

Press Release

CEDA, IADC and Vital Ports Present Report "Financing of Sustainable Marine and Freshwater Infrastructure"

How private capital can accelerate the green transition in marine and freshwater infrastructure

23 September 2021 - The Netherlands

The report **'Financing of Sustainable Marine and Freshwater Infrastructure: A joint study to explore financing of green coastal, river and port projects'**, developed by the Central Dredging Association (CEDA), the International Association of Dredging Companies (IADC) and Vital Ports, with contributions from Swiss Re and B Capital Partners was presented at the Sustainable Development Impact Summit organised by the [World Economic Forum](#). Against the backdrop of climate change, energy transition and loss of biodiversity, together with the fact that there are limited public budgets, means there is a bigger role available for private capital to play in bridging the infrastructure funding gap. The report is based on the findings of the mutual working group, which discusses nine case studies. The main conclusion is that sustainable waterborne infrastructure solutions are available, have been tested and are economically viable. Private capital could help to accelerate the uptake of such solutions. The report is an important first step realising this. The report will be presented to the dredging community at the virtual [CEDA Dredging Days 2021](#), on 29 September.

"Marine and Freshwater Infrastructure is the collection of waterborne works at coastlines, estuaries, rivers, canals and in port areas. In general, such works provide flood protection or enable port development, urban development and navigability of waterways. In other cases these works serve to protect or restore nature and recreational areas", says *Arjan Hijdra, Managing Director of Vital Ports* and one of authors to the report. "Both the Sustainable Marine and Freshwater Infrastructure sector and the Financial sector seek to scale up their green portfolio and it is quite obvious that synergy can be found in cooperation. However, both sectors are mutually unfamiliar with each other's environment which hinders to capture this synergy right away. We believe that this dedicated report could help further engagement between these two sectors."

About the Report

Together with experts from B Capital Partners and Swiss Re, CEDA, IADC and Vital Ports explored what is needed in order to improve the connection between green-labelled funds and sustainable waterborne infrastructure projects. One main

conclusion is the need to clarify sustainable concepts and associated financial structures in order to introduce the topic to both the financial sector and the dredging community. But also to develop ideas on how to bring this to mainstream infrastructure investment asset classes. The report provides content for further dialogue to foster the uptake of green marine and freshwater concepts by private investors.

Given the size and magnitude of the challenges and the amount of sustainable marine and freshwater works that are needed to cope with these challenges, it is expected that more avenues will open up to enable such projects. This means more capital from private and institutional investors can be utilised. To facilitate this, a number of key elements have been identified:

- Sponsors and capital suppliers need to work together in upfront project screening;
- Certification of green projects might be instrumental in moving forward;
- Development of standard legal and financial frameworks;
- Reporting tools and methodologies need harmonisation and capture ESG benefits;
- The insurance industry as a 'de-risker' can be transformational in providing predictable cash flows and establishing a longer-term investment framework; and
- Upward potential through growing markets in carbon trade sequestration, in biodiversity offsets and habitat banking.

"Our mission is to make the world more resilient. We believe that the insurance industry can play a major role in supporting sustainable marine and freshwater infrastructure to encourage more innovative projects and enable private investments" said *Christian Wertli, Head Infrastructure Solutions at Swiss Re.*

"Private capital requires standard, stable legal frameworks to ensure appropriate risk allocation and a safety net for proper business conduct. All of this is urgent, since more coastal protections are needed, due to rising sea levels because of climate change," adds *Paolo Alemanni, Managing Partner at B Capital Partners.*

Some background

The dredging sector has an important role in major coastal, port and river projects around the world. This sector includes project owners, dredging companies, consultants and research institutes. Accustomed to vulnerable environments, and to addressing a myriad of climate, ecosystem or other sustainability challenges, the dredging community pushed hard to come up with new techniques and solutions. And they did. A number of important philosophies and concepts, such as Building with Nature (EcoShape), Engineering with Nature (U.S. Army Corps of Engineers), Working with Nature (PIANC) and Dredging for Sustainable Infrastructure (CEDA/IADC) already play a significant role in many marine and freshwater infrastructure projects. As these sustainable solutions are proven in practice, the challenge ahead lies in scaling and replicating, and therefore financing. Private

Financing could help governments around the world, many of them committed to the 2015 Paris Agreement and the UN Sustainable Development Goals (SDG's), to implement projects fitting their local or national needs. With limited public budgets, the investment gap in Marine and Freshwater Infrastructure leaves a critical and supporting role for private capital to play in bridging the gap.

More information

Click the link to download the report free of charge: www.financing-smafi.org.

About CEDA

Central Dredging Association (CEDA) is an established authority and the leading independent forum for the professional dredging community, and associated industries, in Europe, Africa and the Middle East. It represents dredging professionals and organisations, from government, academia and business, in the region, and fosters the understanding and advancement of dredging to the wider community. www.dredging.org.

About IADC

IADC stands for 'International Association of Dredging Companies' and is the global umbrella organisation for contractors in the private dredging industry. As such the IADC is dedicated to not only promoting the skills, integrity and reliability of its members, but also the dredging industry in general. IADC has over a hundred main and associated members. Together they represent the forefront of the dredging industry. www.iadc-dredging.com.

About Vital Ports

Vital Ports helps port authorities to create healthy systems. Through smart governance arrangements, the rules are changed from 'sustainability as a cost' to 'sustainability as a source of revenue'. In this way, Vital Ports enables the uptake of sustainable solutions to the mutual benefit of the port authority, its investors and the local community. www.vitalports.org.

About Swiss Re

The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. The aim of Swiss Re is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Swiss Re insures, invests, operates and shares its knowledge, in a way that tackles sustainability challenges and creates long-term value. www.swissre.com

About B Capital Partners

B Capital Partners is an independent investment house established in 2003 in Zurich. B Capital Partners invests exclusively in sustainable infrastructure with a clear focus on the wider energy transition. It has deployed and advised on over EUR 2.6 billion worth of transactions since 2015, with and for institutional investors and large family offices, often in close co-operation with developers. www.b-capitalpartners.com

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