

# NET ZERO CITIES



**EU MISSION PLATFORM**

**CLIMATE NEUTRAL AND SMART CITIES**



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# The Climate City Capital Hub – Adaptation Support Offering

18 September 2026





# Agenda

- 1. Financing Adaptation - Challenges and Solutions**
- 2. Introduction to the Climate City Capital Hub**
- 3. Illustrative Case Study**
- 4. Next Steps and Q&A**





# Financing Adaptation - Challenges and Solutions





# The challenge of financing adaptation

- Climate adaptation is a **critical priority** for urban resilience, yet securing adequate funding remains challenging.
- Adaptation projects usually **do not generate revenues** but rather **result in avoided costs** and other socio-economic **co-benefits**.
- The risks as well as the benefits rarely accrue to a single business which makes it **difficult to scale private sector finance** for adaptation.
- As a result, the **burden of financing** the necessary corrective infrastructure **falls disproportionately on the public budget**.



## What is climate adaptation?

Actions that **reduce vulnerability** and **increase resilience** to current and future climate impacts. It focuses on preparing communities, infrastructure and ecosystems for hazards such as heatwaves, floods, droughts and sea-level rise.



# Making adaptation projects investment-ready

## Monetizing resilience



- **Capturing the new economic value** created by adaptation projects and **monetizing the prevented damages** can reduce reliance on constrained public budgets.
- Many projects can provide **dual benefits** - reducing carbon emissions while improving climate resilience. This makes it **easier to get (private) financing** for adaptation.
- Strengthening **impact measurement and reporting** is essential to demonstrate project value.
- **Integrating adaptation into infrastructure** and spatial planning is an effective strategy to attract financing for climate resilience.

## Financing strategies



- Relying on a single source of funding is rarely sufficient – looking to a diverse ecosystem of capital providers and **mixing public budgets, grants and private commercial capital** increases chances of covering the project costs.
- **Philanthropic and Corporate Social Responsibility (CSR)** funding can be considered as viable sources for adaptation initiatives with low or no financial returns.
- Instruments like **green bonds or climate funds** can also allow **bundling** so that less profitable adaptation projects can be financed alongside revenue-generating ones.





# Typologies of urban adaptation projects

| Project type                                       | Risks addressed                                | Examples                                                                                                                                                                                                                                                      |
|----------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Flood &amp; Coastal Defence</b>                 | Sea-level rise, storms                         | <ul style="list-style-type: none"><li>• Sea walls, dykes, flood barriers, storm-water tanks, canals. Hard infrastructure protecting against flooding.</li><li>• Complementing with natural solutions (green infrastructure) whenever possible</li></ul>       |
| <b>Urban Heat Island Reduction</b>                 | Heat islands, biodiversity loss, air pollution | <ul style="list-style-type: none"><li>• Reducing surface and air temperatures in dense urban areas using green roofs, living walls, cool pavements, urban forests, shading, green corridors</li></ul>                                                         |
| <b>Sustainable Drainage &amp; Water Management</b> | Stormwater management, floods, droughts        | <ul style="list-style-type: none"><li>• Rain gardens, sustainable drainage systems, permeable surfaces and underground storage to reduce pressure on sewage systems, rainwater harvesting, wetland restoration, water use efficiency programs</li></ul>       |
| <b>Green &amp; Blue Infrastructure</b>             | Biodiversity loss, heat, floods                | <ul style="list-style-type: none"><li>• Urban parks, greenways, rivers &amp; canals integrated in urban design</li><li>• Multifunctional spaces to provide cooling, biodiversity, and water management</li></ul>                                              |
| <b>Nature-Based Solutions (Nbs)</b>                | Floods, storms, erosion, biodiversity loss     | <ul style="list-style-type: none"><li>• Reforestation, rewilding, afforestation of erosion-prone slopes or renaturation of riverbanks</li></ul>                                                                                                               |
| <b>Building Retrofits</b>                          | Heatwaves, floods, droughts, fires             | <ul style="list-style-type: none"><li>• Insulation (also reducing energy use), flood-proofing, fire resistance upgrades</li><li>• Measures to prevent the risk of clay shrinkage and swelling</li></ul>                                                       |
| <b>Climate-Resilient Transport &amp; Mobility</b>  | Heatwaves                                      | <ul style="list-style-type: none"><li>• Green transit corridors, climate-proofed stations, EV infrastructure with green canopy</li><li>• Combines mitigation and adaptation co-benefits</li></ul>                                                             |
| <b>Digital &amp; Tech Solutions</b>                | Various                                        | <ul style="list-style-type: none"><li>• Early warning systems, earth observation technologies</li><li>• Smart HVAC, IoT sensors to reduce peak load during heatwaves, reflective materials such as “cool roofs” to counter urban heat island effect</li></ul> |





# Introducing the Climate City Capital Hub





# Climate City Capital Hub: mission and scope



- The Capital Hub is an innovative and independent platform, created within the framework of the NetZeroCities project and linked to the Cities Mission and the Adaptation Mission.
- It is designed to **facilitate both public and private financing** for sustainable urban development and to advance Europe's transition towards climate resilience and neutrality.
- It empowers cities to achieve their climate goals and drive impactful projects, through both **project preparation** and **capital facilitation**.
- The Capital Hub does not have a balance sheet nor financial instrument distribution objectives, but acts as a neutral structuring partner, not competing but collaborating with investors and partners, a system-level bridge and integrator between cities or regions and financing partners, with the objective of structuring and **de-risking investments**.





# What can the Capital Hub help with?

The **Capital Hub** can help cities and regions identify adaptation investment priorities, quantify resilience benefits, develop investment cases, and structure financing approaches that combine public funding, grants and private capital in order to turn investment plans into investable projects.



## Technical Assistance

Supporting concept-level development. Conducting of a gap and risk analysis through review of project documentation. Assisting & reviewing feasibility studies and connecting cities with EU-wide TA providers.



## Financial Structuring

Project finance specific support including capital structure analysis, business case development, financial modelling, and investment return profile.



## Capital Facilitation

Identifying capital needs and sources aligning projects based on their return profile. Supporting investor introductions and processes such as Request for Proposals and tendering.





# The Capital Hub's mandate within the Adaptation Mission

- **Project Implementation:** The Capital Hub helps with the access to finance and implementation of specific projects. This is different than for example Pathways2Resilience which helps regional authorities create climate resilience strategies and action plans.
- **Eligibility:** As the Cities Mission is also involved, the eligibility requirements for the Capital Hub differ from those for MIP4Adapt. If a city/region is eligible to receive support from both, this cannot happen simultaneously for the same project.
- **Private capital focus:** The Capital Hub is focused on involving private investors rather than on public sources.

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CAPITAL  
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Adaptation  
Finance  
Innovation  
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# Process for access to support

## Step 1: Consultation on support needs

- Cities / regions consult with CFS\* / Capital Hub to prioritise projects and request relevant support
- Loop in relevant colleagues and stakeholders to make sure the right expertise is at the table



## Step 2: Formalisation of support

- The Capital Hub assesses the type of support that can be offered and next steps.
- A Letter of Intent (LoI) is prepared to formalise the support.



## Step 3: Support starts

- Support is delivered according to the LoI in close collaboration with the city / region. Based on the delivery, further LoIs can be scoped (Step 2).



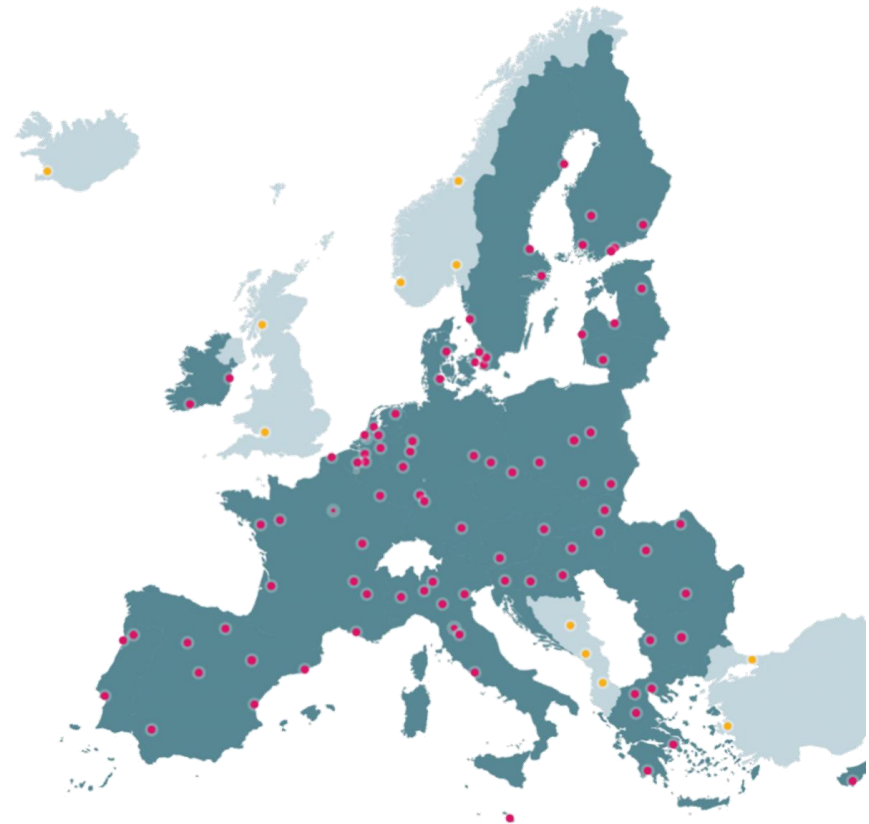


# Who is eligible for support?

- **Cities** which are part of the Cities Mission and a Signatory of the Adaptation Mission
- **Regions** which are a Signatory of the Adaptation Mission and simultaneously include a Mission City



Cities and regions can request to become Signatories of the Adaptation Mission. For more information you can contact [EU-CLIMATE-ADAPTATION-MISSION@ec.europa.eu](mailto:EU-CLIMATE-ADAPTATION-MISSION@ec.europa.eu)





# Illustrative Case Study on Capital Hub Support





# Tasks breakdown of an illustrative assignment

**Background:** City X has developed a comprehensive 2030 Climate Adaptation Action Plan. One of the priority projects is improving the climate resilience of public areas in a lively neighbourhood by reducing car traffic, unsealing surfaces and implementing nature-based solutions. Feasibility studies are available but public funding is insufficient, and the city is looking to bridge the existing finance gap.



## Task 1

*(Sep – Oct 2026)*

- Review initial funding sources already secured
- Validate project cost assumptions
- Assist in preparing the business case



## Task 2

*(Nov – Dec 2026)*

- Support the City in structuring alternative financing for the project
- Identify capital sources to complement public funds and close the remaining funding gap



## Task 3

*(Jan – Mar 2027)*

- Develop investor materials to enhance the project's funding readiness
- Facilitate connections with public, philanthropic, and alternative capital sources





# Next Steps





# Get in touch with us!

If you have a project which needs Capital Hub support or have questions please reach out:

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