



## Integrating Finance into State Resilience Planning and Implementation

### HOW TO USE

- Presented as a cycle to reflect the ongoing nature of resilience planning and investment, and feedback among the steps
- Equity is the first, foundational step
- Progress from one step to the next doesn't necessarily have to happen in the order presented



### PURPOSE

Checklist for state resilience officers or environmental departments to build resilience plans that incorporate financing considerations

Identification of key steps states can consider for funding, financing, and ensuring new investments are climate-aligned

Interested in learning more about the [EU-USCA Climate Risk and Resilience Cooperation program](#) or [Climate Finance Advisors](#), contact us here: [EU-USCA@climate-fa.com](mailto:EU-USCA@climate-fa.com)



## CONSIDER EQUITY AT EVERY STEP OF THE CYCLE

### Integrate equity considerations throughout the cycle.

EXAMPLE

Baltimore's sustainability plan has a [framework to guide equity considerations](#) during its design, planning, decision-making, and implementation phases.

### Conduct robust, regular stakeholder and community consultations.

EXAMPLE

[New Mexico First](#) serves as a forum for public policymakers to engage with stakeholders and local communities through deliberative town halls and forums, prioritizing engagement with rural and tribal communities.

### Ensure decision-making roles for people and communities that should benefit from equity-focused measures and investments.

EXAMPLE

The [DC Green Bank](#) requires that two of its seven voting board members have experience in affordable housing or community development.

### Leverage on-the-ground knowledge of people and communities to identify projects that respond to needs.

EXAMPLE

King County, Washington, developed a Sustainable and Resilient Frontline Communities climate strategy through a community-driven process, with leaders of frontline communities represented on its Climate Equity Community Task Force.



## INTEGRATE FINANCE AND FINANCING MECHANISMS INTO RESILIENCE-PLAN DEVELOPMENT AND MILESTONES

- Where possible, address financing considerations and develop a financing plan, including sources and uses of funds, at an early stage of resilience planning.

### EXAMPLE

Rhode Island developed its adaptation plan for the state's [Resilient Rhody](#) initiative in close cooperation with the Rhode Island Infrastructure Bank.

- Identify priority sectors based on economic or social importance as well as on a vulnerability assessment. Outline which sources of financing are most viable for projects in each sector.

### EXAMPLE

The [Minnesota State Hazard Mitigation Plan](#), which outlines the state's planning effort for hazards, is meant to be used by state and local officials to plan and prioritize resource allocations. The plan outlines particular hazard considerations for different economic sectors with references to sector-specific sources of data.

- Engage expertise of public financial institutions and mechanisms when developing projects and infrastructure interventions.

### EXAMPLE

The [City of Warsaw](#) engaged with the European Investment Bank (EIB) to design a large, framework loan used to co-finance a variety of projects that align with EIB adaptation objectives and the city's climate resilience plan.

### EXAMPLE

Engage stakeholders for frequent input on plan details, and outline how each can help in implementation. Stakeholders include other government departments, public funding sources (e.g. green banks), institutional investors, insurance companies, the banking sector, NGOs, and the general public.



## DEVELOP A TAXONOMY OR CLASSIFICATION FRAMEWORK OF PROJECTS, MEASURES, AND TYPES TAXONOMY OF FIRMS RELEVANT TO THE PLAN

- If applicable, consider adopting or developing a climate resilience taxonomy for state government departments and public financial mechanisms to define and classify resilience investments.

### EXAMPLE

The [EU Taxonomy](#) serves as a common classification system to provide companies, investors, and policymakers with a clear understanding of what economic activities can be considered environmentally sustainable.

- Integrate taxonomies or classification frameworks in state planning and financing.

### EXAMPLE

The [Finance ClimAct](#) is an initiative of the Government of France that integrates the EU taxonomy in regulation and supervision, and includes programs for stakeholder adoption throughout the public sector, financial sector, industry, and households.

- Use a taxonomy to track, measure, & report on solutions implemented.

### EXAMPLE

[BBVA](#), a Spanish bank, plans to use the EU Taxonomy to assess and monitor how its investments and financial products align with the criteria, and to what degree.



## BUILD FINANCIAL INSTITUTIONS AND PROGRAMS THAT ALIGN WITH THE PLAN

### Catalogue existing financing tools to identify those that can be adapted for resilience financing.

#### EXAMPLE

The [Massachusetts Clean Water Trust](#) leverages federal and state revolving funds with its own municipal bonds, backed by borrowers' repayments and reserve funds, to issue low-interest loans for clean and resilient water infrastructure projects covering 97% of state residents.

### Repurpose existing institutions and mechanisms or combine parts of existing ones into a new program or institution.

#### EXAMPLE

Provide a mandate and guidance to existing institutions (e.g. green banks) to incorporate resilience into operations and set targets for resilience investments.

#### EXAMPLE

Bundle resilience offerings with traditional instruments targeting key sectors such as transport, energy, water, etc.

#### EXAMPLE

[Inclusive Prosperity Capital \(IPC\)](#) launched as a spin-off of the Connecticut Green Bank with public and private capital support. Its mission: to increase access to capital for low-to-moderate income communities and nontraditional credits.

### Consider a new institution if repurposing or recombining is not feasible.

#### EXAMPLE

[Portugal's advancement of a state-owned development bank](#) to address market gaps and serve as a National Green Bank.



## IDENTIFY PROJECTS AND PROGRAMS FOR A PIPELINE OF INVESTMENTS

- Engage expertise of public financial institutions and mechanisms in the development of projects and infrastructure interventions.

### EXAMPLE

Rhode Island Infrastructure Bank's [Municipal Resilience Program \(MRP\)](#) provides direct support to cities and towns to identify and develop priority projects and strategies to improve resilience using a community-based approach.

- Encourage financial institutions to use the [Task Force on Climate-related Disclosures \(TCFD\)](#) framework to help identify climate risks and opportunities that require financing to address.

### EXAMPLE

Promote the use of the TCFD recommendations by public financial and other government institutions to incorporate transition and physical considerations and to better consider risks as well as opportunities