

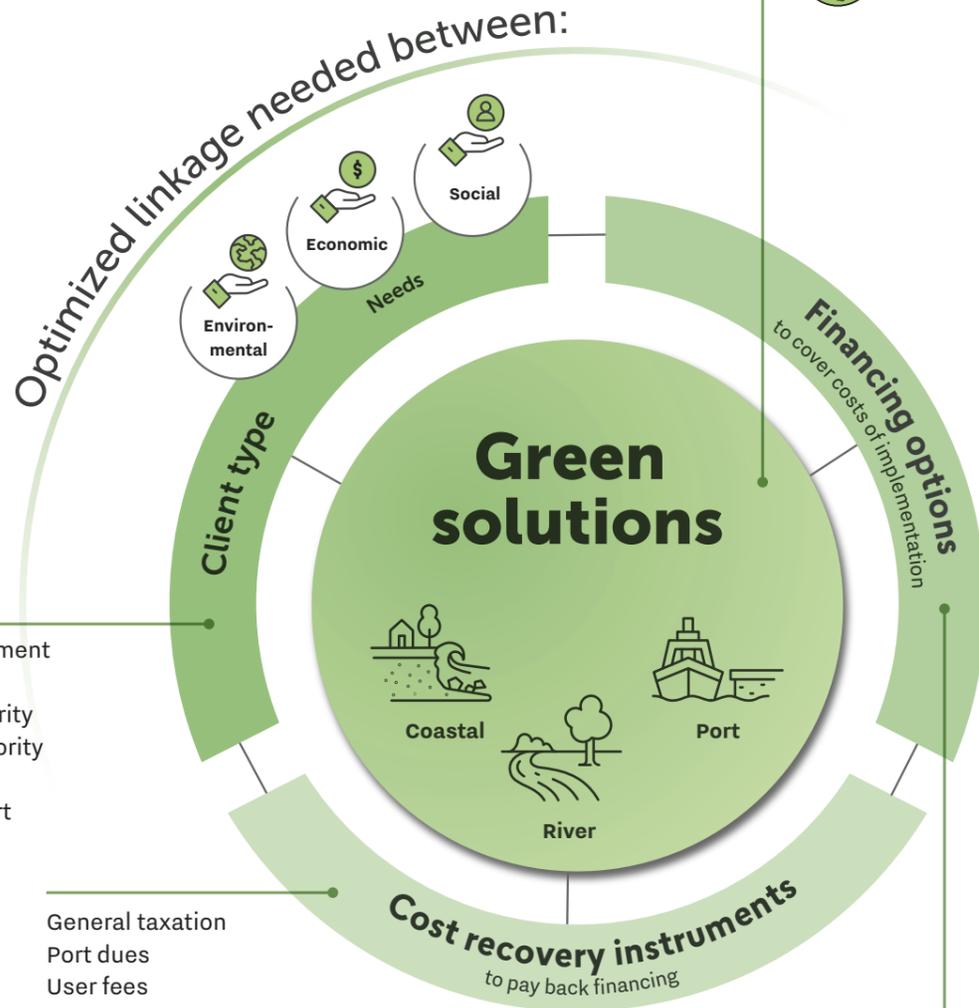
# Financing of Green Coastal, River and Port Projects

Private capital can help to accelerate the uptake of green solutions; the sustainable alternatives for hard structures. This capital would finance the costs of implementation but needs to be paid back in time.

Therefore, clients need to carefully link green solution, financing structure and cost recovery instruments. For green projects this is far from a beaten path. Key lessons show how to improve this process and pave the way forward.

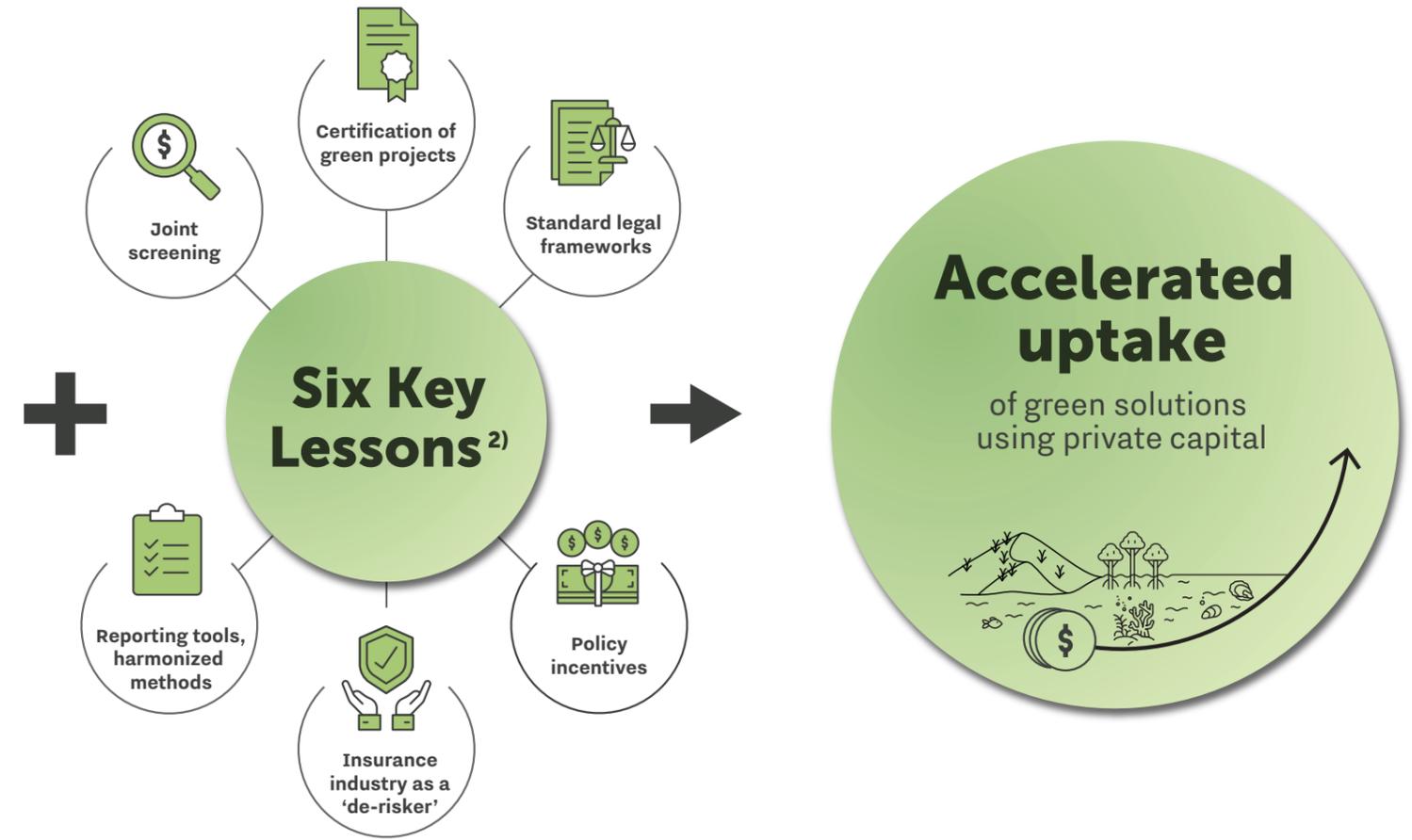
Green solutions can for instance be applied for flood risk reduction, port development and coastal protection. Examples are:

-  **Vegetated foreshores**
-  **Rehabilitating mangrove belts**
-  **Building shellfish reefs**
-  **Rich-of-life revetments**
-  **Facilitating coral development**
-  **Developing inland buffer zones**
-  **(Re-)developing wetland areas**
-  **Creating room for rivers**
- ...and many more<sup>3)</sup>**
-  **Enhancing dune dynamics**
-  **Restoring seagrass meadows**



- National Government
- Municipality
- Waterway Authority
- Public Port Authority
- Landlord Port
- Corporatized Port
- ...and more

- General taxation
- Port dues
- User fees
- Cost reductions
- Third party benefits arrangements
- Lease tariffs
- Carbon credit markets
- ...and more<sup>1)</sup>

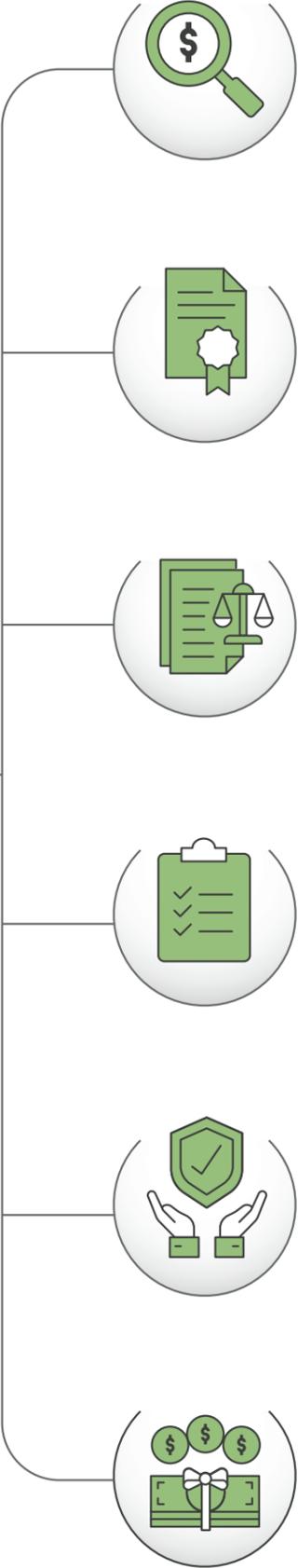


**Public service projects**  
The government authority, as project client, pays periodically after construction completion, where the payments may be based on performance or availability criteria.

**Commercial projects**  
The users, or beneficiaries, pay for the project's products or services. Cashflow is generated based on the project's business model.

# Financing of Green Coastal, River and Port Projects

Six key lessons were drawn in the joint study<sup>1)</sup> by technical and financial institutes. Applying these lessons will pave the way forward to accelerate the uptake of green solutions.



**1**

**Joint screening by sponsors and private capital suppliers** is strongly encouraged to improve the availability of private capital for this segment.

**2**

**Certification of green projects** is instrumental and needed in line with Sustainable Finance Disclosure Regulation and EU Taxonomy.

**3**

**Standard legal frameworks** need to be developed to allow private capital to enter the sustainable Marine and Freshwater Infrastructure market.

**4**

**Reporting tools and harmonised methodologies** must be built to capture the associated ESG benefits which are often overlooked, particularly in relation to future savings, as these are difficult to quantify.

**5**

**The insurance industry as a ‘de-riskier’** can be transformational in establishing a longer-term investment framework.

**6**

**Green solutions need policy incentives**, favouring projects with green features. This will increase their uptake and allow the rerouting, or unlocking, of funds to support them.

With:



Reference:

<sup>1)</sup> ‘Financing Sustainable Marine and Fresh Water Infrastructure’. IADC, CEDA, Vital Ports, Swiss Re, BCapital Partners, 2021