

# Shifting Our Thinking

Building capabilities for systemic resilience investment

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#### Australia's First National Climate Risk Assessment

Climate risks will cascade across systems, disrupting health, infrastructure, supply chains, and the economy - making systemic, coordinated adaptation essential



2025

Australia's National Climate Risk Assessment





The Australian Climate Service is a partnership of







## Systemic Resilience and Adaptation

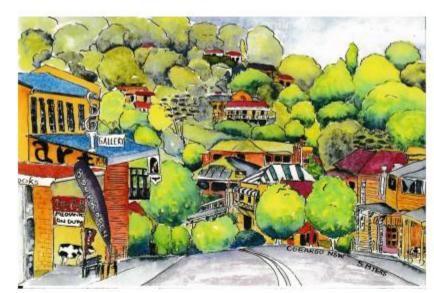
- Led the Adaptation Finance Project to address the systemic barriers to investment in resilience
- Convened the Resilient Futures Investment Roundtable, codeveloping the ABCD framework for systemic resilience investment
- Partnered with CSIRO on the Cobargo Disaster Recovery and Energy Transition project
- Co-developing a suite of projects for systemic approach to investment in nature, energy and community resilience











What it takes to create an enabling environment for resilience investment: A town like Cobargo

Deborah O'Connell<sup>1</sup>, Seona Meharg<sup>1</sup>, Dianne Flett<sup>1</sup>, Zena Armstrong<sup>3</sup>, Frank Muller<sup>3</sup>, John Mitchell<sup>4</sup>, Genevieve Mortimer<sup>5</sup>, Russell Gorddard<sup>1</sup>, John Marinopoulos<sup>2</sup>, Russell Wise<sup>1</sup>, Peter Heinmiller<sup>2</sup>, Dylan Pleiter<sup>2</sup>, Nic Mesic<sup>2</sup>.









### Contrasting incremental vs systemic resilience investment

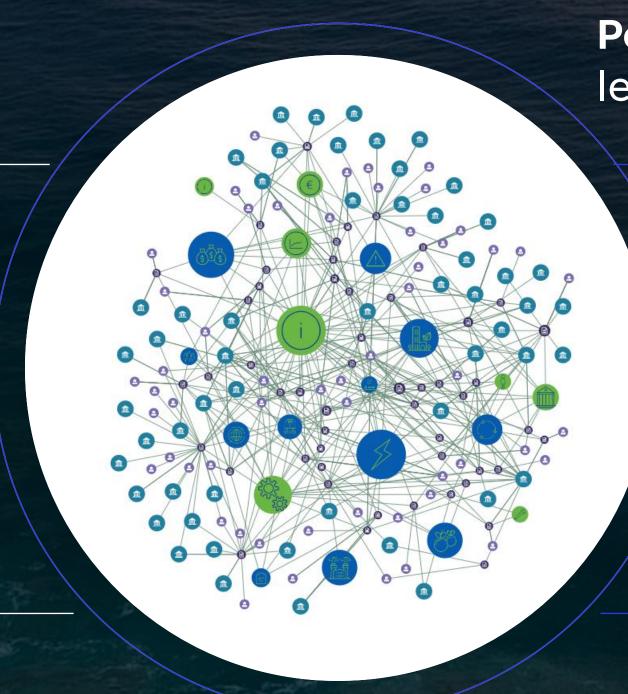
#### Incremental

Systemic

Single asset logic with siloed and fragmented activities

Commercialistion of individual technologies and projects

**Short-term** thinking with a focus on risk management



**Portfolio** of connected innovation projects that learn and enhance the value of each other

Create enabling environments by investing in people and service that enhance capacity building, trust, growth and knowledge

Investment is guided by a **long-term** transformational societal vision

# The ABCD Framework for contrasting investment logics

A COMPLEX, SYSTEM **TRANSFORMATION** AB: Linear mindset, and finance **Stage D: Unlocking Emergent Opportunities** Anchored in a long-term, place-based vision is transactional and focused on Investment logic: How do we shape markets and unlock transformation? Embraces uncertainty, co-creation, and systemic measurable returns innovation **Stage B: Valuing Co-Benefits** PROBL **Valuing** Still asset-focused, but begins to shared vision consider broader benefits (e.g., health, & emergent equity, biodiversity) opportunities PROTECTING SINGLE / Uses multi-criteria analysis and integrated valuation tools **DISCRETE ASSETS** Investment logic: What additional value **Valuing** can this asset deliver? synergies 뿓 **Valuing** co-benefits TANDING Stage C: Valuing Synergies and Adaptive Capacity **INTERCONNECTED** Moves beyond single assets to explore interconnections **SYSTEMS** across systems **Valuing** Investment logic: How do we coordinate across sectors avoided to build adaptive capacity? losses Emphasises collaboration, stacked benefits, and shared investment **Stage A: Valuing Avoided Losses** Focuses on protecting individual assets (e.g., roads, buildings) **CD**: Adaptive, relational visionary Uses cost-benefit analysis to justify investment based on future risk reduction mindset where finance is strategic, Investment logic: How do we reduce risk to this asset? enabling and market-shaping A NARROW, OPTIMISATION



This framework was developed from the outcomes of the Cobargo Disaster Recovery and Energy Transition project led by CSIRO and VAP with Climate-KIC

**CHALLENGE** 

#### Collaborations to activate resilience investment

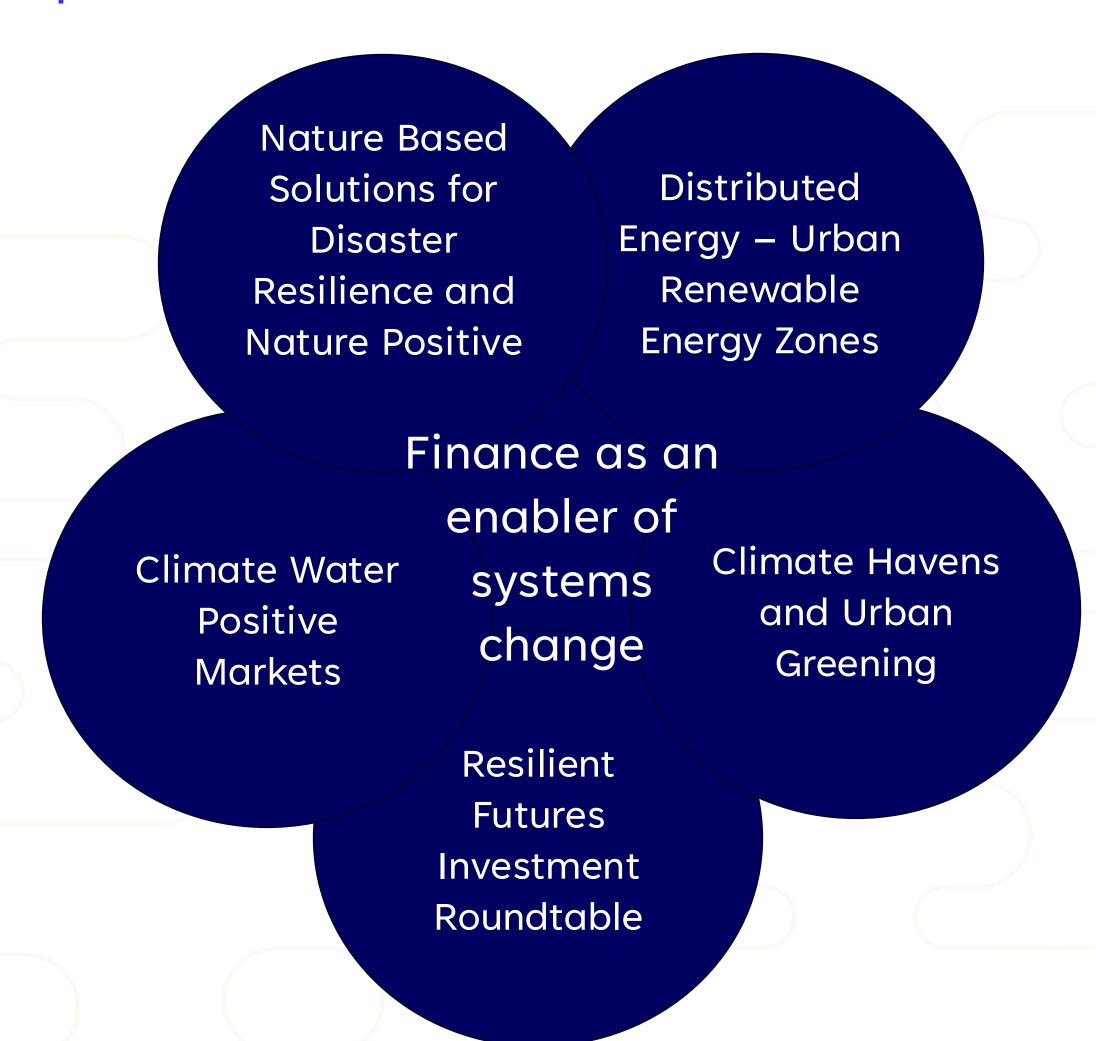
#### A portfolio forming in the C and D space

#### Australia Collaborations:

- CSIRO
- Value Advisory Partners
- NRM Regions Australia
- RACE for 2030
- Resilient Futures
   Investment Roundtable
   Partners

#### Global collaborations:

- Climate-KIC Europe
- Dark Matter Capital
- TransformationalCapital Initiative







# For more information on Climate-KIC's work on investing for systems change, head to our website:

https://climate-kic.org.au/work/lab/investing-for-systems-change/

