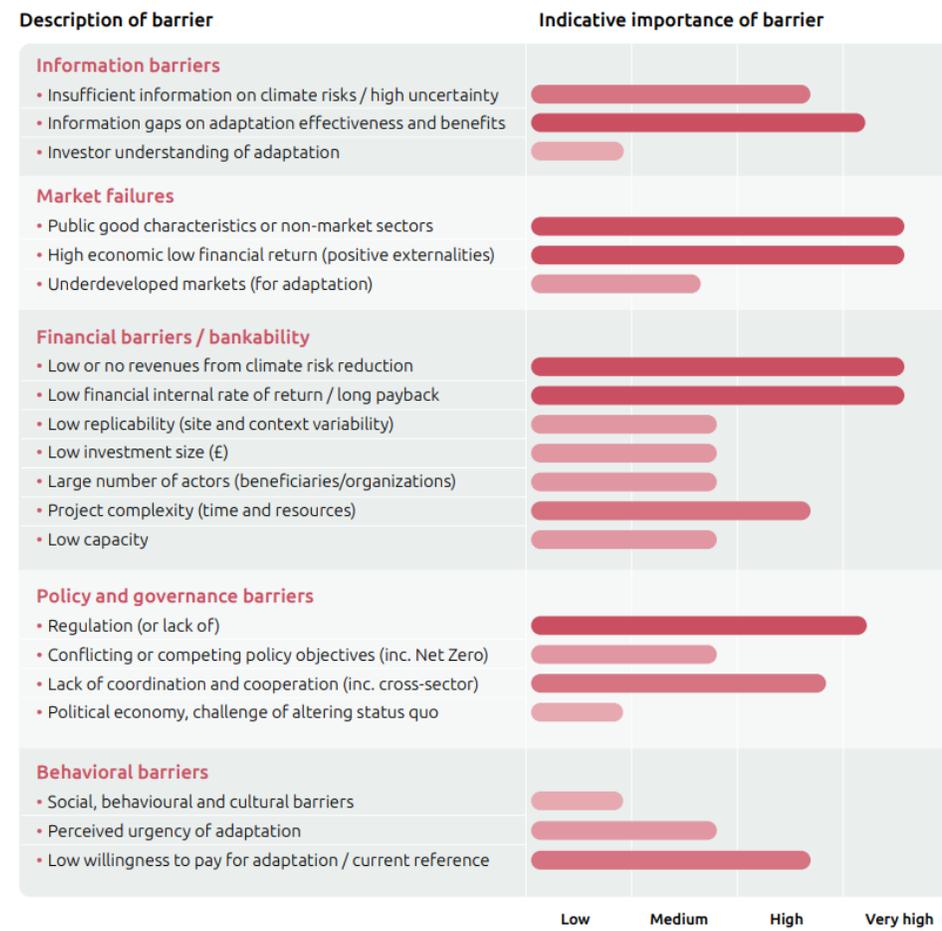


Figure 5: Example of barriers to adaptation finance and potential importance. Source: Watkiss (2023)

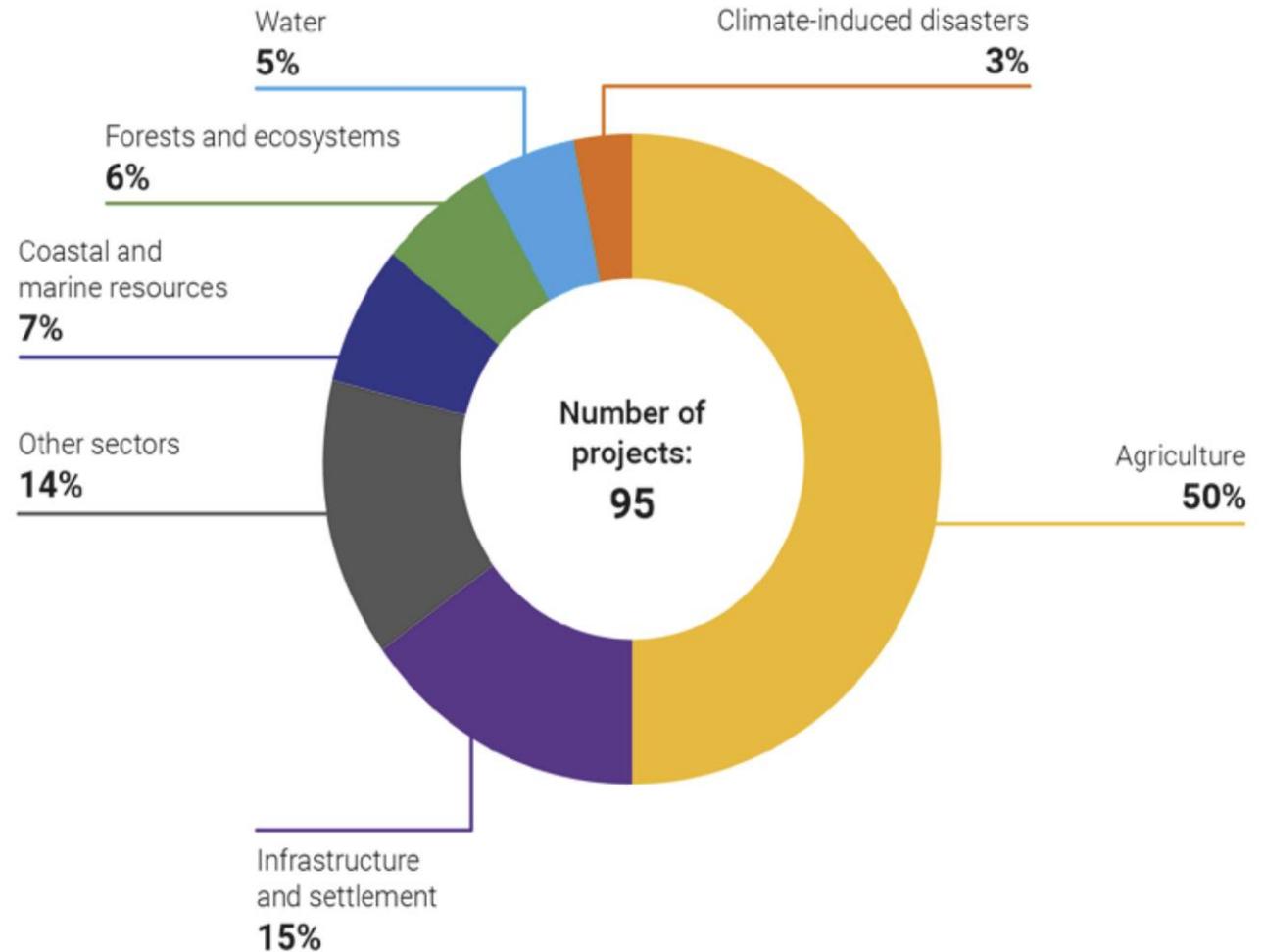


Benefits of early-stage support

- Benefits of **early-stage support** to new instruments and business models well established in the economic development literature:
 - Helps develop and de-risk concepts and ideas
 - ‘Failing faster’ – working through which ideas are *really* valuable
 - Increase the rate at which participating organisations grow
 - Increase the take up of models by others and create demand
 - Credibility and validation
 - Can help raise funds for future development and scaling
 - Identification of wider policy reform and enabling environment from EU and MS
- Wider contribution to adaptation innovation ecosystem, as well as economy and job creation – and spillover effects



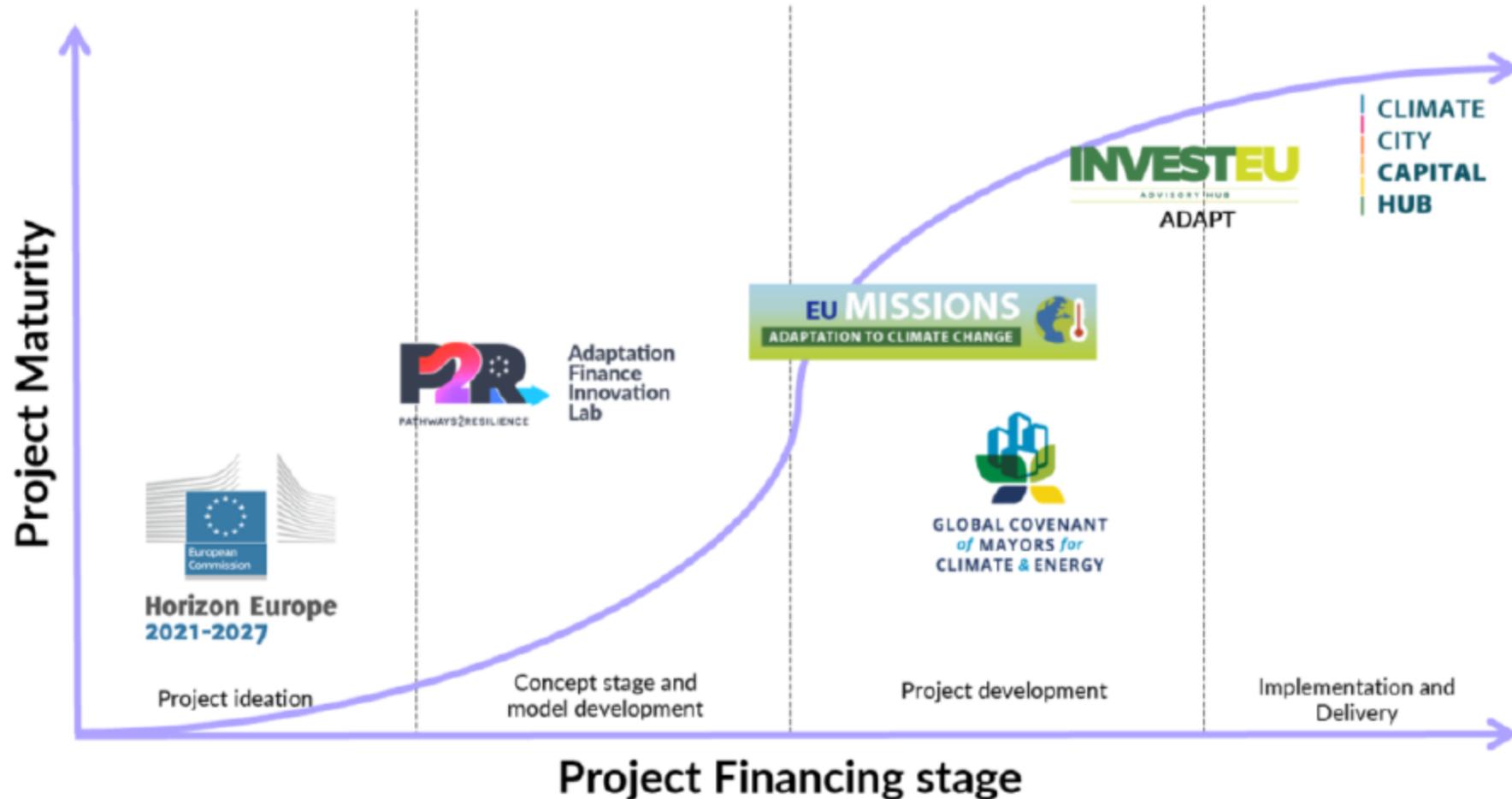
- **Accelerator programmes** to support adaptation are widespread and common in the developing country context
- Tend to cover **business models, financial instruments** rather than individual projects



Source: Watkiss et al in UNEP, 2024



The Lab fills a gap in landscape of finance support for adaptation in Europe



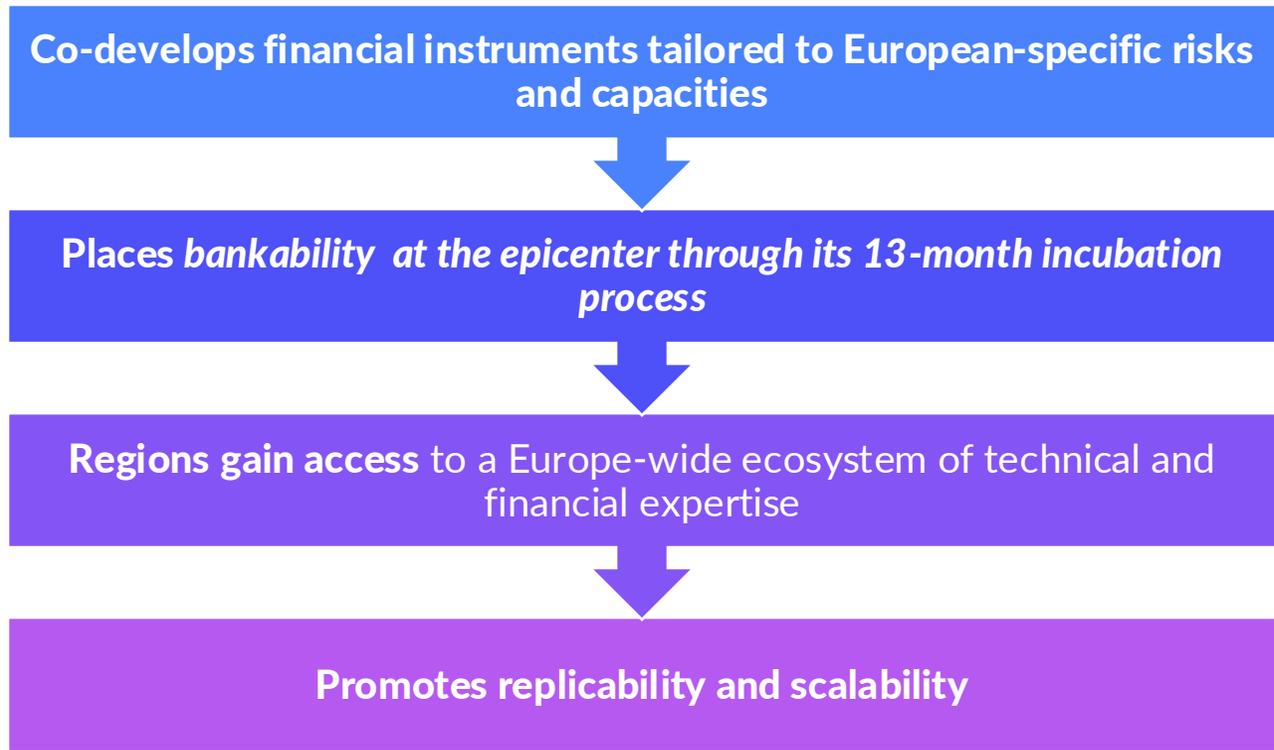


The Lab supporting European Regions

AFIL Relevance

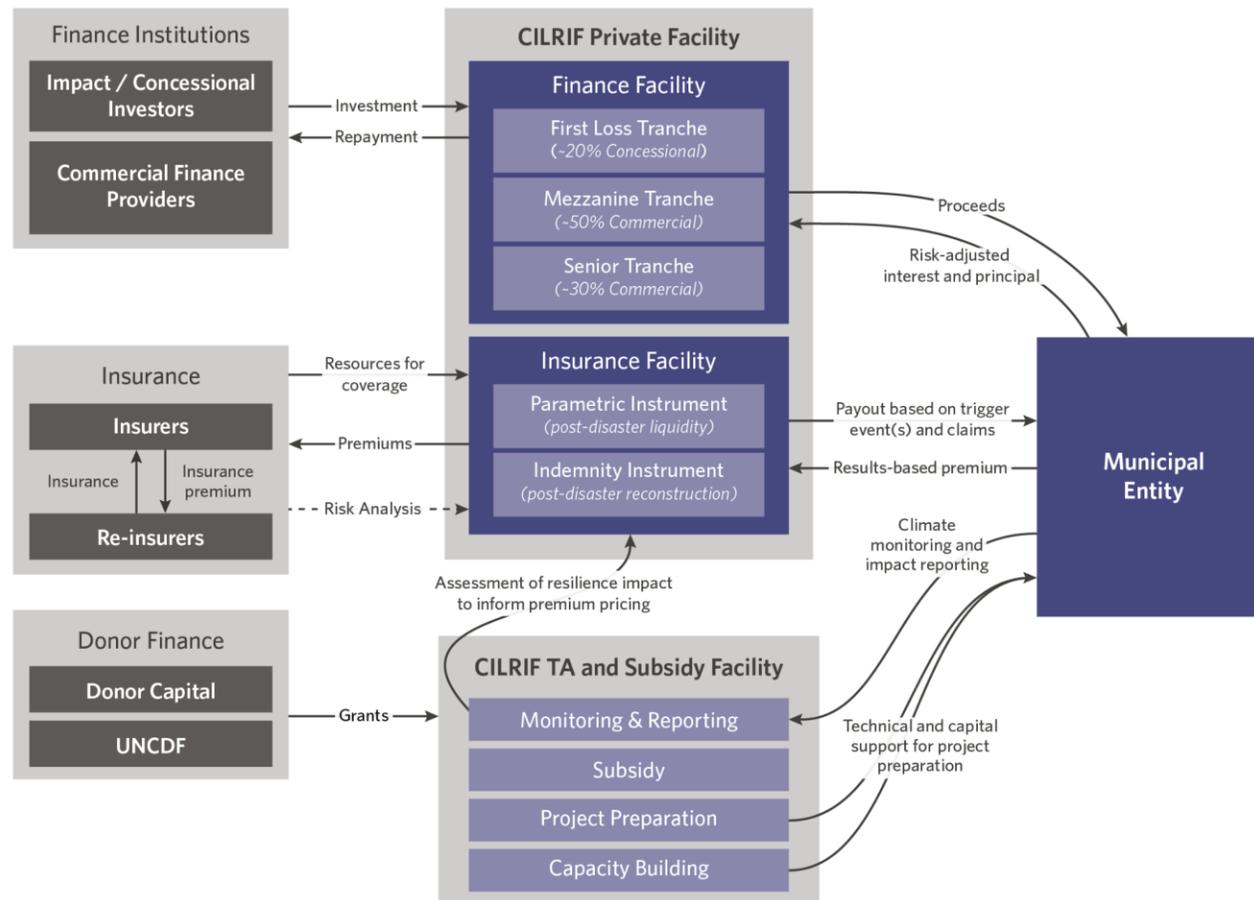
Scaling adaptation finance and diversifying financial mechanisms proves particularly difficult for regions

Missing dedicated financial instruments at the EU context



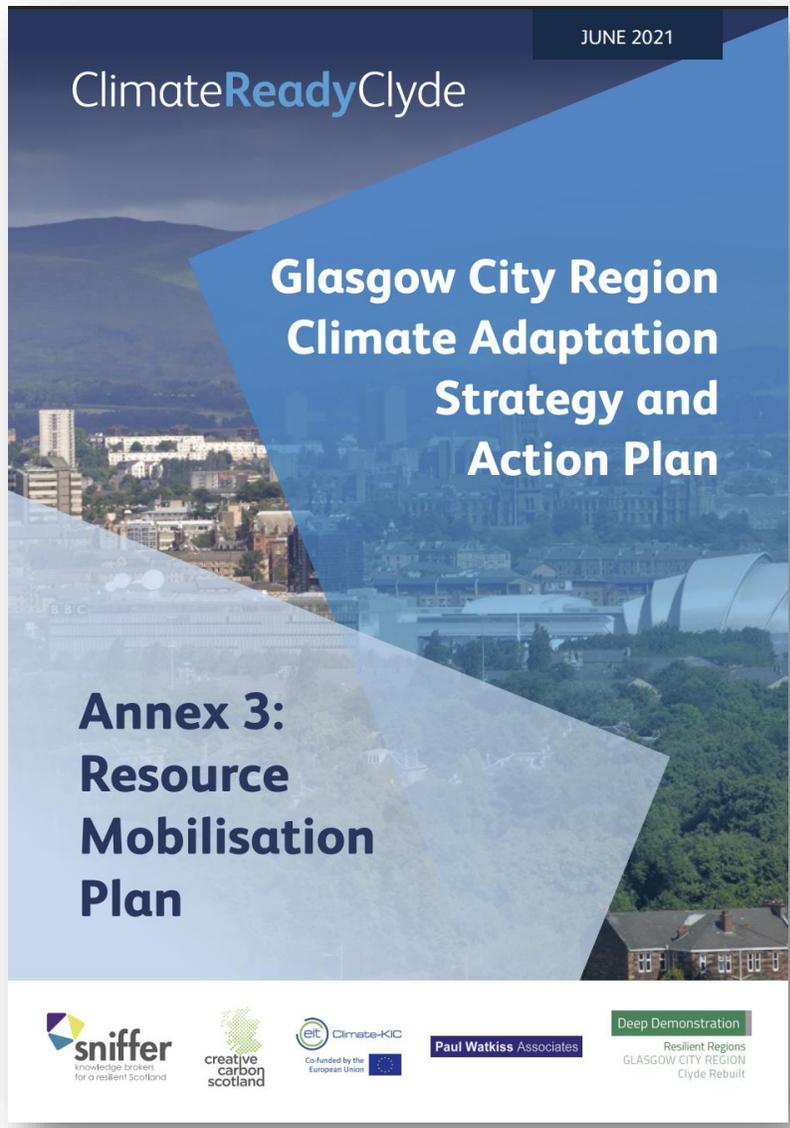


Envisaged outputs - CPI



CLIMATE INSURANCE-LINKED RESILIENT INFRASTRUCTURE FINANCING

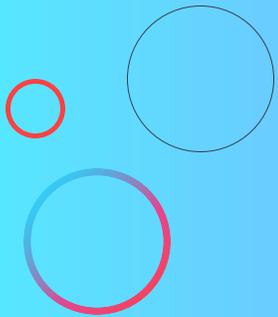
INSTRUMENT ANALYSIS
SEPTEMBER 2022



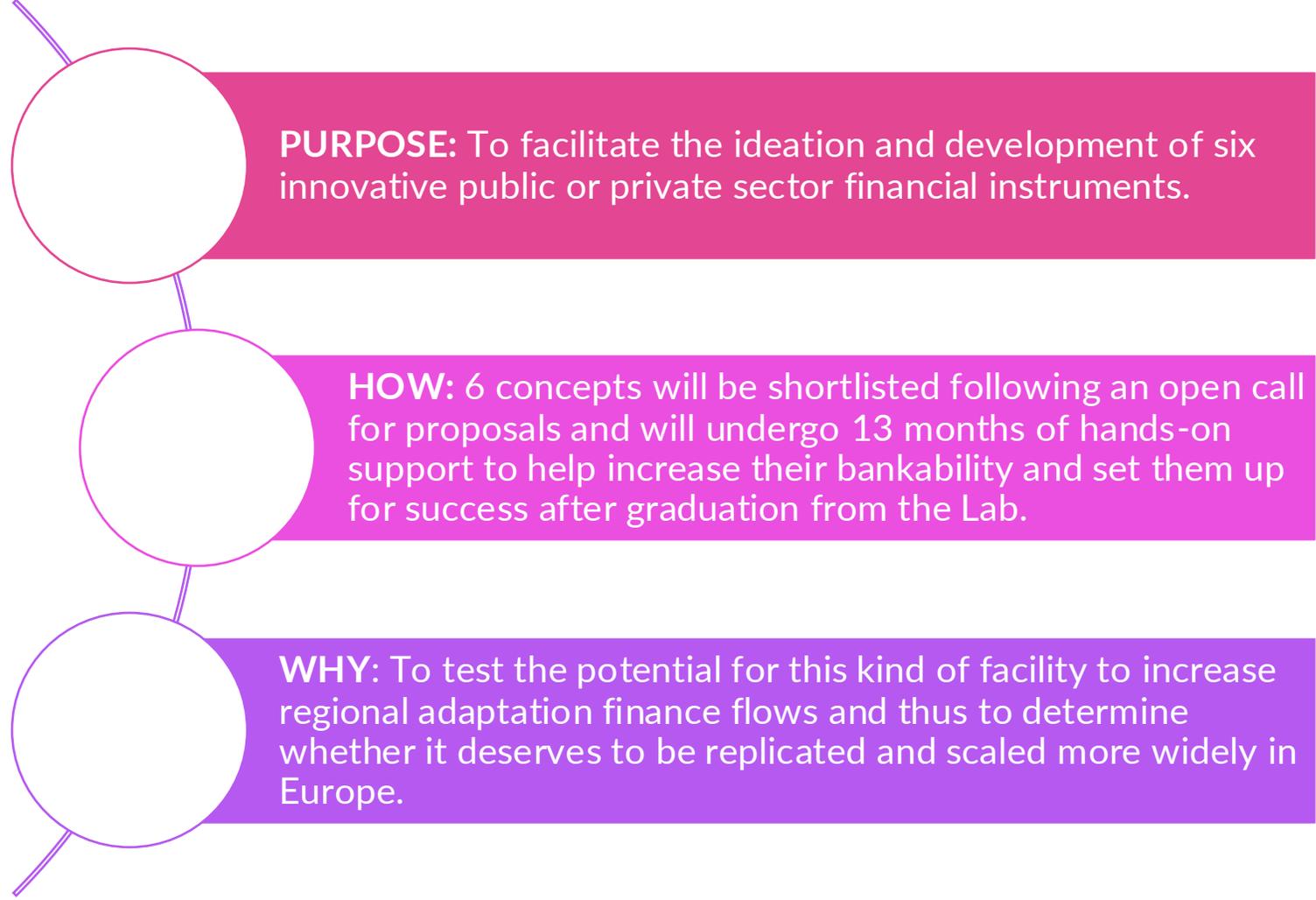
Source: Climate Ready Clyde, 2020

Finance option	6. Revolving fund to transfer climate benefits to adaptation					
Adaptation type	Transformational and Incremental					
Investor type	Public, philanthropy, impact investors					
Links to other Glasgow City Region programmes and policies	Infrastructure based programmes, Built Environment Programmes, Historic Environment Scotland Properties In Care, Glasgow City Region Economic Recovery Plan					
Evaluation matrix	Revenue stream	Portfolio opportunity	Existing example	Scope for innovation	Blended finance	SCORE
	Medium	Low	Low	Medium	Medium	8 Medium
Financing	<p>Provided below in Figure 20 is an indicative long-term revolving fund model for monetising climate change benefits. The revolving fund would be replenished with savings from climate change benefits. These funds could be channelled to a special purpose vehicle to be 'blended' with investments from the private sector thus adding the leverage factor. The finance would be used for a portfolio of adaptation (and possible mitigation) activities that would give a net positive cash flow. An adequate governance structure for the fund is essential to allow proper monitoring and transparent allocation of funds.</p>					
<p>Figure 20. Potential revolving fund structure.</p>						

Intro to the Adaptation Finance Innovation Lab



Purpose and objectives of the AFIL



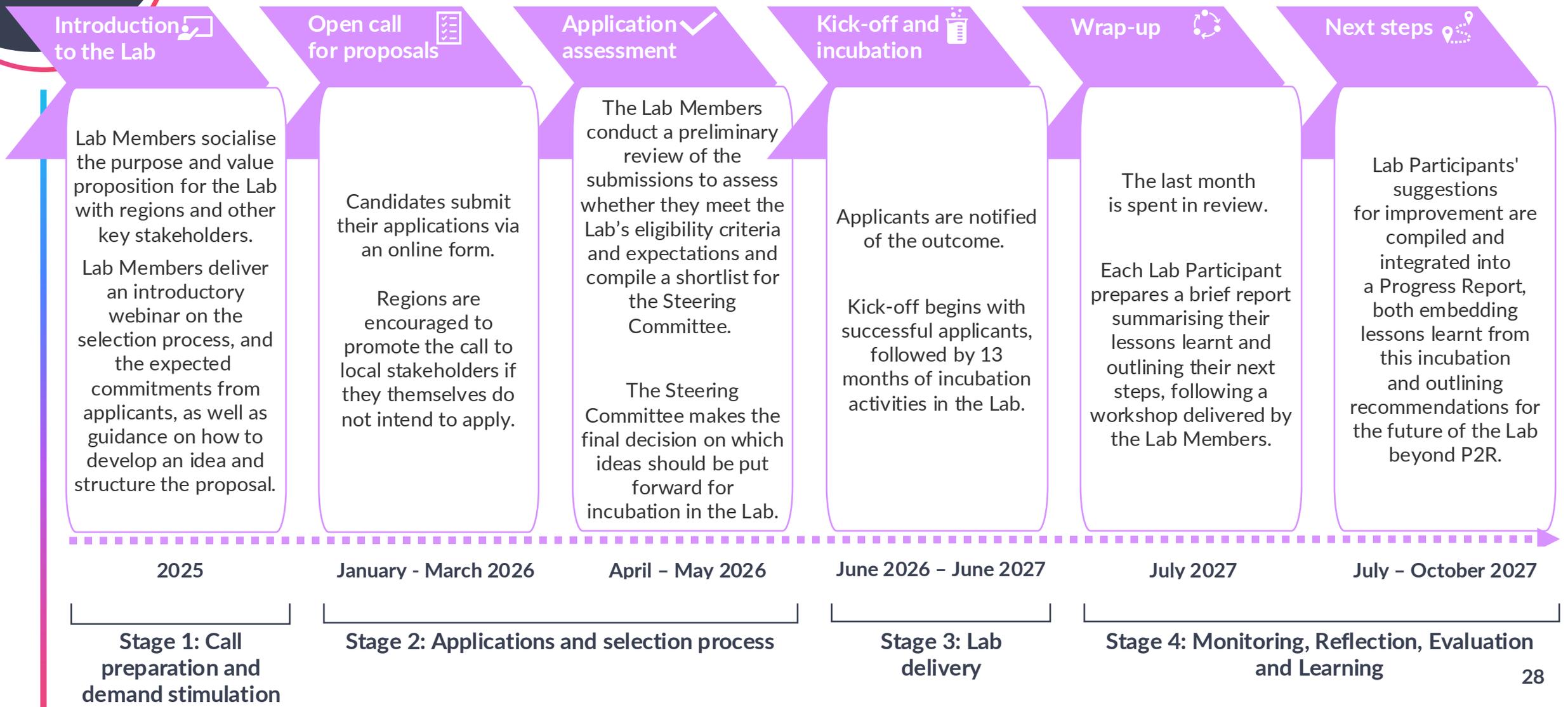
PURPOSE: To facilitate the ideation and development of six innovative public or private sector financial instruments.

HOW: 6 concepts will be shortlisted following an open call for proposals and will undergo 13 months of hands-on support to help increase their bankability and set them up for success after graduation from the Lab.

WHY: To test the potential for this kind of facility to increase regional adaptation finance flows and thus to determine whether it deserves to be replicated and scaled more widely in Europe.



Timelines for the AFIL



Lab Members socialise the purpose and value proposition for the Lab with regions and other key stakeholders.

Lab Members deliver an introductory webinar on the selection process, and the expected commitments from applicants, as well as guidance on how to develop an idea and structure the proposal.

Candidates submit their applications via an online form.

Regions are encouraged to promote the call to local stakeholders if they themselves do not intend to apply.

The Lab Members conduct a preliminary review of the submissions to assess whether they meet the Lab's eligibility criteria and expectations and compile a shortlist for the Steering Committee.

The Steering Committee makes the final decision on which ideas should be put forward for incubation in the Lab.

Applicants are notified of the outcome.

Kick-off begins with successful applicants, followed by 13 months of incubation activities in the Lab.

The last month is spent in review.

Each Lab Participant prepares a brief report summarising their lessons learnt and outlining their next steps, following a workshop delivered by the Lab Members.

Lab Participants' suggestions for improvement are compiled and integrated into a Progress Report, both embedding lessons learnt from this incubation and outlining recommendations for the future of the Lab beyond P2R.

Proposed support to participants



<p>Support with the initial structuring of the financial instrument and refining its design to maximise its bankability</p> 	<p>Appraising available adaptation finance sources and instruments</p> 	<p>Identifying and managing project and finance risks</p> 	<p>Creating a simplified Theory of Change to illustrate the envisaged impact of the concept</p> 
<p>Deep-dive on incremental vs transformative adaptation finance instruments</p> 	<p>Mapping barriers and enabling conditions for implementation in the region where the concept will be piloted</p> 	<p>Quantifying the impact from the concept's implementation</p> 	<p>Identifying the benefits and beneficiaries from the concept's use, and ways to involve them in its design or implementation</p> 
<p>Deep-dive on costings and cashflows</p> 	<p>State of the art mapping and benchmarking</p> 	<p>Conducting a stakeholder mapping of the key players needed to make the launch of the concept a success</p> 	<p>Agreeing plans for future development of the concept beyond the lifetime of the Lab in P2R</p> 



Incubation Activities

Phase & Objectives	Phase 1: Definition and development of idea (June 2026) Develop the initial idea in more detail based on targeted questions related to the deep-dive sessions in Phase 2. Provide a baseline for evaluation of the progress and learning that will be achieved in the Lab.		Phase 2: Understanding the core elements of the adaptation business model (July-September 2026) Equip participants with an understanding of the core elements involved in developing a new financing approach and enable them to begin to undertake those activities.		Phase 3: Defining and documenting the business model in detail and investor engagement (October 2026 – March 2027) Draft or revise the business model based on Phase 2. Improve the bankability of the projects through stakeholder engagement.		Phase 4: Finalising the business model (April 2027 – June 2027) Make final amendments to the business model based on all feedback gathered in Phase 3. Reflect on the whole Lab process and compare the final outcomes to the initial Baseline Reports completed in Phase 1.	
Lab Activities and Format	Phase 1 Bootcamp	Peer-to-peer	Phase 2 Bootcamp	Peer-to-peer	Phase 3 Bootcamp	Peer-to-peer	Phase 4 Bootcamp	Peer-to-peer
	Workshop: True innovation for sustainability & climate resilience		Workshop: From incremental projects to transformative instruments (practical examples)		Mentoring	Pitch Day	Public dissemination webinar	
	Workshop: Introduction to financing adaptation: Common challenges, barriers and solutions		Workshop: Identifying and appraising possible Sources and Instruments		Networking: Regional engagement	Networking: Project beneficiaries		
			Workshop: Stakeholder mapping (power/influence)		Networking: Possible sources	Additional concept-focused engagement		
			Workshop: Quantification of impact	Workshop: Benefits mapping	Workshop: Mapping barriers and enabling conditions		Feedback to P2R regions- e.g. IPGs / Capacity-building webinar	
			Workshop: State of the art mapping	Workshop: Costing and cashflows	Workshop: Approaches to refining and structuring projects to optimise bankability			
Participant Activities	<ul style="list-style-type: none"> Familiarise themselves with the Lab process, its phases and key activities Undertake some initial awareness raising with key stakeholders Complete their baseline reports 		<ul style="list-style-type: none"> Attend the workshops, prepare for them in advance where required, and undertake the activities they focus on 		<ul style="list-style-type: none"> Undertake the activities taught in the Workshops in Phase 2 and Phase 3 		<ul style="list-style-type: none"> Update business model based on feedback received in Phase 2, and develop next steps Share learnings and reflections on the whole Lab process 	
Outputs	<ul style="list-style-type: none"> Baseline Reports from Lab participants 		<ul style="list-style-type: none"> Templates for Lab participants to facilitate their undertaking of the activities taught in the workshops 		<ul style="list-style-type: none"> Business model canvas 		<ul style="list-style-type: none"> Updated and finalised business models, including learnings from the Lab and next steps Lab Progress Report 	



Lab building blocks

Bootcamp: An introductory session at the beginning of each phase, seeking to provide an overview of the learning objectives for that phase, the activities that will take place, and the expectations from participants.

Networking: Curating and facilitating opportunities to meet and interact with key stakeholder groups essential for the successful deployment of the proposed concept.

Mentoring: One-to-one tailored mentorship support sessions to the Lab participants, providing the space and time to deep-dive into the specific challenges of each concept development. Other technical experts may be pulled in to provide their insights and expertise.

Public dissemination webinar: After the Lab participants have had a chance to make final amendments to their concepts based on the feedback received in Phase 3, there will be a public dissemination webinar showcasing the six graduates from the Lab.

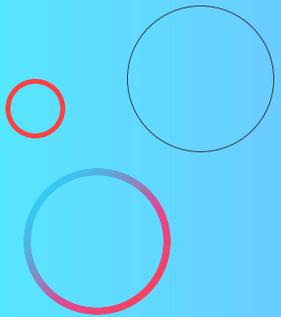
Workshop: Interactive, online training sessions on different technical topics that are fundamental for designing a successful business model.

Peer-to-peer: Curated online sessions where participants can share their reflections on the Lab process to-date, raise questions in a group setting, and provide and receive feedback on their progress between themselves or with the Secretariat.

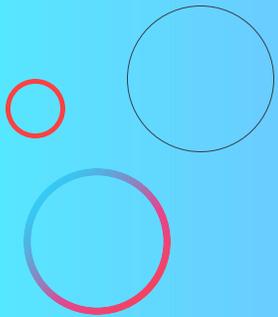
Pitch Day: An opportunity for Lab participants to present their proposed instruments in front of investors, challenge-owners or other relevant stakeholders and get feedback.

Feedback to P2R regions: P2R-specific dissemination activities, either through the IPGs or through focused capacity-building webinars, with a view to evaluate in which additional P2R regions the graduated concepts could also be applicable and beneficial.

Q&A

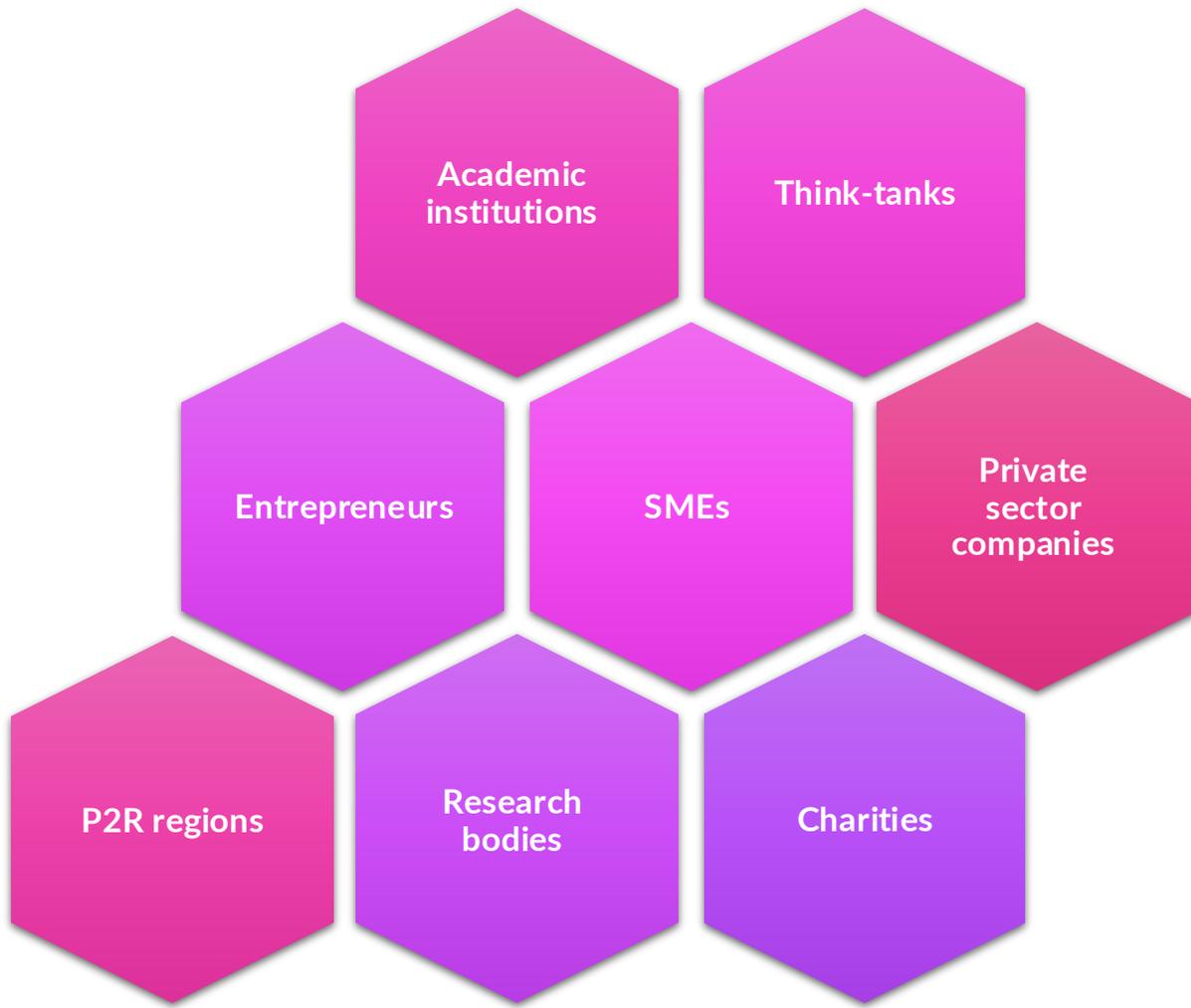


Deep-dive on applications





Who can apply?



Thematic focus



Ecosystems

- Risk to coastal ecosystems from coastal erosion and inundation caused by climate change in combination with other anthropogenic drivers
- Risk to marine ecosystems from climate change in combination with other anthropogenic drivers
- Risks to biodiversity and carbon sinks from increased frequency and intensity of wildfires*



Economy and finance

- Climate risk to the viability of the European solidarity mechanism



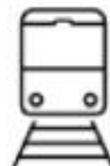
Food

- Risk to crop production in Europe from adverse weather conditions due to climate change*



Health

- Risk to human health from heat stress increased by climate change
- Risk to population and infrastructure from wildfires facilitated by drought and heat*



Infrastructure

- Risk to population, infrastructure and economic activities from inland (pluvial and fluvial) flooding

The eight risks categorised as needing urgent action by the EUCRA.

Note: Risks marked with an asterisk () were evaluated with the high urgency score because of their severity in southern Europe.*

Eligibility criteria

- Each applicant must:
 - Be a registered European entity.
 - Be proposing to work in a P2R region.
- **Projects** themselves are not eligible.
- However, the **business models** and **instruments** which would support them, **are**.
- **Example:** the financing approach to developing a climate resilient school, but **not the project itself (this would be a by-product)**.
- **Bonus points:** Including detail on how the proposed instrument/business model would be piloted through a project in a P2R region (whether such plans already exist or are still in early development stages).





Selection criteria

Innovativeness

- Whether the challenges that the proposed concept seeks to address can be tackled through other existing initiatives for climate adaptation.

Alignment With The Thematic Focus

- The extent to which the proposal addresses the urgent risks highlighted by the EUCRA / the pilot region's specific risks.

Benefit For P2R Region

- The extent to which the proposed concept can benefit P2R subgrantee(s) and their geographies, including the alignment with regions' emerging Climate Resilience Investment Plans.

Scalability

- Proposed or potential impact of the proposal, including the ability to scale, replicability to other geographies/sectors.

Need

- Demonstrated need for the specific support offered by the Lab.

Ability to Participate

- Demonstrated experience and technical capabilities to co-design their proposition in the Lab and to deploy it after, including an ability to commit on average 0.5 FTE to the process.



Application format

BUSINESS MODEL / INSTRUMENT OVERVIEW 1/2 (Free text)



Provide an **overview of the financing idea** you are keen to explore, including any potential sources you intend to target.



What is the current and future potential **geographic scope** of this concept?

P2R endorsement:



- Have you engaged with a P2R region?
- Have you received formal interest in your proposed concept by the P2R region? Are you co-developing the concept?
- Can you identify how your proposed concept relates to the region's P2R deliverables?



Which of the **8 urgent EUCRA risks** will your proposal target? Which **additional climate risks** will this concept address?



Application format

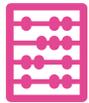
BUSINESS MODEL / INSTRUMENT OVERVIEW 2/2 - Current Development Stage (Multiple choice, single answer)

1. **Basic Idea:** Preliminary research has been done, but instrument structure, target market, and/or implementing partners have not been identified or defined.
2. **Initial development:** Concept has been shown potential to work in practice, yet details on instrument structure and pathway to market are still unclear.
3. **Proof of Concept:** The idea has been developed and tested to the point that it is in theory feasible, with further activity required to make the next commercial steps (pilot, product development, required agreements, etc) happen.
4. **Pilot Instrument:** A pilot has been tested and financial vehicle development is nearly (or fully) complete.
5. **Expansion:** The instrument is active and in scale-up mode, refining model, seeking out additional funding or operational partners.
6. **Scale-up:** The instrument is already active and in scale-up mode, seeking out additional funding or operational partners, and/or replication in new sectors or regions.
7. **Replication:** The instrument has been shown to work and is being replicated in sectors and/or geographies.



Application format

SUPPORT SERVICES THAT WOULD BE MOST VALUABLE TO YOU (Multiple choice)



Quantifying the impact of the proposed concept.



Identifying the beneficiaries of the proposed concept and mapping its benefits to them.



Identifying the key stakeholders needed for the successful implementation of the proposed concept.



Benchmarking the proposed concept against similar ideas / initiatives / instruments.



Identifying the barriers and enabling conditions for the implementation of the proposed concept.



Quantifying costings and cashflows.



Identifying and appraising possible sources and instruments.



Developing approaches which deliver transformational rather than incremental adaptation.



Application format

INSTRUMENT IN DETAIL (Free text)



Define the problem statement. Describe existing barriers that prevent finance from addressing the specific climate risks in the targeted geographies. Argue why a new financial approach is needed.



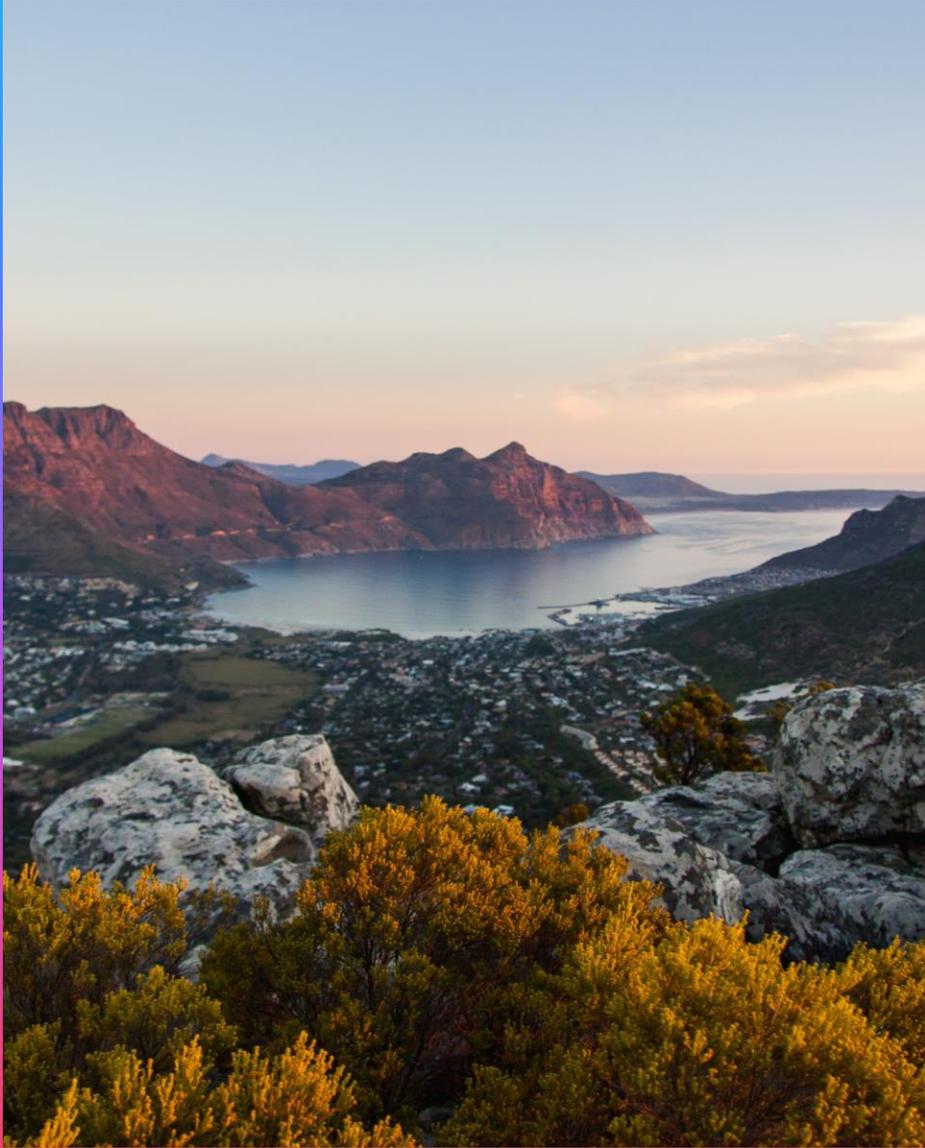
Describe the financial instrument(s) proposed, and how it shall overcome existing barriers and increase climate resilience. Highlight its innovativeness, complementarity and improvement.



Who will be involved in the development and implementation of the proposed financial instrument(s) and what are their roles?



Detail the current stage of development, describing achieved milestones and current work in progress. Also include past support received (e.g.: technical assistance from the EU Adaptation Mission), as well as other external validation (demonstrated interest by investors). Describe how the Lab's support can be relevant for the next steps.



THE ASK FROM REGIONS

💡 Consider whether you would like to apply to this yourself or endorse an entity from your constituency to apply.

🔊 Please promote this to your local stakeholders. Their successful participation in the Lab directly benefits you.

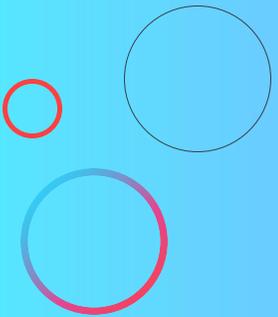


THE ASK FROM OTHER ENTITIES

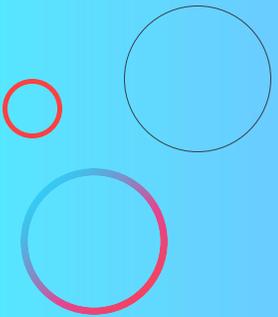
🔍 Have a look at the [Pathways2Resilience Visual Platform](#) to find out which regions are participating in the project, and what their most pressing adaptation risks are.

🗣️ We strongly encourage you to get in touch with your host region to find out their priorities for their Climate Resilience Strategies.

Q&A



Next Steps



Next Steps & Timelines

The open call for proposals
goes live on

**Thursday, 15th
January 2026**



Resources at a glance

- CPI's [Global Innovation Lab for Climate Finance](#)
- Glasgow City Region's [Climate Adaptation Strategy and Action Plan](#)
- P2R's [Visual Platform](#)
- Consult the Lab's page on the [P2R website](#), coming soon
- For further queries and questions, please do not hesitate to reach out to afil_p2r@climate-kic.org





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