

I N N F I N S

FINANCING THE URBAN TRANSITION



University of Antwerp

CRESC | Centre for Research on Environmental and Social change



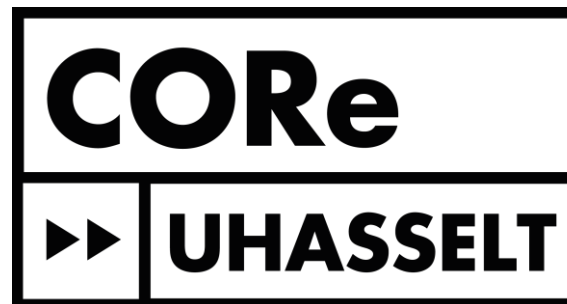
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Climate adaptation with NbS

What InnoFiNS is (not) about

- Climate change creates an urgent need to **scale up planning and investments** in adaptation.
- InnoFiNS focuses on nature-based solutions (**NbS**) as a form of adaptation
- InnoFiNS focuses on **local governments** as key providers of NBS
- InnoFiNS concentrates on **public projects** and **investments with societal benefits** versus private investments aimed at profit

Alternative financial solutions

Business cases for four living labs

A **multi-stakeholder business case** for the Stiemer Valley



Genk

© Stad Genk

How **technology** can help mobilize **company funds** for a climate-resilient city



Antwerp

Source: tui.be

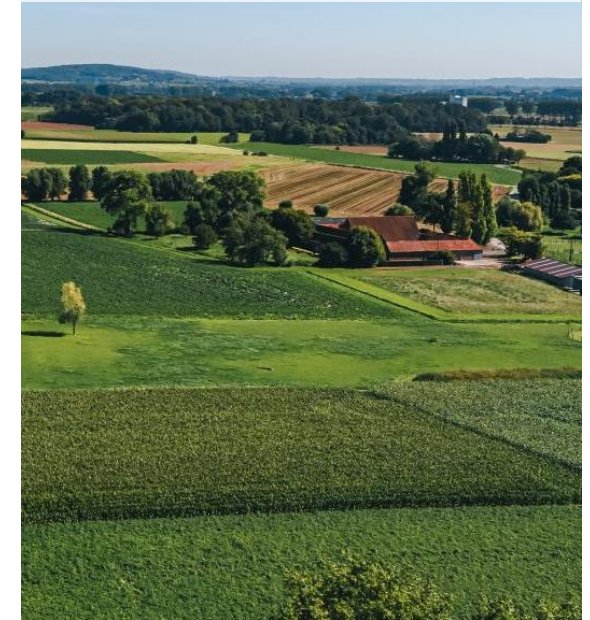
Funding nature in growing provincial city with **land value capture**



Turnhout

Source: made-in.be

PES between farmers and private actors as a new revenue model



South-West-Flanders

© RLLS

“In contrast to limited public budgets, there is **an abundance of private capital seeking for investments**. Yet, the potential to invest private capital in NBS is not fully exploited”

“In contrast to the undersupply of investments in NBS, there is an **oversupply of private capital seeking viable investments**”

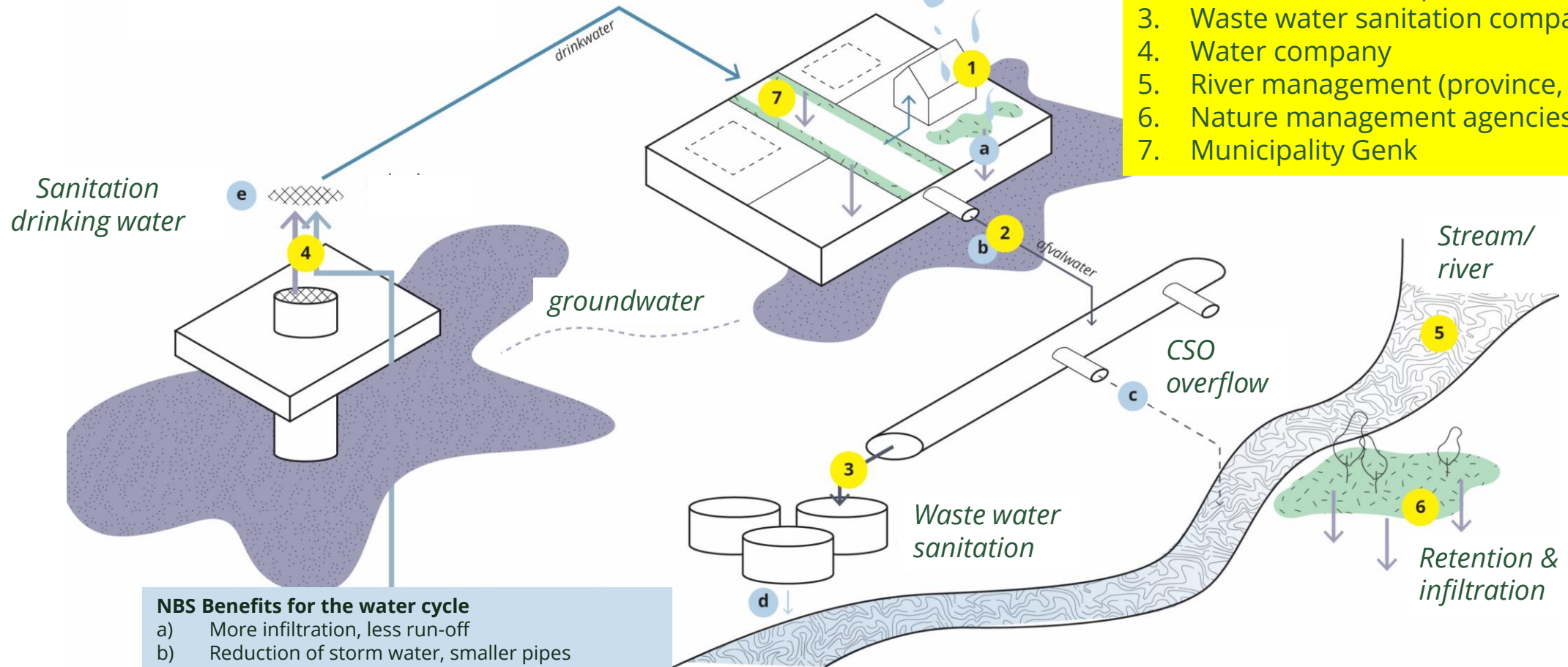
InnoFiNS project proposal (2019-2020)



Private financing through debt can accelerate the scaling up of NBS implementation, but the **funding** remains a **financial burden for the government**.

Genk: Stiemer Valley project

1. Property owners
2. Waste water transportation company
3. Waste water sanitation company
4. Water company
5. River management (province, Flemish)
6. Nature management agencies
7. Municipality Genk



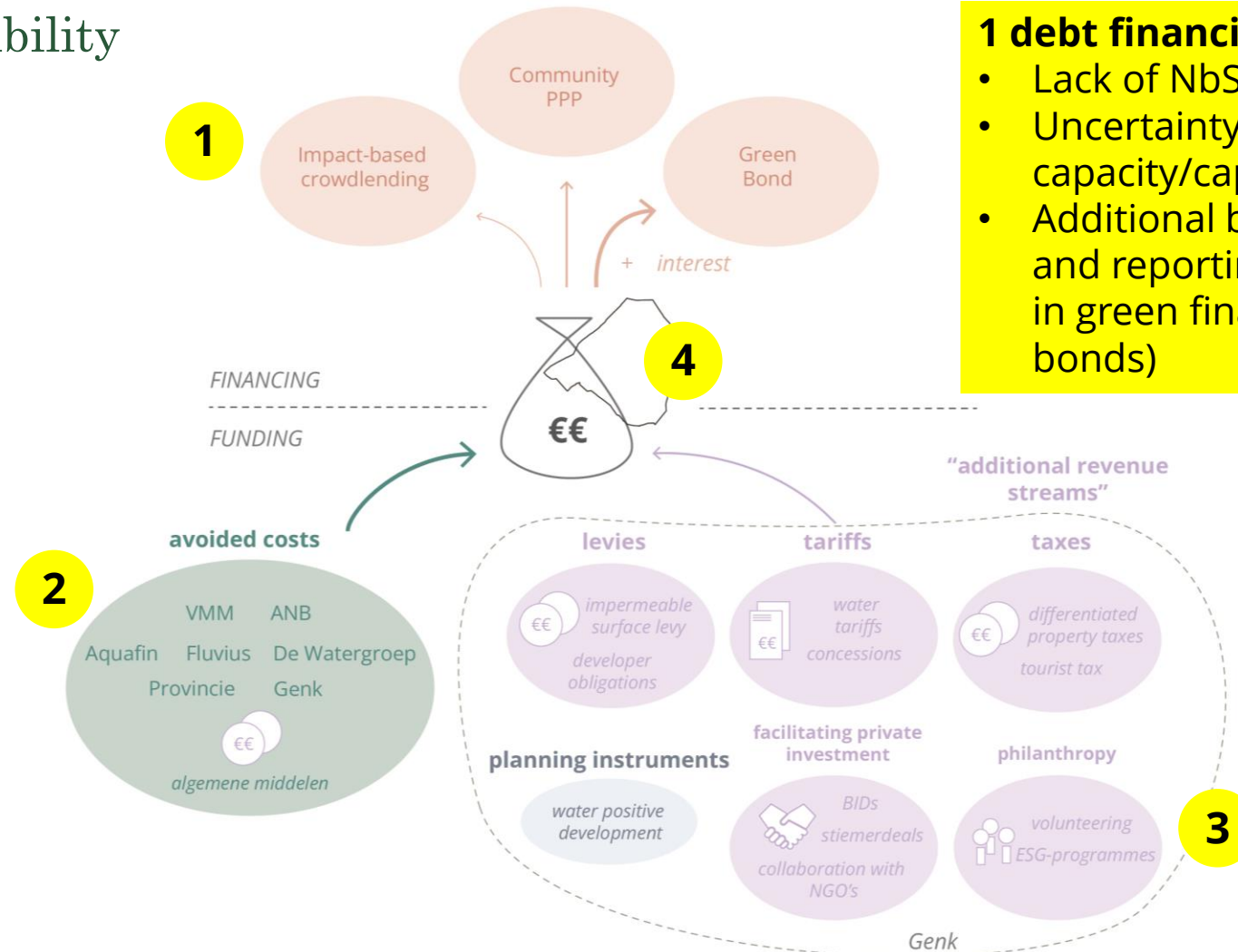
- NBS Benefits for the water cycle**
- a) More infiltration, less run-off
 - b) Reduction of storm water, smaller pipes
 - c) Reduction of storm water, less CSO overflows
 - d) Reduction of storm water, more efficient WWTP
 - e) Reduction in polluted water, reduced cost of sanitation

Financial model: Stiemer Fund

Obstacles and feasibility

1 debt financing

- Lack of NbS knowledge
- Uncertainty about the repayment capacity/capacities
- Additional burden of collecting and reporting data for investors in green finance (e.g. green bonds)



2 Avoided costs

- Willingness to cooperate, but...
- Lack of alignment between policy goals and resources
- Legal frameworks make it difficult for utilities to allocate means to NbS



Source: <https://www.vvog.info/groene-helden>



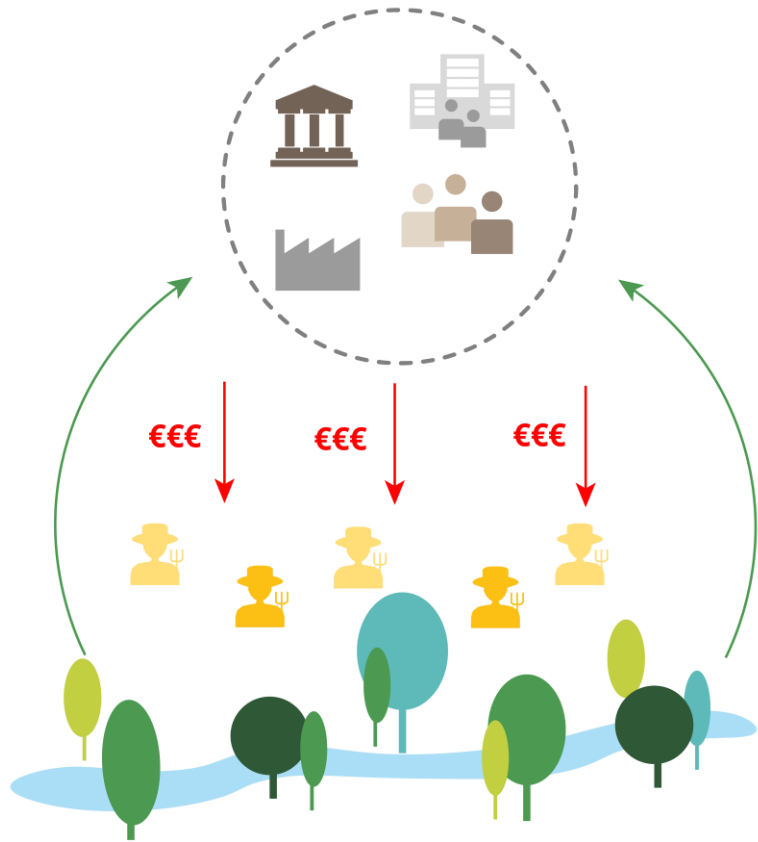
Public finance is a key condition to unlock complementary private finance. Public co-financing acts as leverage to attract private investment.



© Gemeente Oostkamp

South-West-Flanders

Payment for Ecosystem Services



Beneficiaries
Drinking water companies,
Insurance companies,
Food processing industry



Payment for NbS €€€€



**Suppliers of NbS -
Farmers**



NbS generate
ecosystem services



Antwerp: Companies' willingness to pay

Motivations for companies to invest in NBS (CSR-related):

- Ecological/societal responsibility
- Employer branding or customer loyalty
- Compliance pressure or subsidy incentives

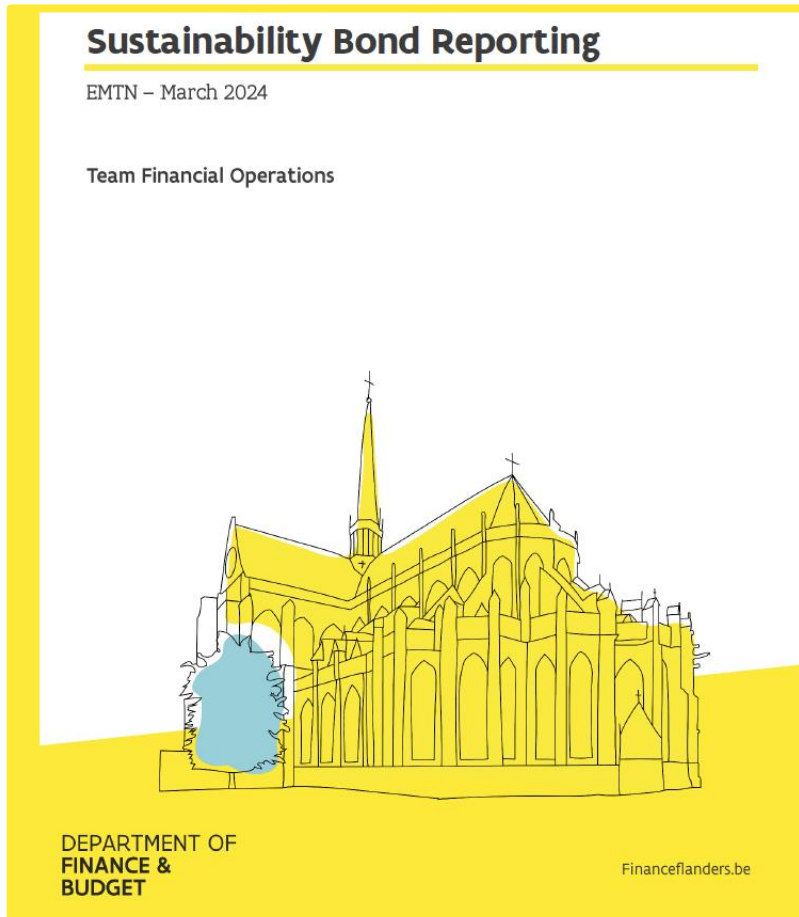


© Joren De Weerd



Do not reinvent the wheel. Alternative financial solutions can simply mean adapting or reorienting existing instruments for NbS investments

Use **existing national/regional (debt) instruments** to (co-)finance national/regional and local NbS projects



Flemish Climate Fund

The Flemish Climate Fund is an organic budgetary fund that has played a key role in financing Flemish climate policy since its establishment in 2012. The fund is primarily financed by auction proceeds from the EU ETS flowing to Flanders.

More research is required about the effectiveness of **financial incentives** tailored to different target groups (**carrot or stick?**)



Region Ghent

Ghent is not introducing a paving tax for those who lay too much concrete after all, "there were practical problems"

The tax that the city of Ghent was to impose from 2023 on those who use too much concrete or asphalt on their land has been scrapped. It was not practically or organizationally feasible to introduce it now, the city says. Natuurpunt is disappointed, as the association had hoped that this would encourage more people to opt for permeable surfaces, which is better for combating drought and flooding.

Peggy Van de Velde

🕒 Tue 05 Jul. 2022 07:26

🔄 update : Tue 05 Jul 2022 09:45



File Drought

Vlario: "Whoever collects and uses rainwater should receive a bonus"

Anyone who collects and uses rainwater at home should receive an infiltration bonus for doing so. This is according to Vlario, the consultation platform for sewers and wastewater treatment, in Het Belang van Limburg. It has been very dry in recent weeks, and this has caused drinking water consumption to rise sharply.

Helen Goedgeur

🕒 Tue May 26. 2020 08h27

Consider fiscal incentives like a **Green Tax Credit** to mobilise private capital from companies. Stimulate risk capital in specific sectors

 **taxshelter.be**



Section 481 Film Tax Credit

The cap on eligible expenditure **increased to €125 million** and the extension of the credit to **31 December 2028**

 Rialtas na hÉireann
Government of Ireland

I N N F I N S

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