

Project fact sheet

Incentivising and financing climate adaptation



...and the adoption of sustainable practices by basin landholders

Key points

- This project will explore new investment opportunities through private markets to incentivise and support basin landholders to adopt sustainable land management practices.
- We will examine ways to coordinate private investment markets, landholders, and communities to deliver the funds and incentives needed to promote basin health.
- Our activities will be guided through the establishment and utilisation of a multi-level adoption framework with real-world applications.

The challenge

The adoption of climate resilient and sustainable practices by basin landholders has been relatively inconsistent. This has been constrained by a lack of adequate incentives for landholders to adopt these practices and limited access to appropriate funding. Past approaches to facilitate landholder practice change have been largely dependent on government investment. The role of incentives in complex basin land management decision-making processes in practice change are often poorly understood.

The opportunity

Financial market participants and others are increasingly willing to consider opportunities to invest in and support land management activities with tangible environmental and social outcomes. This has been evidenced by a growth in interest in natural capital markets, the emergence of new green finance instruments including biodiversity and carbon credits, green leasing, sustainability related loans and bonds and other responsible investment instruments designed to support sustainable practices.

A growing body of research has demonstrated the power of green finance instruments and other modes of incentivisation on landholder practice change. This project will further support this trend through practical examination of the different schemes and the variables that drive the efficacy of these measures.

Our research

Landholders, financial market participants and other beneficiaries of climate resilient and sustainable practices will be engaged throughout the project's co-design and delivery processes:

- Alternative green finance instruments and incentives to support landholder climate adaptation and water stewardship practices will be evaluated.
- A new, comprehensive multi-level adoption framework will be drafted.

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- Co-design methodologies will be used to develop and trial concepts for novel investment and incentive instruments.
- A multi-level adoption framework will be tested and trialled across selected cases.

Outcomes

- New modes of incentivising and financing Basin climate resilience and sustainability will be identified.
- A multi-level adoption framework will be developed to enable practice change across the Basin.
- Incentive and investment toolkit, associated case studies and landholder guidance.

Supporting Basin landholders to be recognised for their contributions to Basin health.

Next steps

Next steps will involve engaging landholders and financial market participants to capture their perspectives and evaluate the viability of alternative green finance instruments and incentives. We will work to build landholder capacity to engage in environmental markets.

One Basin CRC

Since our inception in mid-2022, the **One Basin Cooperative Research Centre** has brought together 85 partners across the Murray–Darling Basin.

Our purpose is to work together to grow value from water in a changing world.

From Queensland to South Australia, we are finding practical solutions to complex challenges, training the next generation of scientists, and nurturing regional communities.

Our collective goal is a productive, resilient and sustainable Murray–Darling Basin.

Key personnel

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