Mobilizing Finance for Coastal Adaptation in the Mediterranean

GEF MedProgramme SCCF Project

March 2025

SCCF
Enhancing regional climate change adaptation in the Mediterranean Marine and Coastal Areas

DIRECTOR OF PUBLICATION

Mr. Robin Degron

AUTHOR

Ms. Patricia Puig

CONTRIBUTORS

Vangelis Constantianos, GWP-Med

REPORT COORDINATORS

Report produced under the supervision of Mr. Michaël Karner and Ms. Insa Behrens (Plan Bleu/RAC)

DISCLAIMER

The views expressed in this publication do not necessarily reflect the views of UNEP/MAP, Plan Bleu or contributing organizations.

LEGAL NOTICE

The terms used and the documents presented in this publication in no way represent either Plan Bleu's or UNEP/MAP's opinions regarding the legal situation of any country, territory, city or region whatsoever, nor on their authorities, or their borders delimitation. The analyses and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of Plan Bleu and/or UNEP/MAP.

ACKNOWLEDGEMENTS

Plan Bleu/RAC would like to thank its colleagues and partners GWP-Med and EU-WES Project for the co-organisation of the two events and the fruitful collaboration.

Table of contents

Director of publication 2
Author 2
Contributors 2
Report Coordinators 2
Disclaimer 2
Legal notice 2
Acknowledgements 2
Copyright 2

Table of contents 3

Executive summary 5

1 Introduction and context 7
1.1 Regional Context 7
1.2 Policy and Institutional Framework 7
1.3 Need for Enhanced Adaptation Finance 8
1.4 Report Purpose and Structure 8
1.5 Synergy for regional stakeholders dialogue towards enhancing action 9

2 Webinar summary (October event) 10
2.1 Morning Session: Laying the Foundation 10
2.2 Afternoon Session: Interactive Learning and Practical Applications 11
2.3 Key Outcomes and Next Steps 11

3 Regional roundtable summary (December event) 12
3.1 Objectives and Themes 12
3.2 Key Discussions and Insights 13
3.3 Barriers to Adaptation Finance 14
3.4 Recommendations and Next Steps 14
3.5 Gender Considerations and Participation 15
3.6 Outcomes and Reflections 15

4 Main barriers to adaptation finance 16
4.1 Institutional and Capacity Limitations 16
4.2 Data and Assessment Gaps 16
4.3 Private Sector Engagement 16
4.4 Policy and Governance Challenges 17
4.5 Socio-Economic and Community Engagement Challenges 17

5 Case studies and best practices 18
5.1 Morocco's Water Management Strategy 18
5.2 Stormwater Management in Trikala, Greece 18
5.3 Nature-based Solutions in Montenegro and Morocco 18
5.4 Cost-Benefit Analyses in Montenegro and Morocco 19
5.5 Capacity Building for Nature-based Solutions 19
5.6 Key Lessons from Case Studies 19

6 Recommendations and way forward 20
6.1 Strengthen Institutional Capacity and Governance 20
6.2 Expand Access to Climate Finance 20
6.3 Address Data and Assessment Gaps 20
6.4 Promote Nature-based Solutions (NbS) 21
6.5 Foster Community Engagement and Equity 21

6.6 Align Policies and Streamline Regulations 21
6.7 Way Forward 21
6.8 Blue Economy Linkage 22
7 Conclusion 23
8 References 25
9 Annexes 26
9.1 Annex 1: Agenda of the Webinar and Regional Roundtable 26
9.1.1 Webinar: Mobilizing Finance for Coastal Adaptation in the Mediterranean 26
9.1.2 Regional Roundtable: Private Sector Engagement in Coastal Adaptation Finance 26
9.2 Annex 2: Participant Lists with Gender Disaggregation 27
9.2.1 Webinar: Mobilizing Finance for Coastal Adaptation in the Mediterranean 27
9.2.2 Regional Roundtable: Private Sector Engagement in Coastal Adaptation Finance 27
9.3 Annex 3: Key Recommendations of the SCCF Methodological Guidelines on Preparing a Financial Plan for Climate Change Adaptation in Mediterranean Coastal Areas 29
9.4 Annex 4: Key Recommendations of the EU WES/SCCF Assessment on Private Sector Engagement to Catalyse Financing for Climate Adaptation in the Mediterranean 31
9.4.1 Advancing Climate Adaptation Action 31
9.4.2 Developing an enabling environment and capacity building 32
9.4.3 Attracting Private Financing 32

Executive summary

This report brings together the outcomes of two important events held in 2024, both aimed at addressing the critical challenge of financing coastal adaptation in the Mediterranean: the Webinar on Mobilizing Finance for Coastal Adaptation (October 29) and the Regional Roundtable on Catalysing Financing for Climate Change Adaptation in the Mediterranean: The Role of the Private Sector (December 2-3, Athens and online, hybrid event). These events, organized as part of the GEF UNEP/MAP MedProgramme and supported by the Special Climate Change Fund (SCCF) Project, also in synergy with the EU Water & Environment Support (WES) project, represent a significant step forward in tackling the adaptation financing gap in one of the world's most climate-vulnerable regions.

Throughout these discussions, participants emphasized the urgent need to address the stark imbalance in global climate finance, where adaptation consistently receives a fraction of the funding allocated to mitigation efforts. This issue is particularly pressing in the Mediterranean, a region increasingly threatened by rising sea levels, water scarcity, extreme weather events, increasing land loss, agricultural damage, and the growing prevalence of forest fires. These challenges place coastal communities and ecosystems at significant risk, especially those reliant on tourism, fisheries, and agriculture, which are integral to local economies. Forest fires, in particular, have devastating effects on biodiversity, water catchment areas, and livelihoods, further exacerbating the vulnerability of Mediterranean communities to climate change.

Adapting to climate change requires, among others, integrating climate considerations into national and local strategies and mobilising required investments, including through climate finance, to implement sustainable adaptation practices. To gain an overview of the current capacities of key Moroccan and Montenegrin public and private actors to integrate climate risks into their investment and development strategies, Plan Bleu prepared two rapid assessments of capacities for financing coastal adaptation measures in Montenegro and Morocco as part of the SCCF Project of the GEF UNEP/MAP MedProgramme. This formed a cornerstone for subsequent activities, as did the "Methodological Guidelines on Preparing a Financial Plan for Climate Change Adaptation in Mediterranean Coastal Areas" developed by GWP-Med.

One of the strongest messages from both events was the critical role of the private sector in filling this adaptation finance gap. Based on an 'Assessment on Private Sector Engagement to Catalyse Financing for Climate Adaptation in the Mediterranean', elaborated by the EU WES Team, ARCOWA and GWP-Med within the EU WES Project and the SCCF Project of the GEF UNEP MAP MedProgramme, participants explored innovative mechanisms such as blended

finance, resilience bonds, and public-private partnerships (PPPs) as tools to attract private investments to complement public funding. However, significant barriers remain, including inadequate climate risk data, complex regulatory environments, and limited institutional capacity to develop and implement bankable adaptation projects. By overcoming such barriers, private funding for climate action could be substantively increased. Mediterranean countries should use this momentum to enhance coastal planning and leverage available financing sources, including by the private sector, to accelerate adaptation action.

Key outcomes included a framework of recommendations for building institutional capacity and improving governance structures, advancing climate adaptation action, accessing international climate finance, enhancing regional cooperation as well as engaging the private sector. Among others, the importance of national development banks for engaging private sector was highlighted, substantiated by the case of Caisse des Dépôts et Consignations in Tunisia. Furthermore, a "re-interpretation" of Environment, Social and Governance (ESG) costs for businesses was suggested to consider these as longer-term voluntary investments instead of philanthropy.

Resilience bonds and investments in Nature-based Solutions (NbS) were identified within transformative tools for advancing adaptation measures. Such solutions were supported by compelling case studies from Morocco and Montenegro, which demonstrated how targeted interventions, as those developed within the SCCF Project, can effectively address climate risks while delivering socio-economic benefits. The examples showcased the integration of tools like the Multi-Scale Coastal Risk Index, participatory approaches like Climagine, and innovative methodologies applied in marine protected areas and artisanal fisheries.

The discussions also outlined pathways for implementation, prioritizing sectors such as water management, sustainable tourism, and resilient infrastructure. Notable examples spanned from policy level like Morocco's innovative water management strategy, which integrates desalination and wastewater reuse, to practical applications like Greece's stormwater management solutions in Trikala city supported by the Coca-Cola Foundation, which highlight the potential of public-private collaboration to deliver impactful results. Several more examples of catalysing financing for climate adaptation were shared from Egypt, Greece, Libya, Lebanon, Malta and Tunisia. Pilot projects in Montenegro further underscored the importance of community-driven approaches and Nature-based Solutions in fostering local resilience. Furthermore, insights were provided by international and regional institutions and financiers, including the EU, UN, UfM, GCF, EBRD, EIB, OECD, PRIMA, ADA, DIMFE, etc., regional organisations like IME, Berytech, IDDRI, HELMEPA as well as by private sector partners like Coca-Cola, Crown SA, EYDAP, Almar Water, SYCHEM, Green Wine Federation, PwC, etc.

Looking ahead, these events have provided a clear roadmap for future action, including by providing feedback on the recommendations of the Methodological Guidelines and the Assessment on Private Sector Engagement. Among the key recommendations are the need to strengthen institutional capacity, improve access to high-quality climate data, and foster enabling environments to attract private sector investments. Participants also emphasized the importance of integrating adaptation measures into broader national policies and aligning them with the principles of the blue economy, ensuring that climate resilience efforts contribute to sustainable economic growth and ecosystem preservation.

This report captures the insights and achievements of both events, offering a summary of suggested action points for policymakers, financial institutions, and practitioners, while their background material provides a wealth of information, case studies and recommendations. By addressing the systemic barriers identified and building on the examples of successful adaptation measures and ways of mobilising related financing, stakeholders in the Mediterranean region can lead the way in advancing climate resilience and setting an example for sustainable coastal development globally. As part of the SCCF Project sustainability of related results, next steps have been already designed on the regional multi-stakeholder consultation and on piloting action for climate adaption financing in the Mediterranean coastal area.

1 Introduction and context

The Mediterranean Basin stands at a critical juncture, facing unprecedented challenges from climate change, population growth, pollution, and unsustainable land and sea use patterns. These pressures are particularly acute in coastal regions, which serve as vital economic centers while being uniquely vulnerable to climate impacts. The region is recognized as a climate change hotspot, experiencing intensifying pressures such as sea-level rise, extreme weather events, and increasing water scarcity that disproportionately impact coastal communities.

1.1 REGIONAL CONTEXT

The Mediterranean coastal zones are experiencing multiple concurrent challenges:

- Higher temperatures and reduced rainfall patterns affecting water availability
- Continued sea-level rise threatening coastal infrastructure and communities
- Increasing frequency and severity of extreme weather events
- Growing pressure on coastal ecosystems and biodiversity
- Rapid urbanization and demographic changes in coastal areas

These challenges are particularly evident in areas where climate impacts intersect with economic development pressures and social vulnerabilities, such as Montenegro's Kotor Bay and Morocco's Tangier-Tétouan-Al Hoceima region. The region's heavy reliance on climate-sensitive sectors such as tourism, fisheries, and agriculture makes adaptation not just an environmental imperative but an economic necessity.

1.2 POLICY AND INSTITUTIONAL FRAMEWORK

A number of policy processes related to climate change adaptation financing are on-going at national and Mediterranean level. As most recent, countries were expected to submit their Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) by February 2025. This is an opportunity for coastal managers to make the case for resilient coastal planning in these documents. Furthermore, the outcomes of the UNFCCC COP29 in relation to the definition of the New Collective Quantified Goal (NCQG) as well as the quantification of the Global Goal on

Adaptation (GGA), and more specifically the objectives on reducing climate impacts on ecosystems and accelerating the use of ecosystem-based adaptation and nature-based solutions, including through management, enhancement, restoration and conservation and the protection of terrestrial, inland water, mountain, marine and coastal ecosystem shall guide countries developing adaptation financial plans and mobilizing investments for climate action implementation.

Plan Bleu as one of the Regional Activity Centres of the Mediterranean Action Plan (MAP) of the United Nations Environment Programme (UNEP), working under the Barcelona Convention (UNEP/MAP, 1995), is highly engaged in the revision and implementation of the Mediterranean Strategy for Sustainable Development (MSSD). The MSSD particularly emphasizes the urgent need for climate adaptation in the Mediterranean and calls for sustainable financing mechanisms to transition towards a green and blue economy (UNEP/MAP, 2016). This stresses once again the importance of the GEF MedProgramme, including the activities described in this report, for the MSSD and coming decade (UNEP/MAP, 2016).

1.3 NEED FOR ENHANCED ADAPTATION FINANCE

Financing adaptation measures remains a critical challenge, despite the urgent need to address climate risks in the Mediterranean region. The current landscape of climate finance reveals a significant imbalance, with mitigation efforts receiving the majority of funding while adaptation lags far behind. This disparity poses a particular risk for the Mediterranean's vulnerable coastal communities and infrastructure. Plan Bleu's rapid assessment of coastal adaptation funding capacities in Montenegro and Morocco revealed the need for immediate and targeted action, particularly on the two pilot sites of the SCCF Project in the Bay of Kotor, Montenegro, and in the Tangier-Tétouan-Al Hoceima region, Morocco. Building on this, the 'Methodological Guidelines on Preparing a Financial Plan for Climate Change Adaptation in Mediterranean Coastal Areas', elaborated by GWP-Med within the SCCF Project of the GEF UNEP MAP MedProgramme, aimed to support countries screening, targeting and successfully mobilizing available funding sources for climate action comprising domestic, international, and private sector investment, and provided background to the regional multi-stakeholder consultation on climate financing.

While the private sector holds substantial potential to bridge this adaptation finance gap, its engagement remains limited due to several key barriers. There is often a lack of understanding about the financial implications of climate risks, coupled with the absence of standardized metrics for evaluating returns of adaptation investments. Complex regulatory environments further complicate the landscape, creating obstacles for private sector participation. Additionally, institutional capacity for developing bankable adaptation projects is often insufficient, and reliable data for risk assessment and decision-making is scarce. The 'Assessment on Private Sector Engagement to Catalyse Financing for Climate Adaptation in the Mediterranean', elaborated by the EU WES Team, ARCOWA and GWP-Med within the EU WES Project and the SCCF Project of the GEF UNEP MAP MedProgramme, provided an overview on the subject and assisted in shaping recommendations for enhancing related private action and investments.

Addressing these challenges requires a concerted effort to create enabling environments, including for private sector involvement, while enhancing institutional and investment mobilisation capacities. Without such measures, the region risks falling short in its efforts to build climate resilience.

1.4 REPORT PURPOSE AND STRUCTURE

This report provides a comprehensive synthesis of the outcomes from two pivotal events held in 2024 that launched and advanced a regional multi-stakeholder consultation on identifying and addressing challenges of financing coastal adaptation in the Mediterranean.

The first event, the Webinar on Mobilizing Finance for Coastal Adaptation in the Mediterranean, concentrated on the policy and technical dimensions of adaptation finance, while providing an inception on further delving into private sector participation aspects. It engaged 92 participants from across the Mediterranean region, offering practical tools and methodologies to support effective adaptation planning.

The second event, the Regional Roundtable on Catalysing Financing for Climate Change Adaptation in the Mediterranean Coastal Area: the Role of the Private Sector, (2-3 December 2024, Athens and online), demonstrated significant interest and participation. The event convened 47 speakers and panel members, and attracted 227 registered participants from diverse sectors, including government ministries, private companies, multilateral and bilateral financiers, international and regional institutions, regional organizations, and technical experts. Discussions focused on actionable solutions to mobilize private sector investments, resulting in the development of concrete recommendations for advancing adaptation efforts. The high level of engagement and interest underscored the importance of coastal adaptation finance as a regional priority.

This report consolidates the insights from both events, examining key barriers to adaptation finance, presenting successful case studies, and outlining forward-looking recommendations. It is intended to serve as a resource for policymakers, financial institutions, private sector and practitioners, providing both a record of progress and a strategic guide to enhancing climate resilience in Mediterranean coastal regions, while the background material produced and shared provides a wealth of information, case studies and suggested action points.

1.5 SYNERGY FOR REGIONAL STAKEHOLDERS DIALOGUE TOWARDS ENHANCING ACTION

The regional multi-stakeholder consultation process on climate adaptation financing for the Mediterranean coastal area combining the two events and setting the foundation for follow up actions, was organized under two key frameworks: the GEF UNEP/MAP MedProgramme and the EU Water and Environment Support (WES) Project in the ENI Southern Neighbourhood Regions. These initiatives provided the structural foundation and objectives for the discussions, ensuring a focused approach to addressing critical climate adaptation challenges in the Mediterranean.

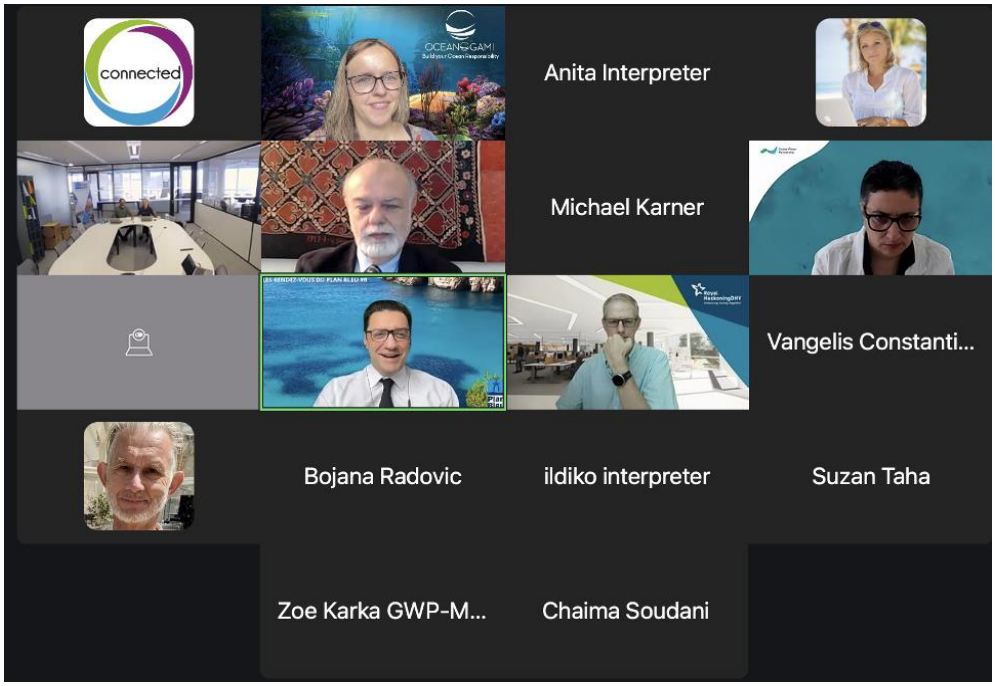
The GEF UNEP/MAP MedProgramme, a $43 million initiative, encompasses eight interconnected projects with over 100 actions at regional and national levels. Its overarching goals are to reduce transboundary environmental stresses in coastal areas, enhance climate resilience and water security, improve the health and livelihoods of coastal populations, and implement priority actions for environmental protection. Within this framework, the Special Climate Change Fund (SCCF) Project plays a pivotal role, targeting the enhancement of climate adaptation in Mediterranean marine and coastal areas. Its key objectives include identifying climate risks, developing strategies to address these risks, facilitating access to climate finance, and scaling up adaptation measures. The Project was implemented by UNEP MAP and was executed by Plan Bleu/RAC, PAP/RAC and GWP-Med. The activities on climate adaptation financing were mostly part of Component 3 managed by GWP-Med and Component 1 managed by Plan Bleu.

The EU Water and Environment Support (WES) Project, funded under the framework of the European Neighbourhood Instrument (ENI South), complements these efforts by focusing on sustainable resource management in the Mediterranean, including improved water efficiency, pollution prevention, and capacity building in partner countries. Together, these frameworks underline a shared commitment to addressing the dual challenges of environmental sustainability and socio-economic resilience in one of the world's most climate-sensitive regions.

2 Webinar summary (October event)

The October 2024 full-day webinar, titled Mobilizing Finance for Coastal Adaptation in the Mediterranean[1], was a key milestone in addressing the financing challenges faced by coastal areas across the region. Bringing together 92 participants from diverse sectors, including government, private sector, financiers, international and regional organizations, and technical experts, the event emphasized inclusivity and collaboration. Gender representation was balanced, with 38% female attendees, 41.3% male attendees, and 20.7% unspecified, underscoring the event's commitment to fostering broad stakeholder engagement.

The webinar aimed to foster institutional support for coastal climate risk assessments in investment decisions, and to strengthen the understanding on climate adaptation financing, including from private sources, towards promoting resilience and sustainable economic growth in the region. More specifically, the Webinar: explored methods to integrate climate risk considerations into climate resilience investment planning; provided tools for conducting cost-benefit analyses (CBA) of climate actions tailored to coastal adaptation; and, elaborated on financing sources and mechanisms, including with private sector engagement, for supporting coastal adaptation priorities.



2.1 MORNING SESSION: LAYING THE FOUNDATION

The morning sessions focused on building a shared understanding of climate risks and opportunities in coastal investments. Robin Degron, Director of Plan Bleu/RAC and Professor Michael Scoullos, Team Leader of the EU Water and Environment Support (WES) Project, opened the event by emphasizing the urgency of addressing climate adaptation in Mediterranean coastal areas. They highlighted the need for integrated financial planning that considers climate risks as a critical component of regional resilience strategies – in line with the Mediterranean Strategy for Sustainable Development (MSSD), which portrays climate adaptation, sustainable finance, and cross-sectoral regional cooperation as key elements for a climate-resilient future in the Mediterranean region.

In the first session, Catherine Jadot provided an in-depth analysis of risks impacting coastal areas, including transition risks, policy and legal challenges, market volatility, and both chronic and acute physical risks. She emphasized that these risks, while daunting, present opportunities for adaptation and innovation. Complementing this, the EU WES Project discussed the potential of the private sector to play a transformative role in financing adaptation initiatives.

[1] The recording of the webinar can be accessed here: https://www.youtube.com/watch?v=OlhtR3duCIE

The next session introduced the draft Methodological Guidelines on Preparing a Financial Plan for Climate Change Adaptation in Mediterranean Coastal Areas, elaborated by GWP-Med within the SCCF Project. Sarra Touzi (GWP-Med) presented the guidelines emphasizing the role of structured planning in attracting funding from diverse sources. Ger Bergkamp (EU WES and ARCOWA) expanded on innovative financing tools such as resilience bonds and blended finance models, showcasing how these mechanisms can mitigate risk and attract private sector investments, also summarizing the recommendations of the 'Assessment on Private Sector Engagement to Catalyse Financing for Climate Adaptation in the Mediterranean'.

2.2 AFTERNOON SESSION: INTERACTIVE LEARNING AND PRACTICAL APPLICATIONS

The afternoon session transitioned to a more hands-on approach, using real-world case studies and interactive activities to engage participants. Anil Markandya and Christina Ojeda from Metroeconomica presented cost-benefit analyses conducted at pilot sites in Montenegro and Morocco[2]. These examples demonstrated the importance of evidence-based planning in prioritizing adaptation measures while balancing economic feasibility with environmental and social outcomes. Ivan Sekovski of PAP/RAC moderated the session, facilitating discussions and ensuring active engagement from participants.

Participants engaged in discussions and practical exercises aimed at identifying region-specific climate risks and opportunities. These activities allowed stakeholders to apply methodologies introduced earlier in the workshop, fostering a practical understanding of financial planning for climate adaptation.

The final session of the day focused on engaging the private sector. Facilitators guided discussions on addressing barriers to private sector participation, such as regulatory complexities, perceived risks, and insufficient climate risk data. Panellists from regional institutions and financiers, like UfM, GCF, EBRD, PRIMA, CDC-Tunisia, DIMFE and private sector partners like Coca-Cola Europe, Crown Holdings, ALMAR, and DHV, hared insights and strategies for overcoming these challenges. Through collaborative dialogue, participants explored solutions, including policy incentives, streamlined regulations, and enhanced risk-sharing mechanisms.

2.3 KEY OUTCOMES AND NEXT STEPS

The webinar successfully provided participants with tools, knowledge, and collaborative networking necessary to advance coastal adaptation finance. By the end of the event, participants had gained a stronger understanding of how to integrate climate risks into financial decision-making processes. They also identified critical barriers for private sector engagement, including fragmented governance, insufficient guarantees, lack of capacity, etc.

Recommendations emerging from the webinar included enhancing capacity-building programs, creating enabling environments for private sector investments, and promoting regional cooperation. The event concluded with a clear pathway forward, laying the groundwork for the December Regional Roundtable, where these insights would inform broader discussions on scaling adaptation efforts and mobilizing additional resources.

[2] To learn more about cost-benefit analyses and multi-criteria analysis, consult this Plan Bleu's publication here.

3 Regional roundtable summary (December event)

The Regional Roundtable on Catalysing Financing for Climate Change Adaptation in the Mediterranean Coastal Area: the Role of the Private Sector was held in Athens, Greece, and online, from December 2-3, 2024, as part of the GEF UNEP/MAP MedProgramme Special Climate Change Fund (SCCF) Project and in collaboration with the EU WES Project. The event was conducted in a hybrid format, attracting high interest with 227 registered participants, 47 speakers and panel members, and strong engagement from stakeholders. The roundtable brought together a diverse and international audience, including representatives from UNEP Nairobi, government ministries, international and regional institutions and organizations, financiers, private sector actors, and technical experts. Participants included government representatives from Austria, Greece, Libya, Malta, Montenegro, Morocco, and Tunisia.

Discussions focussed on actionable solutions for mobilizing private sector investments in coastal adaptation, addressing barriers such as regulatory complexities, risk perceptions, and insufficient climate risk data.

The event's hybrid nature allowed for the inclusion of both in-person and virtual participants, enhancing accessibility and enabling the exchange of ideas among a broader audience. This inclusive approach reinforced the event's significance as a regional milestone in advancing coastal adaptation finance strategies.

The roundtable marked a key moment in advancing adaptation finance by providing a platform for collaboration, knowledge sharing, and action-oriented discussions. It focused on addressing barriers to adaptation finance, identifying innovative mechanisms, and fostering partnerships to scale up coastal resilience measures.

3.1 OBJECTIVES AND THEMES

The roundtable aimed to elaborate on challenges and opportunities, roles and responsibilities as well as financing mechanisms and tools for engaging the private sector for climate change adaptation in the Mediterranean, with an emphasis on the coastal area in a Source to Sea approach.

Discussions were framed as follows:

- Defining priorities for climate adaptation in the Mediterranean coastal area: Elaborating on coastal adaptation solutions inspired by the coastal adaptation planning action within the SCCF Project in Montenegro and Morocco, and the climate risks and opportunities for investors through cost-benefit analyses for solutions prioritisation.
- Financial planning for climate adaptation to meet identified priorities: Elaborating on how financial plans for climate adaptation, including with emphasis in the coastal area, will be effectively prepared to reflect priorities for action and mobilise the necessary financial resources, summarizing the recommendations of the SCCF Methodological Guidelines and sharing feedback on these related experiences by countries and international institutions.
- Private sector engagement for climate adaptation financing in the coastal area: Providing background on the subject, summarizing the recommendations of the related EU WES/SCCF Assessment and sharing feedback on these while facilitating exchange of views among international and regional institutions and organisations as well as private sector partners, including highlighting experiences from application of solutions in the fields of Water, Environment, Manufacturing, Agriculture as well as Finance.

Among these, several themes were addressed including:

1) Water Management: Addressing challenges such as water scarcity and flood risks by implementing efficient solutions like desalination, wastewater reuse, and rainwater harvesting.
2) Resilient Infrastructure: Exploring climate-resilient building practices and coastal protection systems to safeguard vulnerable regions.
3) Sustainable Tourism and Agriculture: Supporting key economic sectors through adaptation measures aligned with ecosystem preservation.
4) Innovative Financing: Introducing tools such as resilience bonds, debt-for-climate swaps, and blended finance to attract private investment.

Such thematic areas were interlinked with the MedProgramme's broader goals of reducing environmental stresses, enhancing water security, and improving the livelihoods of coastal populations.

3.2 KEY DISCUSSIONS AND INSIGHTS

The two-day roundtable featured presentations, panel discussions, and interactive exchanges among onsite and online participants to explore opportunities and challenges in financing coastal adaptation in the Mediterranean. The event highlighted findings from pilot sites, innovative financing mechanisms, and governance solutions, culminating in actionable recommendations for scaling up climate adaptation efforts.

Discussions of Day 1 addressed a range of issues including:

- Priorities of Morocco and Montenegro related to climate adaptation in the coastal area, and types of investments mobilised to tackle these, including zooming in Tangiers-Tetouan-Al Hoceima Region in Morocco and innovative mechanisms like the Ekofund in Montenegro.
- Key obstacles to effective financial planning for climate adaptation at country level and widely in the Mediterranean, proving applied examples on how and how these can be overcome.
- Key findings and recommendations for action through the work of international institutions, including UNEP Finance Initiative related to tools utilised and partnerships developed, OECD related to the agreements at COP29 and new partnerships as well as regional organisations like IME, Berytech, HELMEPA and the Institute for Sustainable Development and International Relations (IDDRI) related to stakeholders capacities and the gaps faced in engaging with the private sector.
- Ongoing and emerging policy and finance frameworks, including through UfM, GCF, EU, EBRD, EIB, PRIMA, UNFCDF, Caisse des Dépôts et Consignations- Tunisia, Austrian Development Cooperation, Energy & Water Agency of Malta.
- Experiences developed by private partners like the Athens Water & Wastewater Company (EYDAP), Almar Water, SYCHEM Water and Energy Technologies, Crown Holdings, Greek Wine Federation, and PricewaterhouseCoopers.

Within these, selected highlights that also related to field work of the SCCF Project included:

Insights from Pilot Sites in Montenegro and Morocco

Participants began with an in-depth review of gender-sensitive climate risk assessments conducted at pilot sites in Montenegro (Boka Kotorska Bay)[3] and Morocco (Tangier-Tétouan-Al Hoceima)[4]. The assessments on these two pilot sites utilized tools such as the Multi-Scale Coastal Risk Index or the Climagine process[5] to identify key vulnerabilities, including urban density, exposure to extreme weather, and ecosystem degradation.

The session emphasized how integrating climate risk data into financial and strategic planning can direct investments toward more effective solutions. For example:

- Morocco presented its large-scale desalination and wastewater reuse projects funded through public-private partnerships (PPPs), demonstrating how these initiatives address water scarcity while fostering economic growth.
- In Greece, a case study from Trikala showcased how stormwater management systems, supported by collaborative efforts between municipal authorities and private sector actors, mitigated urban flooding risks.

Innovative mechanisms for mobilising financing for environmental and climate-related objectives, such as the Montenegrin Environmental Protection Fund (EkoFund) have been presented, acting as an implementing unit between the government and funding institutions.

Speakers also discussed the role of digital tools and predictive analytics in refining vulnerability assessments and optimizing resource allocation for adaptation measures. The SCCF Project Manager in UNEP HQ highlighted MedProgramme's contributions to advancing such methodologies in alignment with international frameworks.

Innovative Financing and Nature-based Solutions

Participants explored cutting-edge tools like resilience bonds, debt-for-climate swaps, and blended finance models to mobilize private sector investments. These tools were recognized for their potential to de-risk adaptation projects while providing financial returns. Pioneering examples, such as Berytech[6], an ecosystem for entrepreneurs, providing

[3] The "Gender-sensitive climate risk assessments for Boka Kotorska Bay", can be retrieved here.
[4] The "Gender-sensitive climate risk assessments for the Tangier-Tétouan-Al Hoceima region in Morocco", can be retrieved here.
[5] To learn more about the Climagine approach consult Plan Bleu's website here.
[6] To find out more on Berytech's tools to foster sustainable innovation consult their website here.

a dynamic environment for the creation and development of startups and SMEs, fostering innovation, technology and entrepreneurship in Lebanon, have been showcased.

Specific case studies on NbS illustrated the tangible benefits of restoring wetlands, seagrass meadows, and other coastal ecosystems. Examples included:

- The role of wetland restoration in buffering storm surges and enhancing biodiversity in Montenegro's coastal zones.
- Afforestation and reforestation initiatives aimed at protecting water sources and promoting erosion control in Montenegro and Morocco.

However, challenges were noted, such as the complexity of securing clear ownership and the limited short-term financial returns of NbS projects. These barriers underscore the need for enabling policies and innovative incentive structures.

Governance and Policy as Enablers

Governance emerged as a critical factor in unlocking adaptation finance. Discussions underscored the importance of:

- Streamlining permitting processes to accelerate project implementation.
- Strengthening institutional capacity to develop bankable adaptation proposals that meet the rigorous requirements of international funds like the Green Climate Fund (GCF), EIB and EBRD.
- Engaging communities in project design and implementation to ensure equitable distribution of benefits and local buy-in.

Overall, the roundtable provided a platform for Mediterranean stakeholders to share best practices, address systemic barriers, and advance the collective agenda for coastal adaptation finance. With diverse representation from countries and institutions, the discussions reinforced the value of regional cooperation and the need for sustained momentum in tackling the region's pressing climate challenges.

3.3 BARRIERS TO ADAPTATION FINANCE

Several barriers to scaling up coastal adaptation finance were identified:

- Data Gaps: Limited availability of high-resolution climate risk data hampers project planning and prioritization.
- Institutional Challenges: Weak governance structures and fragmented coordination reduce the effectiveness of adaptation efforts.
- Private Sector Reluctance: Investors remain hesitant due to perceived risks, unclear financial returns, and a lack of de-risking instruments.
- Policy and Regulatory Bottlenecks: Lengthy approval processes and inconsistent policies create additional hurdles.

3.4 RECOMMENDATIONS AND NEXT STEPS

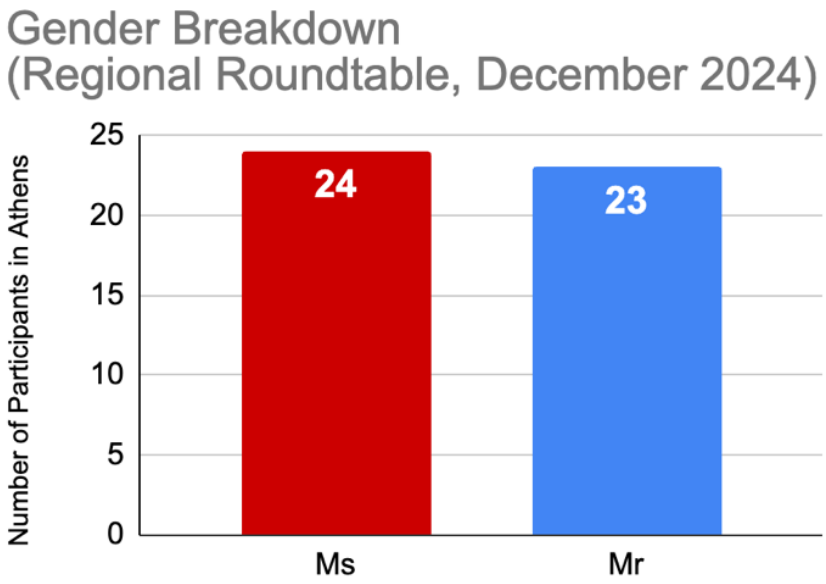
The roundtable culminated in actionable recommendations to overcome these barriers, including:

1) Expand Climate Finance Mechanisms: Use blended finance, resilience bonds, and tax incentives to attract private investments.
2) Strengthen Institutional Capacity: Provide training to local governments and stakeholders on developing bankable adaptation projects.
3) Integrate NbS into Policy Frameworks: Scale up Nature-based Solutions, supported by funding and clear ownership structures.
4) Enhance Climate Risk Data: Invest in data collection and early warning systems to inform decision-making.
5) Align Policies with Adaptation Goals: Streamline regulations and integrate climate adaptation into national and regional development strategies.

Importantly, the roundtable enriched and confirmed through stakeholders inputs the recommendations suggested by the SCCF Methodological Guidelines and the EU WES/SCCF Assessment on Private Sector Engagement.

3.5 GENDER CONSIDERATIONS AND PARTICIPATION

Gender-sensitive approaches were integrated into the discussions, emphasizing the disproportionate impacts of climate risks on women and the importance of inclusive adaptation strategies. For example, rural women were identified as key stakeholders in water management and seed preservation efforts, yet they often face heightened vulnerabilities during extreme weather events.



Participation Breakdown

- Total Participants (onsite): 47
- Female Participants: 24 (51.1%)
- Male Participants: 23 (48.9%)

The gender balance reflected progress toward inclusivity, though greater efforts are needed to ensure women's representation, particularly in leadership and decision-making roles.

3.6 OUTCOMES AND REFLECTIONS

The roundtable concluded with a strong call to action for stakeholders to apply the insights, inspiration, and networks gained from the two preceding events, to implement the recommendations of the SCCF Methodological Guidelines and the EU WES/SCCF Assessment on Private Sector Engagement, and foster regional collaboration - including within the framework of the Mediterranean Strategy for Sustainable Development (MSSD).

Key takeaways included the need for scalable adaptation projects, improved access to climate finance, and strengthened governance structures. These results strongly support the ongoing revision of the MSSD, in which Plan Bleu plays a central role. Among the potential synergies are the development of Mediterranean-specific investment guidelines—similar to a green taxonomy—and a reinforced emphasis on accelerating climate adaptation across the region.

By addressing systemic barriers and leveraging innovative solutions, the Mediterranean region has the potential to become a global leader in climate resilience. This event highlighted the critical role of public-private partnerships and community-driven initiatives in achieving sustainable outcomes for coastal adaptation.

4 Main barriers to adaptation finance

The webinar and roundtable discussions highlighted several critical barriers impeding progress in financing coastal adaptation across the Mediterranean. These challenges underscore the need for coordinated efforts to overcome institutional, technical, and financial obstacles while addressing data and governance limitations.

4.1 INSTITUTIONAL AND CAPACITY LIMITATIONS

One of the most significant barriers identified was the limited institutional capacity to design and implement bankable adaptation projects. Many countries, particularly those in the Southern and Eastern Mediterranean, lack the technical expertise required to navigate complex funding mechanisms such as the Green Climate Fund (GCF). Additionally, while the GCF or Adaptation Fund provide critical resources, preparing high-quality proposals that meet their rigorous requirements can take several years due to the extensive planning, technical assessments, and stakeholder engagement involved.

Governments and institutions often struggle to allocate the necessary time and resources for long-term support throughout the proposal development process. This is sometimes made even more challenging by occurring political instabilities and changing ministries. The lack of sustained capacity hampers their ability to successfully access and utilize these funds. As such, building institutional expertise and fostering collaboration with experienced entities is essential to streamline the proposal pipeline and ensure sustained engagement with funding bodies.

Further complicating matters is the fragmented coordination between national, regional, and local entities. Disjointed governance structures result in inefficiencies, misaligned priorities, and missed opportunities for integrated coastal adaptation strategies. This fragmentation limits the ability to align national adaptation plans (NAPs) with regional goals and international funding mechanisms.

Additionally, the lack of targeted training and capacity-building programs exacerbates these challenges. Without adequate resources and expertise, many institutions struggle to effectively engage with stakeholders or develop the partnerships necessary to scale up adaptation efforts.

4.2 DATA AND ASSESSMENT GAPS

The absence of reliable, high-resolution climate risk data is another significant barrier to adaptation finance. Many countries lack the infrastructure and resources to collect and analyze climate data at the local and regional levels. This gap hinders the ability to conduct comprehensive vulnerability assessments, which are essential for prioritizing investments and justifying funding requests.

For example, at the SCCF pilot site of Montenegro, the Multi-Scale Coastal Risk Index[7] revealed the importance of dynamic, localized assessments to identify key vulnerabilities. However, participants acknowledged that such methodologies remain underutilized across the region due to resource constraints.

The lack of granular data also impacts the development of cost-benefit analyses (CBA), a critical tool for demonstrating the economic viability of adaptation projects. Without robust data, decision-makers face challenges in quantifying the economic, social, and environmental impacts of climate risks, further complicating the process of securing financing.

4.3 PRIVATE SECTOR ENGAGEMENT

The private sector remains an underutilized resource in adaptation finance. Discussions during both events emphasized the perceived risks and unclear financial returns associated with adaptation projects, which discourage private sector investment. Unlike mitigation efforts, adaptation measures frequently lack direct and measurable financial benefits. To address these barriers, recommendations include linking adaptation projects with mitigation initiatives to enhance co-benefits, as well as leveraging innovative financing tools such as blended finance models and resilience bonds to de-risk investments (see Section 6.2). Moreover, integrating adaptation into broader policy frameworks, including water management and tourism strategies, can demonstrate long-term value and attract private capital (see Section 6.6).

[7] The report on the "Application of the multi-scale coastal risk index-local scale to Kotor Bay, Montenegro", can be retrieved here.

With profit generation playing a pivotal role in the private sector, the business case for climate adaptation needs to be reframed to attract private partners. Several speakers at the two events highlighted the growing opportunities that arise from engaging in climate adaptation, such as reaching new customer segments, and redefining and securing their market position. Two leading examples were:

- Crown Holdings invested in climate adaptation measures such as wastewater treatment plants after an internal assessment of the production sites revealed that many of its sites are located in areas under increasing water stress. This served to secure and de-risk production and supply chains by increasing the company's independence and preventing future conflicts of use. Additionally, regulatory factors such as the EU Corporate Sustainability Reporting Directive (CSRD), with its double materiality requirements further drove the measures taken.
- The shipping industry was represented by HELMEPA, among others, which drew attention to the vulnerability of ports. These were often built in times when extreme weather events did not yet occur with such frequency and intensity. The increasing weather extremes, combined with rising sea levels, are putting many Mediterranean ports under considerable pressure and underline the need for climate adaptation to secure their business activities.

The absence of de-risking mechanisms such as guarantees or resilience bonds further deters private sector participation. Investors require clearer frameworks to evaluate the potential returns of adaptation investments and to mitigate uncertainties. The fragmented regulatory landscape, coupled with lengthy permitting processes, adds another layer of complexity, making it difficult for businesses to engage meaningfully.

4.4 POLICY AND GOVERNANCE CHALLENGES

Weak or inconsistent policy frameworks were repeatedly cited as barriers to adaptation finance. In many countries, the absence of streamlined regulations delays the approval and implementation of critical projects, such as desalination plants, wastewater reuse systems, and Nature-based Solutions (NbS).

Additionally, adaptation measures are often treated as separate from broader socio-economic development plans, limiting their integration into national strategies. For example, while national adaptation plans (NAPs) exist in many Mediterranean countries, their implementation remains slow and fragmented, particularly at the local level.

Participants also highlighted the insufficient alignment of policies across sectors, which creates silos and reduces the efficiency of adaptation efforts. For example, water management strategies often fail to incorporate climate risks into broader agricultural or tourism policies, missing opportunities for integrated solutions.

4.5 SOCIO-ECONOMIC AND COMMUNITY ENGAGEMENT CHALLENGES

Adaptation measures must also address social and economic barriers to ensure inclusivity and equity. Local communities, particularly vulnerable groups such as women and rural populations, are often excluded from decision-making processes. This exclusion can lead to ineffective or inequitable solutions that fail to address the needs of those most affected by climate risks.

For instance, discussions during the roundtable highlighted the disproportionate impact of climate risks on rural women, who often bear the brunt of water scarcity and food insecurity. Despite their critical roles in resource management, these groups are frequently overlooked in adaptation planning.

Public awareness of the economic and social benefits of adaptation is also limited. Without greater efforts to engage communities and stakeholders, resistance to adaptation projects may arise, further complicating their implementation.

5 Case studies and best practices

The webinar and regional roundtable discussions provided an in-depth exploration of successful initiatives and innovative approaches to advancing coastal adaptation finance in the Mediterranean. The following case studies, constituting only a sample of experiences shared by stakeholders representing different sectors and constituencies, illustrate how practical, collaborative, and locally tailored solutions can address pressing climate risks while supporting sustainable development in coastal areas.

5.1 MOROCCO'S WATER MANAGEMENT STRATEGY

Morocco's strategy to address water scarcity exemplifies a comprehensive and forward-thinking approach to climate adaptation. The country faces severe water challenges, compounded by prolonged droughts, population growth, and increased demand from agriculture and tourism. Climate change has further exacerbated these pressures, making water security a critical priority.

The Moroccan strategy includes promoting seawater desalination and reuse of treated wastewater, coupled with renewable energy, to achieve a mobilized volume of 500 million m^3 per year by 2030. Additionally, the country is working to improve irrigation efficiency under its National Programme of Water Savings in Irrigation, targeting modernization of irrigation on 550,000 hectares of agricultural land. Further, Morocco's efforts include groundwater recharge initiatives and protection of coastal aquifers, which align with its broader climate adaptation and resilience goals (Methodological Guidelines for Preparing Financial Plans for Climate Change Adaptation in the Mediterranean Coastal Areas, GWP-Med, 2024).

To combat these challenges, Morocco has implemented several key initiatives:

- Large-Scale Desalination Projects: Through public-private partnerships (PPPs), Morocco has developed desalination facilities that provide potable water to urban centers while reducing reliance on over-extracted inland water resources. These projects leverage private sector investments to ensure the sustainability and scalability of water infrastructure.
- Wastewater Reuse for Irrigation: Treated wastewater is used for agricultural irrigation and urban landscaping, minimizing the reliance on freshwater and promoting circular water management practices.
- Integrated Water Transfers: Systems for inter-basin water transfers have been established to redistribute resources to regions experiencing acute shortages, ensuring equitable access.

These initiatives demonstrate the value of integrating conventional and non-conventional water resources into a cohesive strategy. By combining desalination, water reuse, and efficient resource distribution, Morocco has strengthened its water security while promoting environmental and economic sustainability.

5.2 STORMWATER MANAGEMENT IN TRIKALA, GREECE

The city of Trikala faced persistent urban flooding, threatening infrastructure, economic activities, and public safety. This challenge was addressed through an innovative stormwater management project implemented in partnership with Coca-Cola and GWP-Med.

The project involved upgrading the city's drainage infrastructure to significantly enhance its capacity to handle heavy rainfall. These improvements effectively doubled the drainage system's capacity, reducing the frequency and severity of flooding incidents. Beyond technical upgrades, the project included a strong community engagement component. Training sessions were held for local authorities, and public awareness campaigns were launched to ensure that residents understood the importance of the initiative and how they could contribute to its success.

This case illustrates the potential of corporate social responsibility (CSR) initiatives in advancing climate adaptation. Coca-Cola's involvement demonstrates how private sector contributions can complement municipal efforts, creating meaningful and scalable solutions. Trikala's success showcases the importance of collaboration and the ability of public-private partnerships to address localized climate risks effectively (GWP-Med, 2024).

5.3 NATURE-BASED SOLUTIONS IN MONTENEGRO AND MOROCCO

Nature-based Solutions (NbS) have gained significant attention as sustainable approaches to addressing climate risks. Two regional trainings on NbS and Ecosystem-based Adaptation (EbA) have been organised by Plan Bleu in Montenegro

and Morocco in 2024. Key outcomes of these two participatory regional trainings have been synthesized in the report 'Nature-based solutions and ecosystem-based adaptation in the Mediterranean – Incorporating insights from two regional trainings in Montenegro and Morocco'. The pilot SCCF project activities in Montenegro and Morocco illustrate the potential of NbS to enhance coastal resilience while delivering co-benefits for biodiversity, livelihoods, and ecosystem services.

In Montenegro's Kotor Bay, participatory workshops identified priority adaptation measures, such as wetland restoration to serve as natural flood barriers, and green infrastructure to mitigate erosion and improve stormwater management. Additionally, the pilot highlighted the importance of engaging local stakeholders to ensure the success of these initiatives.

In Morocco's Tangier-Tétouan-Al Hoceima region, dune rehabilitation and river restoration were emphasized as NbS to combat erosion and enhance biodiversity. These interventions aimed to protect critical coastal ecosystems while supporting local livelihoods, particularly in fisheries and tourism. The focus was on integrating ecosystem-based approaches into broader adaptation strategies to address the impacts of sea-level rise and extreme weather events.

While these projects demonstrated promising outcomes, challenges such as limited financial mechanisms and the need for clearer ownership structures were highlighted. The discussions underscored the importance of targeted funding, community involvement, and policy support to scale NbS and integrate them into national adaptation plans.

5.4 COST-BENEFIT ANALYSES IN MONTENEGRO AND MOROCCO

A significant challenge in adaptation finance is demonstrating the economic viability of proposed measures. Policymakers and investors require clear evidence of the costs and benefits to justify funding and implementation. To address this, cost-benefit analyses (CBAs) were conducted in Montenegro and Morocco.

In Montenegro, the analysis focused on Kotor Bay, a hotspot for urban density and coastal vulnerability. The CBA evaluated the economic, social, and environmental impacts of proposed interventions, such as flood defenses and water management systems, highlighting their long-term benefits relative to costs.

In Morocco, CBAs were applied to the Tangier-Tétouan-Al Hoceima region, examining measures like reforestation. The analyses provided critical insights into how these interventions could generate economic returns while protecting local communities and ecosystems from climate risks.

These CBAs served as valuable tools for prioritizing investments, building stakeholder confidence, and developing bankable project proposals aligned with regional and international funding priorities.

5.5 CAPACITY BUILDING FOR NATURE-BASED SOLUTIONS

The adoption and scaling of nature-based solutions require a robust foundation of knowledge and technical capacity among stakeholders. To address this need, Plan Bleu organized capacity-building workshops in Montenegro and Morocco, focusing on the integration of NbS into coastal management strategies.

The workshops introduced participants to methodologies for designing and implementing NbS, emphasizing their role in complementing traditional infrastructure solutions. Case studies and interactive sessions allowed stakeholders to explore how NbS could be adapted to local contexts and aligned with existing governance frameworks.

These capacity-building initiatives highlighted the importance of empowering local actors with the tools and expertise needed to address climate risks sustainably. By fostering a deeper understanding of ecosystem-based approaches, the workshops strengthened regional capacity to implement NbS effectively and at scale.

5.6 KEY LESSONS FROM CASE STUDIES

The case studies presented during the webinar and roundtable offer several overarching lessons:

- Collaboration is Essential: Public-private partnerships (PPPs) and multi-stakeholder engagement are critical for addressing complex climate challenges.
- Evidence-Based Planning: Tools like cost-benefit analyses and the Multi-Scale Coastal Risk Index provide a robust foundation for prioritizing investments and securing financing.
- Nature-based Solutions are Promising: NbS offer sustainable and cost-effective alternatives to traditional infrastructure but require targeted support to overcome scalability challenges.
- Capacity Building Drives Success: Equipping stakeholders with knowledge and tools is vital for the long-term sustainability of adaptation measures.

6 Recommendations and way forward

The webinar and regional roundtable on Coastal Adaptation Finance produced a series of actionable recommendations to address the key barriers to adaptation financing and scale up solutions across the Mediterranean region. These recommendations reflect the insights shared by participants, drawing on best practices and case studies to outline a strategic path forward.

6.1 STRENGTHEN INSTITUTIONAL CAPACITY AND GOVERNANCE

A recurring theme was the need to enhance institutional frameworks and build capacity for adaptation planning and finance. Two rapid capacity assessments for coastal adaptation finance have been conducted for Montenegro[8] and Morocco by Plan Bleu to support tailored action development that consider existing resources and circumstances. Many countries in the Mediterranean lack the technical expertise to design, implement, and monitor adaptation projects effectively. Methodological guidelines on preparing a financial plan for climate change adaptation in the Mediterranean coastal areas[9] have been developed in the frame of the SCCF Project to address this these gaps. Additional recommendations include:

- Develop Capacity-Building Programs: Governments and international partners should invest in technical training for local authorities and institutions to improve their ability to prepare bankable project proposals and access international funding mechanisms like the Green Climate Fund (GCF).
- Promote Regional Collaboration: Establish platforms for cross-border cooperation, enabling countries to share knowledge, tools, and best practices. The SCCF pilot sites in Montenegro and Morocco provide a model for regional partnerships.
- Enhance Policy Integration: Coastal adaptation strategies should be fully integrated into broader national and regional development plans, such as National Adaptation Plans (NAPs), to ensure alignment with socio-economic goals.

6.2 EXPAND ACCESS TO CLIMATE FINANCE

Closing the adaptation finance gap requires diversifying funding sources and leveraging innovative financial instruments:

- Blended Finance Models: Combining public funds, private investments, and international grants can help de-risk adaptation projects and attract private sector participation. Tools like resilience bonds and concessional loans have proven effective in mobilizing resources.
- Public-Private Partnerships (PPPs): PPPs offer a scalable approach for funding large-scale infrastructure projects, such as desalination plants and flood defenses. Successful examples from Morocco and Greece illustrate the potential of PPPs to deliver impactful results.
- Incentivize Private Sector Engagement: Introduce financial incentives, such as tax breaks and guarantees, to lower the perceived risks of adaptation investments and encourage private sector participation.

6.3 ADDRESS DATA AND ASSESSMENT GAPS

The lack of high-resolution climate risk data and vulnerability assessments hinders effective decision-making and financial planning. Participants emphasized the need for:

- Investment in Data Infrastructure: Governments and development partners should prioritize the establishment of meteorological networks, early warning systems, and digital tools to improve data availability and reliability.
- Comprehensive Vulnerability Assessments: Conduct localized risk assessments to identify priority areas for adaptation interventions, using methodologies such as the Multi-Scale Coastal Risk Index. To support financial institutions in navigating the constantly evolving universe of climate risk tools the UNEP Finance Initiative (FI) developed the Climate Risk Tool Dashboard.[10]
- Data Sharing and Transparency: Foster collaboration between countries and institutions to share climate data and analyses, ensuring consistency and informed decision-making across the region.

[8] The "Rapid Capacity Assessment – Catalyzing coastal adaptation finance in Montenegro" can be accessed here.
[9] The "Methodological guidelines on preparing a financial plan for climate change adaptation in the Mediterranean coastal areas" can be retrieved here.
[10] The Climate Risk Tool Dashboard, developed by UNEP FI is available here.

6.4 PROMOTE NATURE-BASED SOLUTIONS (NBS)

Nature-based solutions (NbS) offer a sustainable and cost-effective approach to addressing climate risks while delivering multiple co-benefits for biodiversity and livelihoods. To scale NbS across the Mediterranean:

- Integrate NbS into Policy Frameworks: Governments should adopt enabling policies that incorporate NbS into coastal management and adaptation plans.
- Demonstrate Viability: Pilot projects, such as wetland restoration in Montenegro have shown the potential of NbS to mitigate flooding and erosion. Scaling these projects requires clear ownership structures and financial mechanisms.
- Provide Targeted Funding: Establish dedicated funding streams to support NbS implementation, particularly for initiatives that enhance ecosystem services and community resilience.
- Ecosystem-based Adaptation (EbA): Integrated and holistic projects should be developed, promoting NbS as part of an EbA project. Taking the whole ecosystem into account and pursuing a landscape approach to NbS, supports the creation of large-scale projects, which are currently increasingly funded and facilitate the upscaling of NbS.

6.5 FOSTER COMMUNITY ENGAGEMENT AND EQUITY

Adaptation strategies must prioritize inclusivity to ensure that vulnerable communities benefit equitably from climate finance. Key recommendations include:

- Strengthen Participatory Planning: Engage local communities in the design and implementation of adaptation projects to ensure solutions reflect their needs and priorities.
- Empower Women and Marginalized Groups: Gender-sensitive approaches should address the disproportionate impacts of climate risks on women while leveraging their roles as key actors in resource management and resilience-building.
- Promote Public Awareness: Enhance understanding of the economic and social benefits of adaptation to build local support and encourage community-driven initiatives.

6.6 ALIGN POLICIES AND STREAMLINE REGULATIONS

Policy and regulatory barriers were identified as significant obstacles to scaling adaptation finance. To overcome these challenges:

- Simplify Permitting Processes: Streamline regulatory frameworks to expedite the approval of critical projects, such as water infrastructure and nature-based solutions.
- Harmonize Policies Across Sectors: Ensure that adaptation efforts in water management, agriculture, and tourism are aligned to optimize resource use and maximize impact.
- Support Decentralized Governance: Empower local governments with the resources and autonomy to implement adaptation measures effectively.
- Investment Planning: Develop investment plans, including a prioritisation of investment projects for climate adaptation.

6.7 WAY FORWARD

Building on these recommendations, the following steps will be critical to advancing coastal adaptation finance in the Mediterranean:

1) Prioritize Implementation: Translate recommendations into actionable projects by leveraging existing case studies and best practices.
2) Strengthen Collaboration: Establish regional platforms for knowledge sharing, joint project development, and coordinated action.
3) Mobilize Resources: Scale up funding through innovative mechanisms while fostering partnerships with the private sector and international donors.
4) Monitor Progress: Develop mechanisms to track the implementation of adaptation projects and evaluate their effectiveness over time.

Based on the successful advancement of the regional multistakeholder dialogue on climate adaptation financing in the Mediterranean including private sector engagement and the high interest demonstrated by all partners, a synergy has been established by GWP-Med, Plan Bleu/RAC and the EU WES Project. Expanding and deepening dialogue, and offering capacity building opportunities, have been agreed to advance and are under design.

6.8 BLUE ECONOMY LINKAGE

The discussions during the webinar and roundtable highlighted the critical intersection between coastal adaptation efforts and the blue economy. As a framework that integrates sustainable use of marine and coastal resources, the blue economy aligns closely with climate adaptation objectives by addressing vulnerabilities in key sectors such as fisheries, tourism, and maritime transport. Investments in water management systems, nature-based solutions, and resilient infrastructure directly support these sectors, fostering economic growth while mitigating climate risks. By leveraging innovative financing tools such as public-private partnerships and resilience bonds, adaptation efforts can drive sustainable development, ensuring that Mediterranean coastal communities remain economically productive and environmentally resilient.

7 Conclusion

The combined outcomes of the Webinar on Mobilizing Finance for Coastal Adaptation and the Regional Roundtable on Catalysing Financing for Climate Change Adaptation in the Mediterranean: The Role of the Private Sector' emphasize the urgent need for innovative financing, inclusive strategies, and strengthened collaboration to address escalating climate risks in the Mediterranean. As one of the world's most climate-vulnerable regions, the Mediterranean faces mounting challenges, including rising sea levels, water scarcity, forest fires, and more frequent extreme weather events. These impacts threaten critical ecosystems, economies, and communities, particularly in coastal areas reliant on tourism, agriculture, and fisheries.

Discussions underscored, among others, that adaptation finance remains underfunded compared to mitigation efforts, highlighting the importance of bridging this gap through multi-stakeholder approaches. PPPs, blended finance models, and tools like resilience bonds were identified as pivotal for mobilizing resources and scaling up adaptation measures. The integration of NbS into policy frameworks was also emphasized as a cost-effective and sustainable strategy for mitigating climate risks while enhancing biodiversity and ecosystem services.

Capacity building emerged as a key priority, with a focus on technical training and institutional support to prepare and implement bankable adaptation projects. Investments in high-resolution climate risk data and vulnerability assessments are essential for evidence-based decision-making, while streamlined regulatory frameworks can expedite project approvals and foster private sector engagement. Ensuring community participation and incorporating gender-sensitive approaches remain critical to creating equitable and impactful adaptation strategies.

Crucially, the discussions demonstrated how linking adaptation efforts to the blue economy can create synergies between climate resilience and sustainable economic growth. By protecting key sectors like fisheries, tourism, and maritime transport, adaptation measures contribute directly to the livelihoods and well-being of coastal communities.

The Mediterranean has the potential to lead global efforts in climate adaptation by leveraging its existing initiatives, fostering regional collaboration, and integrating adaptation strategies into broader development frameworks.

However, achieving this vision requires sustained commitment from all stakeholders, including governments, financial institutions, private sector actors, and local communities.

The road to climate resilience is undoubtedly challenging, but with innovative solutions, strategic partnerships, and inclusive approaches, the Mediterranean can transform its vulnerabilities into opportunities, becoming a global model for sustainable and adaptive coastal development.

8 References

EU WES/GWP-Med (2024). Assessment on Private Sector Engagement to Catalyse Financing for Climate Adaptation in the Mediterranean

GWP-Med (2024). Methodological Guidelines for Preparing Financial Plans for Climate Change Adaptation in the Mediterranean Coastal Areas.

Plan Bleu (2025). Nature-based solutions and ecosystem-based adaptation in the Mediterranean – Incorporating insights from two regional trainings in Montenegro and Morocco.

Plan Bleu (2024). Application of the Multiscale Coastal Risk Index-Local Scale to Kotor Bay, Montenegro.

Plan Bleu (2023). Baseline study to appraise coastal adaptation interventions in Mediterranean coastal hotspots – Stage I.

Plan Bleu (2024). Catalyzing coastal adaptation finance in Montenegro – Rapid Capacity Assessment.

Plan Bleu (2025). Catalyzing coastal adaptation finance in Morocco – Rapid Capacity Assessment.

Plan Bleu (2022). Gender-sensitive climate risk assessment of the Tangier-Tetouan-Al Hoceima region.

Plan Bleu (2022). Gender-sensitive Climate Risk Assessment of Kotor Bay, Montenegro.

United Nations Environmental Programme/Mediterranean Action Plan. (1995). Convention for the protection of the marine environment and the coastal region of the Mediterranean (Barcelona Convention). https://www.unep.org/unepmap/who-we-are/barcelona-convention-and-protocols

United Nations Environmental Programme/Mediterranean Action Plan. (2016). Mediterranean strategy for sustainable development 2016-2025. Plan Bleu, Regional Activity Centre. https://wedocs.unep.org/bitstream/handle/20.500.11822/7097/mssd_2016_2025_eng.pdf

9 Annexes

9.1 ANNEX 1: AGENDA OF THE WEBINAR AND REGIONAL ROUNDTABLE

9.1.1 Webinar: Mobilizing Finance for Coastal Adaptation in the Mediterranean

Date: 29 October 2024 - Format: Online
Session 1: Opening and Setting the Stage • Welcome and Introductions: Robin Degron, Plan Bleu/RAC • Objectives of the Webinar and Overview of the MedProgramme • Keynote Presentation: Understanding the Urgency of Adaptation Finance in Coastal Areas
Session 2: Climate Risks, Tools and Methodologies for Adaptation Finance • Transition Risks and Market Dynamics: Catherine Jadot, Oceanogami Consultant • Methodological Guidelines for Financial Planning: Sarra Touzi, GWP-Med • Cost-Benefit Analyses (CBA) for Prioritizing Adaptation Projects: Ivan Sekovski, PAP/RAC • Case Study Highlights: Montenegro and Morocco Pilot Sites
Session 3: Opportunities in Investment Planning • Policy and Legal Challenges: EU WES Project • Panel Discussion: Addressing Climate Risks in Coastal Investments
Session 4: Wrap-Up and Next Steps • Key Takeaways from the Day • Next Steps Toward the Regional Roundtable

9.1.2 Regional Roundtable: Private Sector Engagement in Coastal Adaptation Finance

Date: December 2-3, 2024 - Location: Athens, Greece (hybrid)
Day 1: Foundations and Regional Context Morning Session: • Opening Remarks: Michael Scoullos, EU WES Project; Atifa Kassam, UNEP Nairobi; Antoine Lafitte, Plan Bleu • Overview of the MedProgramme and SCCF Projects: GWP-Med Representatives • Keynote: Challenges and Opportunities in Adaptation Finance Afternoon Session: • Experiences on Private Sector Engagement on Climate Adaptation related to Water and Environment. • Experiences on Private Sector Engagement on Climate Adaptation related to Manufacturing and Agriculture.
Day 2: Innovative Solutions and Practical Applications Morning Session: • Experiences on Private Sector Engagement on Climate Adaptation in finance and insurance • Shaping Recommendations for Action: Catalysing Climate Adaptation Financing Afternoon Session: • Shaping Recommendations for Action: Engaging the Private Sector for Catalysing • Climate Adaptation Financing • Closing Session: Recommendations and Next Steps • Summary of Outcomes and Final Reflections: Plan Bleu, GWP-Med and EU WES Project

9.2 ANNEX 2: PARTICIPANT LISTS WITH GENDER DISAGGREGATION

9.2.1 Webinar: Mobilizing Finance for Coastal Adaptation in the Mediterranean

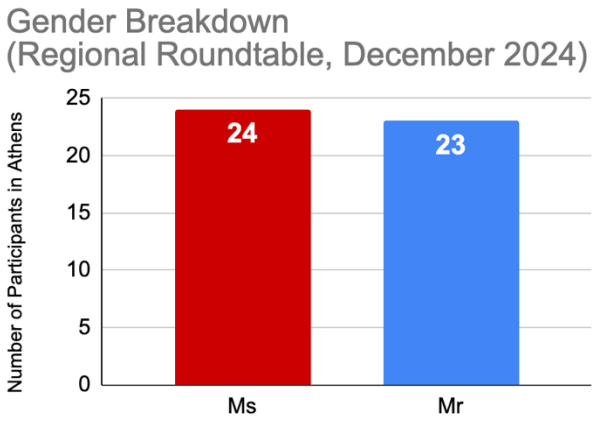
Date: 29 October 2024 - Format: Online
Total Participants: 92
Gender Breakdown: • Female Participants: 35 (38.0%) • Male Participants: 38 (41.3%) • Unspecified Gender: 19 (20.7%)
Participant Representation: • Government Representatives: 25 • Private Sector Representatives: 15 • International Organizations: 20 • Technical Experts: 32

9.2.2 Regional Roundtable: Private Sector Engagement in Coastal Adaptation Finance

Date: 2-3 December, 2024 - Location: Athens, Greece (hybrid)
Total Participants: 47 onsite • (Due to the large number on online participants, they are not included in this breakdown.) • Participants List, onsite only (Regional Roundtable, 2-3 December, present in Athens).

Name	**Title**
Anastasia Bardakos	Ms
Angela Klauschen	Ms
Atifa Kassam	Ms
Chaima Soudani	Ms
Christina Kontaxi	Ms
Daria Povh Skugor	Ms
Djurdjina Bulatovic	Ms
Elena Kasselavi	Ms
Elina Zempili	Ms
Elisabeth Sellwood	Ms
Insa Behrens	Ms
Yolanda Stranga	Ms
Maria Livanou	Ms
Maria Nathanail	Ms
Nassira Boutaba	Ms
Olivia Becher	Ms
Patricia Puig	Ms

Sabria Bnouni	Ms
Sarra Touzi	Ms
Sofia Perpera	Ms
Stella Apostolaki	Ms
Tamara Brajovic	Ms
Zeljka Curovic	Ms
Zoe Karka	Ms
Alain Meysonnier	Mr
Alessandro Candeloro	Mr
Alexandros Kandarakis	Mr
Anil Markandya	Mr
Ante Ivcevic	Mr
Constantinos Triantafillou	Mr
Drasko Boljevic	Mr
Ger Bergkamp	Mr
Hassan Bahhar	Mr
Hicham Bouziane	Mr
Ivan Sekovski	Mr
Charalampos Lappas	Mr
Luke Campo	Mr
Michael Scoullos	Mr
Mohamad Kayyal	Mr
Mohammed Amrani	Mr
Nemanja Pekovic	Mr
Nicolas Farhat	Mr
Omar Sharif	Mr
Rashad Alfarajat	Mr
Sasa Karajovic	Mr
Vangelis Constantianos	Mr
Zakariae Sebaoui	Mr
Gender Breakdown: • Total Participants: 47 • Female Participants: 24 (51.1%)	
• Male Participants: 23 (48.9%)	



Observations

- The gender distribution at the webinar reflected efforts toward inclusivity, though there remains room for improvement in ensuring gender balance at leadership levels.
- The roundtable maintained a balanced gender representation, with female participants comprising 51.1% of attendees, demonstrating progress in encouraging diverse participation.
- Both events succeeded in bringing together a wide range of stakeholders, fostering multi-sectoral and multi-disciplinary dialogue on adaptation finance.

9.3 ANNEX 3: KEY RECOMMENDATIONS OF THE SCCF METHODOLOGICAL GUIDELINES ON PREPARING A FINANCIAL PLAN FOR CLIMATE CHANGE ADAPTATION IN MEDITERRANEAN COASTAL AREAS

Mediterranean coastal areas are exposed to severe climate change impacts. Building their resilience requires strategic planning and coherent funds mobilization. The Guidelines provide a concise overview of how countries can mobilize domestic funds and have access to international climate funds. The effectiveness of countries' climate action can be enhanced by addressing multiple fronts simultaneously:

Mainstream Climate adaptation in development planning

Mainstreaming climate adaptation into development planning requires a comprehensive approach that leads to the integration of adaptation considerations into national policies, strategies, and sectoral plans. A critical first step is the mastery of **vulnerability assessments and risk analysis**. This step necessitates robust data to serve as the foundation for evidence-based decision-making. It is essential that countries **invest on data collection, management, and sharing systems**. Additionally, it is crucial to evaluate and monetize **cross-sectoral and adaptation-mitigation co-benefits.** The Water-Energy-Food-Ecosystems (WEFE) Nexus serves as a valuable approach in this process.

To ensure effective implementation, investments should be prioritized based on strategic needs, with particular emphasis on developing **coastal adaptation investment plans** that address critical vulnerabilities. These plans should be built on the existing strategies and documents, i.e. national coastal (ICZM) strategies and coastal plans, NDCs, NAPs as well as sectoral documents. It will help to ensure alignment between the different documents as well as confirm priority adaptation actions in the coastal areas. The investment plans shall include **a detailed pipeline of projects** that are mature enough to be taken for further step towards the development of a project proposal.

Strategic financial planning

It is important first to note that strategic financial planning is distinct from financial resources mobilization, as it focuses on the structured **identification, mobilization, allocation and management of funds to achieve long-term resilience and development goals**. One of the key components is identifying all possible sources of finance, including public, private, and international funds, while also exploring opportunities to increase efficiency and reduce spending needs. This step optimizes available resources and ensures that financial commitments are sustainable.

Countries shall dedicate a special function within sectoral ministries for strategic financial planning. Additionally, strategic financial planning requires enhancing capacities both at the institutional and individual levels, enabling planners to effectively map available financial sources, manage, track, and report on climate-related financial investments.

Increasing domestic funds

Increasing domestic funds requires first to make the case for climate investment by monetizing both short and long-term benefits, demonstrating how these investments can generate economic returns and contribute to sustainable development. This can help attract political will and public support for climate financing. Additionally, using the appropriate entry points within the National Budget Cycle and Fiscal Frameworks ensures that climate priorities are included in national planning processes and fiscal allocations, aligning them with broader economic goals.
A coherent **climate finance policy** is also essential. It entails clarifying stakeholders' roles, including their responsibilities for coordination, monitoring of climate finance flows, and ensuring the effective use of funds. As part of the policy, establishing **National Climate Funds** can be an option to provide a unified engagement point where the government, donors, development partners, civil society and other stakeholders can engage on and make decisions about climate change issues, to facilitate the blending of public, private, multilateral and bilateral sources of climate finance, and to coordinate country-wide climate change activities, providing flexible, coordinated and predictable funding to support the achievement of national priorities on climate change and development.

Together, these actions can create a robust framework for increasing domestic funds and ensuring long-term financial sustainability for climate adaptation and mitigation efforts.

Increasing private sector engagement

Increasing private sector engagement in climate adaptation requires creating a conducive environment where businesses can actively contribute to climate resilience efforts. It is crucial to **invest in climate data collection** to support robust climate risk analysis and evaluation. By providing accurate and comprehensive data on climate vulnerabilities, businesses can make informed decisions about where to invest in adaptation projects, and under which condition to allow coping with investment risks. Additionally, it is crucial to **enhance the enabling environment** through policies, regulations, and incentives that attract private investments. This could include creating favorable financial mechanisms, such as green bonds, guarantees, and ensuring clear regulations around climate risks and opportunities. By fostering collaboration between the public and private sectors, creating a predictable regulatory environment, and demonstrating the long-term value of climate adaptation investments, private sector involvement can be significantly scaled up, accelerating progress toward a more resilient future.

Access to international climate funds

As a first step, it is essential to **demystify access to climate funds** by raising awareness and actively include climate funds as a plausible source of finance during the strategic financial planning process. Additionally, it is crucial to e**nhance capacities for the development of high-quality adaptation project proposals**, ensuring that proposals meet the requirements of funding agencies and are robust in terms of impact, feasibility, and sustainability. Countries can use different financial mechanisms to fund the preparation of high-quality project proposals, such as the GCF readiness window. To facilitate smooth implementation, especially for blended-funded projects, a **combined approach to technical and financial engineering is necessary**. This involves engaging relevant partners from the design phase to define the **financing structure, institutional frameworks, and partnerships** that will ensure successful project execution. Several climate funds require accredited entities to access funds. Hence, it is key to **identify relevant partners** to join in the preparation and submission of the project. These partners can contribute not only technically but also financially to the preparation of the project.

Countries interested in obtaining financing for climate change need to **understand the specific requirements of the financing sources** that they may be seeking assistance from. For instance, GCF requires to justify the climate rationale of the project besides other five investments criteria (impact potential, paradigm shift, sustainable development potential, recipient needs, efficiency and effectiveness). It is essential that the project proposal meets the donors' requirements. Furthermore, it is important to adopt a **participatory approach for the development of the proposal**. While it is important to ensure and present environmental and socio-economic sustainability by implementation of the adaptation project/program it is also important to promote gender equality and empower women through integrating gender sensitive measures within project/program implementation framework.

During the preparation of the proposal, it may be the case that the project promoters realize that combined sources of financing are needed. Considering the complexity of application as well as implementation procedures of climate funds, it is **essential to define and clarify the roles of each of the partners from the initial stages** of the preparation of the project. By integrating technical expertise and financial know-how early in the process, access to climate finance can be streamlined, and projects can attract and efficiently utilize funding from multiple sources. Signing MoUs with concerned partners can help in this endeavor.

Regional cooperation

Regional cooperation plays a crucial role in supporting national efforts toward climate adaptation finance. **Regional capacity-building activities** should be developed, not only on general topics but also on specific issues that address the obstacles to increase climate adaptation finance identified in the region. This will ensure that countries have the necessary knowledge and skills to implement effective climate adaptation strategies. Additionally, creating a **peer-to-peer exchange platform** among country climate adaptation finance managers and financing partners serving as a forum for sharing experiences, lessons learned, and best practices, can foster collaboration and mutual support. Another important activity is to **develop multi-country project proposals** that address shared challenges, promoting collective action on common regional issues such as coastal protection and sustainable development, water scarcity, or drought and floods resilience. Finally, r**egional financial initiatives** under strong **political leadership** and involving both **donors and technical partners** can provide the necessary technical expertise and financial resources to support large-scale, cross-border adaptation projects, ensuring that the region is equipped to tackle climate risks collectively.

9.4 ANNEX 4: KEY RECOMMENDATIONS OF THE EU WES/SCCF ASSESSMENT ON PRIVATE SECTOR ENGAGEMENT TO CATALYSE FINANCING FOR CLIMATE ADAPTATION IN THE MEDITERRANEAN

A number of specific recommendations are provided that can help initiate and accelerate climate adaptation in the developing countries of the Mediterranean and enhance private sector engagement and financing; these concern actions that can be implemented at local or national level, while building new or supporting existing related regional coordination initiatives will be of added value.

9.4.1 Advancing Climate Adaptation Action

1) **Develop initiatives that focus on the expansion of wastewater treatment and re-use through blended finance and/or PPPs.** This could focus on building a pipeline of local projects, based on demand and synergy with beneficiaries, attracting public and private financing including utilizing international climate financing. It could also include a building capacity initiative at regional level on decentralized solutions and using NbS, like constructed wetlands, for wastewater treatment. Augmenting wastewater re-use can help provide additional water supplies for local farmers and industries and help them and the local communities adapt to climate change, while increasing energy efficiency, utilizing treatment's bi-products, etc.
2) **Set-up a dedicated initiative to accelerate efficient desalination solutions along the Mediterranean shore**. These could include upgrading existing and, where decided, increase desalination capacity through new plants powered by renewable energy to provide water for cities, industries and advanced agriculture systems. They also need to be designed to handle produced brine in a sustainable manner, including through innovative approaches like dilution before diffusion, use of brine to sequestrate CO_2, utilising bi-products etc.
3) **Initiate a water loss reduction programme that mobilizes private engagement to gain water efficiency using performance-based contracts**. Such a programme can be initiated with, for example, 20 small and medium-sized municipalities in the Mediterranean region, where significant water loss reduction gains can be made. It can also include rainwater harvesting, on-site water storage and roof solar panel installation. Blended finance mechanisms could be used to make it attractive for the private sector to engage in the initiative. Reducing water loss and increasing on-site storage, while producing on-site renewable energy, can help augment water availability at local levels and strengthen climate resilience.
4) **Support climate-smart aquaculture promoting sustainable fish farming and protecting natural fisheries**. This could include the establishment and enforcement of Marine Protected Areas and the use of catch shares in specific areas with a selected group of fisherfolk. It can also include the creation of artificial reefs to help reduce erosion, protect shorelines and help with nature conservation and restoration.
5) **Promote climate-resilient tourism** through supporting green hotels, restaurants, and catering (HORECA) through water and energy efficiency, protection of adjacent ecosystems, sustainable supply chain, etc., focusing on related SMEs that are mostly family owned, thus enlarging the green critical mass of this top 'industry' in the region.
6) **Support climate-resilient ports** through water and energy efficiency investments, including minimizing environmental impact during the whole cycle (construction- maintenance-operation), safeguard resilience of infrastructure to climate risks and hazards, contribute to sustainable interrelated hinterlands infrastructure like towards low- emission transport connections in coordination with competent authorities, etc.
7) **Advance climate-resilient manufacturing** by accelerating industries' natural resources efficiency, with due consideration of supply chain partners, safeguard production plants from climate risks and hazards, and contribute to ecosystems and habitats protection in the plant's vicinity.

8) **Promote the further development of public and commercial digital climate information services that support adaptation investments and regular operations.** Specific data and information services, tailored to businesses needs, can assist in predicting and responding to impacts of climate change, like for infrastructure's resilience. Furthermore, such services can be targeted at farm level to create agriculture production resilience and enhance food security. Beyond free available basic digital advisory services, subscription services can render farmers detailed advice to avoid crop loss, improve crop yields and increase profitability.

9.4.2 Developing an enabling environment and capacity building

9. **Incorporate in existing national climate policies and strategies as well as in Integrated Coastal Zone Management (ICZM) strategies and plans clear definitions of why, what, and how private sector participation in climate adaptation is sought.** This could include a roadmap and investment envelope on which the private sector can engage, and clear process of how the private sector can participate in climate adaptation actions in different economic sectors.
10. **Create regulatory frameworks that promote climate-smart practices and technologies**. This can include irrigation water efficiency standards, building codes and infrastructure standards that incorporate climate resilience. It can also include the streamlining of permitting processes for climate resiliency projects, the implementation of standardized Climate Risk Assessment protocols for businesses and mandating businesses to report and disclose their climate risks.
11. **Establish standard business models** for private sector contract and dispute settlement terms that meet international investor expectations, transparent and well-paced procurement processes, clear technical requirements, financing models that allow securitization of payment streams, risk allocation to the parties best able to hold them, and price levels that compensate for these risks.
12. **Develop institutional frameworks that promote dialogue and cooperation on climate adaptation among governments, businesses, civil society, communities and academia.** Governments can establish inter-ministerial coordination and sector specific support mechanisms to support such efforts. Also, Public-Private Partnerships units can incorporate climate adaptation actions in their work programmes to underpin a targeted effort to mobilize private finance, also building a related monitoring and reporting system to document and evaluate their impacts.
13. **Accelerate national agriculture innovation programmes, emphasizing climate adaptation opportunities, technologies, and capacities.** Cooperating with innovative farmers, national farmer associations and Mediterranean agriculture bodies, such programmes can focus on activities such as farmer-to-farmer exchange, adaptation incentives and (international) technology transfer. Financing could be mobilized from national funds, development assistance, international concessional financing and corporate marketing and CSR budgets.
14. **Develop a climate change adaptation training programme for tourism HORECA providers to improve climate resilience**. This will include guidance for existing hotels, resorts, guesthouses and B&Bs as well as for restaurants and catering on energy and water conservation, opportunities to enhance the property and services, and ways in which to market the climate-friendly aspects of the establishment.
15. **Develop capacity-building initiatives to help private sector actors understand and contribute to design and implement effective adaptation strategies.** Such national and regional initiatives can focus on sector specific technical oriented programs or inter- sectoral groupings or on prioritised contents like training to access new capital from (local) private and public sources or international climate finance (e.g. European Union, GCF, etc). Furthermore, initiatives can focus on capacitating and directly supporting the public sector to address and synergize with the private sector and manage related investments, including in PPP formations, and to improve access to domestic funding sources as well as to international financing that requires direct public engagement, like GCF.
16. **Develop and actively use a framework for monitoring and evaluating the implementation of the above recommendations.** Such framework can be used to track progress and impacts and identify gaps and challenges. In combination with an effective communication strategy, it can also help further mobilize private sector actors and other stakeholders to engage, finance and accelerate actions by the private sector on climate adaptation in the Mediterranean region.

9.4.3 Attracting Private Financing

17. **Initiate, with private national banks, the further development and setting up of special 'Green Financing Programs' that offer SMEs commercial 'sustainability credit'.** Such programs can be financed through the issuance of green bonds by the commercial national banks which can be purchased by multi-lateral development

agencies and other investors. Use of proceeds of these bonds can be focused on financing companies that addressclimate adaptation and the WEFE Nexus, through activities such as smart irrigation, regenerative agriculture or water and energy efficiency.

18. **Engage with leading international and national corporates to initiate investments in on-the-ground action on climate adaptation through their ESG – CSR programs, including through a peer-to-peer among businesses.** Using the increased awareness and emerging initiatives, this engagement can focus on actions such as creating climate resilient farms connected to supply chains, green urban spaces for better living and tourism, or water efficiency and water re-use boasting aquifer replenishment and corporate water neutrality. Integrating climate adaptation into core business strategies and engaging pro- actively with local communities can generate quick win-win solutions and inspire further action to build climate resilience. It can also include peer-to-peer learning as well hands- on assistance of more advanced to 'start-up' companies for advancing priority actions and investments.
19. **Explore the development of 'market based' financing mechanism for climate adaptation, focused on 'water trading', 'payment for ecosystem services' and 'catch shares'.** Developing these mechanisms can best be done 'place-based' and use local multi- stakeholder coalitions that develop the necessary capacities and strategies and are closely involved in the design and implementation. It will be important to build on existing experiences, involve international expertise in the design and set-up of the mechanisms and establish a close collaboration with relevant line ministries and local authorities.
20. **Explore and actively develop Debt for Nature and Climate Swaps focusing on climate adaptation and restoration of emblematic ecosystems critical for climate resilience.** Initiating these initiatives will require a careful analysis of treasury bonds traded on the secondary market, a strong engagement with the Treasury departments and designing an attractive use of proceeds with national and local stakeholders. An initial analysis has indicated that Jordan, Egypt and Morocco are likely the most suitable countries to focus on for using this mechanism to mobilize climate adaptation finance.
21. **Create a 'Grand Challenge' to mobilize the power of Artificial Intelligence to accelerate climate adaptation investments in the Mediterranean region.** Such initiative can seed- finance scientists, engineers and entrepreneurs to put forward leading-edge AI ideas and can provide substantive follow-up grants to develop and test proposed AI innovative solutions to create climate resilience. Angel investors can then follow through and fund the first applications of successful trials. Philanthropic institutions based in the Mediterranean and the Gulf States could be approached for financing such 'AI Grand Challenge for Climate Adaptation'.
22. **Catalyse the mobilization of Venture Capital for climate adaptation solution through setting up a 'lion's den' focused on climate adaptation solutions for the Mediterranean region.** With this mechanism, entrepreneurs pitch their business ideas to a panel of national and international investors or "lions", seeking funding or partnership opportunities. The panel evaluates project ideas and provides constructive feedback, may decide on investment, and provide further technical support and network access. The recommended Lions' Den serves as a dynamic platform for evaluating innovative ideas, promoting entrepreneurship, and facilitating investment in promising climate adaptation related solutions and businesses in the developing countries of the Mediterranean.
23. **Set-up a 'Finance Lab' focused on Mediterranean climate adaptation bringing together investors and leading innovators in various sectors (tourism, agriculture, water).** The 'Finance Lab' would serve as a collaborative platform designed to identify, develop, and implement financial solutions to address climate change adaptation challenges in the region. By fostering innovative financing mechanisms, conducting critical analysis, advancing stakeholder collaboration, and building entrepreneur capacities, such mechanisms can play a crucial role in bridging the gap between the finance sector, leading economic sectors and the ecological needs of the region.
24. **Create a dedicated initiative for the promotion of climate risk transfer mechanisms supporting public and private sector to reduce losses due to climate-related events in the Mediterranean.** The initiative would particularly focus on using catastrophe bonds, risk-pooling, parametric and index-based insurances. Collaboration with leading insurance companies, ministries of finance and national sector organizations would enable a targeted development of the demand for these risk transfer services enabling further private investment in climate adaptation in the region.