

## World Earth Day - Invest in our planet



*Since 1970, climate and environmental organisations and activists celebrate Earth Day on April 22 to remind the rest of the world of the importance of environmental protection. This year's theme is **Invest in our Planet**. It will highlight the need for climate finance and show that stakeholders in financial markets, capital and investment are key players in tackling climate change, supporting solutions for climate adaptation, and reducing global greenhouse gas emissions.*

*At EIT Climate-KIC, we believe that to enable our economy and society's transition to net-zero, finance requires a fundamental overhaul and the involvement of all relevant stakeholders.*

*Our portfolio of innovations includes a variety of solutions that address the financing of the green transition, for instance: by helping cities to gain access to public and private climate finance, by creating new investment models to steer capital toward civic goods and create public value, by*

*transitioning to a climate smart forest economy or by empowering citizens with the tools to channel their savings into the right vehicles to combat climate change. Not one of the examples presented here can solve climate finance on its own, but it is the combined efforts of these projects, together with political, financial, societal will and actions, that can bring about the massive impacts needed.*

### 1. Remove barriers for green investment in cities

Up to €1 trillion in annual investments are necessary to ensure that essential urban infrastructure is low-carbon and climate-resilient. Barriers to this green transition include high transaction costs, uncertainty about national and international policies, a lack of resources for making green and sustainable projects attractive to investors and knowledge gaps about finance options and mechanisms. The [City Finance Lab](#) is Europe's first dedicated platform to developing innovative finance solutions for green urban projects. The project aims to help cities gain access to public and private climate finance. It is set up to help remove barriers for such investments and develop innovative financing solutions for public and private stakeholders. Since 2018, this platform has supported solutions in Poland, Portugal, France, Cyprus, Norway, Germany and the United Kingdom, including community forest trusts, green funds for SMEs, participatory budgets or municipality-issued credit cards that promote green investments.

### 2. Re-coding to capitalise civic goods

Our cities are packed with a diversity of assets and shared resources – parks, schools, public transport, energy systems, collective intelligence, and data. They are the foundation of our current and future wealth, and they mitigate against future shared risks. Society recognises the value of such assets, but we are failing to preserve and enhance them and to provide the capital to secure their future. The project [Re-Coding for a Civic Capital Economy](#) (RE.CO) will design new investment models to steer capital toward civic goods and create public value. The aim of the core project is to demonstrate how a next generation of coding tools (e.g. smart contracts, real-time sensor data, etc.) can bring about a shift in our economy, unlocking new financial, regulatory and legal instruments that preserve and enhance public goods. The project aims to develop a proof of possibilities across five different areas (contracts, trees, streets, floods, and urban data) and build the case for transformative 'civic asset business models' that alter how we deploy capital for shared civic benefit.

### 3. Financing the green transition

The European Commission's European Green Deal estimates that achieving its 2030 climate and energy targets will require €260 billion of additional annual investment. The next years represent a critical window to shift financial flows toward this green transition. [Priming Public Financial Institutions for Green Innovation \(PUFFIN\)](#) aims to identify barriers to and enablers for financing the green transition and to use these insights to influence the missions, mandates, policies, and activities of public sector financial institutions to align them with climate objectives. Specifically, the project works with central banks and national promotional banks, given their ability to act as catalysts to private financial markets.

### 4. Understanding the full potential of forests

Forests are a lifeline to ecological health and the wellbeing of communities around the world, but their ability to continue to provide these benefits is eroding. Growing populations, rapid urbanisation, and high poverty levels are contributing to a rise in deforestation. Forests require



sustainable markets to provide incentives to unlock more private capital for responsible forest growth and management.

By transitioning to a [climate smart forest economy](#), we can create jobs and boost economies, while decarbonising the built environment and driving investment into forests. Innovative construction materials, such as cross-laminated timber, can help substitute materials with a high-carbon intensity, sequester carbon in buildings, and contribute to increasing natural carbon sinks through reforestation and sustainable forestry practices for growing, managing, and harvesting wood. The [3S Framework for Forests](#) project aims to develop an instrument for actors across multiple sectors to assess how their choices can maximise the climate change impact of forests and sustainable forest products. The instrument will help compare different scenarios in terms of carbon absorption and sequestration (the sink function), carbon storage (the biocarbon stored in wood-based products) and carbon substitution (the fossil carbon emissions avoided).

#### 5. Help financial advisors sell green finance products

Most financial advisors do not ask about their clients' sustainability preferences and often have trouble identifying and recommending suitable products. The [Elicit Sustainability Investment Preferences project](#) wants to establish and implement a scientific method to assess individuals' sustainability investment objectives. This method should also evaluate how financial advisors affect their clients' decisions. The results of the project will help to estimate the demand for sustainable investment products and understand the behavioural barriers to investing in these products. These insights will be used to develop a market research toolbox for investment product retailers.

#### 6. MyFairMoney

European households hold a third of Europe's financial assets. They are increasingly interested in investing their money more sustainably and ensuring their investments have a positive environmental impact in the real economy. Launched in 2021, 'MyFairMoney' is a free platform that matches investors' sustainability preferences with personal investment decisions.

The platform helps empower European citizens with the tools to overcome market shortcomings and enables them to channel their savings into the right vehicles to combat climate change. MyFairMoney brings together educational material on sustainable finance, an online sustainability questionnaire and the largest public fund database in Europe, all on one platform. Offering a database of 9,000 European funds – filterable through 31 sustainability indicators – the platform has attracted over 30,000 users so far.

#### 7. Econos

Econos makes private investment simple, quick and digital. The company offers three types of sustainable investments: renewable energy, forests and venture capital. The team specialises in investments that are traditionally more likely to be found in the portfolios of professional investors with a lot of capital. This enables private investors to optimally position their portfolio and make a significant contribution to a sustainable future. These investments also offer investors attractive return potential due to the very high value appreciation potential of young companies. At the same time, private investors can use this investment to support disruptive, sustainable technologies and thus contribute to climate protection.



## About EIT Climate-KIC

EIT Climate-KIC is the EU's climate innovation initiative, working to accelerate the transition to a zero-carbon and resilient world by enabling systems transformation. Headquartered in Amsterdam, it operates from 13 hubs across Europe and is active in 39 countries. EIT Climate-KIC was established in 2010 and is predominately funded by the European Institute of Innovation and Technology (EIT), a body of the European Union.

As a Knowledge and Innovation Community (KIC), it brings together more than 400 partners from business, academia, the public and non-profit sectors to create networks of expertise, through which innovative products, services and systems are developed, brought to market and scaled-up for impact.

