

# ABM and NMAs – the future of climate finance!

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Art 6.8 FP

# What is a Non-Market Approach?

- ❑ Many definitions... but one which applies to the ABM:
- ❑ Article 6 allows for the generation of new assets to provide cash flow to make projects bankable (policy-driven market)
- ❑ In a market approach, the price of the asset is set by supply and demand functions (Art 6.2 and 6.4)
- ❑ In a non-market approach (like ABM) the price is calculated as the cost of the project (capital plus financing and transaction costs less income) divided by the number of CABs to be produced.
  
- ❑ Market approach has risk and return
- ❑ Non-market approach is less risky and has a more certain return. But in addition, all the money spent on CAB goes to the project developer to overcome the financial barrier = 100% additional.



# TWO TRANSFORMATIONAL financing modalities

## □ Ex post financing modality

- Existing grant-funded project has been implemented and delivered outputs and outcomes
- Building on the grant giving procedure, we retrofit ABM to generate Certified Adaptation Benefits
- List the CABs in the Adaptation Supermarket for immediate delivery
- $\text{Price} = (\text{grant} + \text{transaction costs}) / \text{number of CABs}$
- Channel funding back to project developer via grant giving body
- Developer repeat / replicated the project. Repeats the cycle again and again
- Makes ODA / MCF grants evergreen; shifts grants away from donors

## □ Ex ante financing modality

- Register project and gain listing in Adaptation Supermarket
- Find a buyer to sign an Adaptation Benefit Supply Agreement (ABSA) for future delivery and payment of CABs
- Take registered project and ABSA to capital markets (bank) to borrow money
- Implement project, generate and deliver CABs, repay loan
- Develop a new project and repeat the process



# Screenshot of Adaptation Supermarket

## Offerings

Ex-post CABs

Ex-ante CABs

## Metrics

Climate-resilient seed packs delivered

Hectares of mangrove canopy restored

Cubic meters of floodwater diverted

Cubic meters of emergency water stored

## Host country

Botswana

Egypt

Ethiopia

Ghana

Kenya

Madagascar

Mauritius

Morocco

Mozambique

Niger

Nigeria

Rwanda

Senegal

Sierra Leone

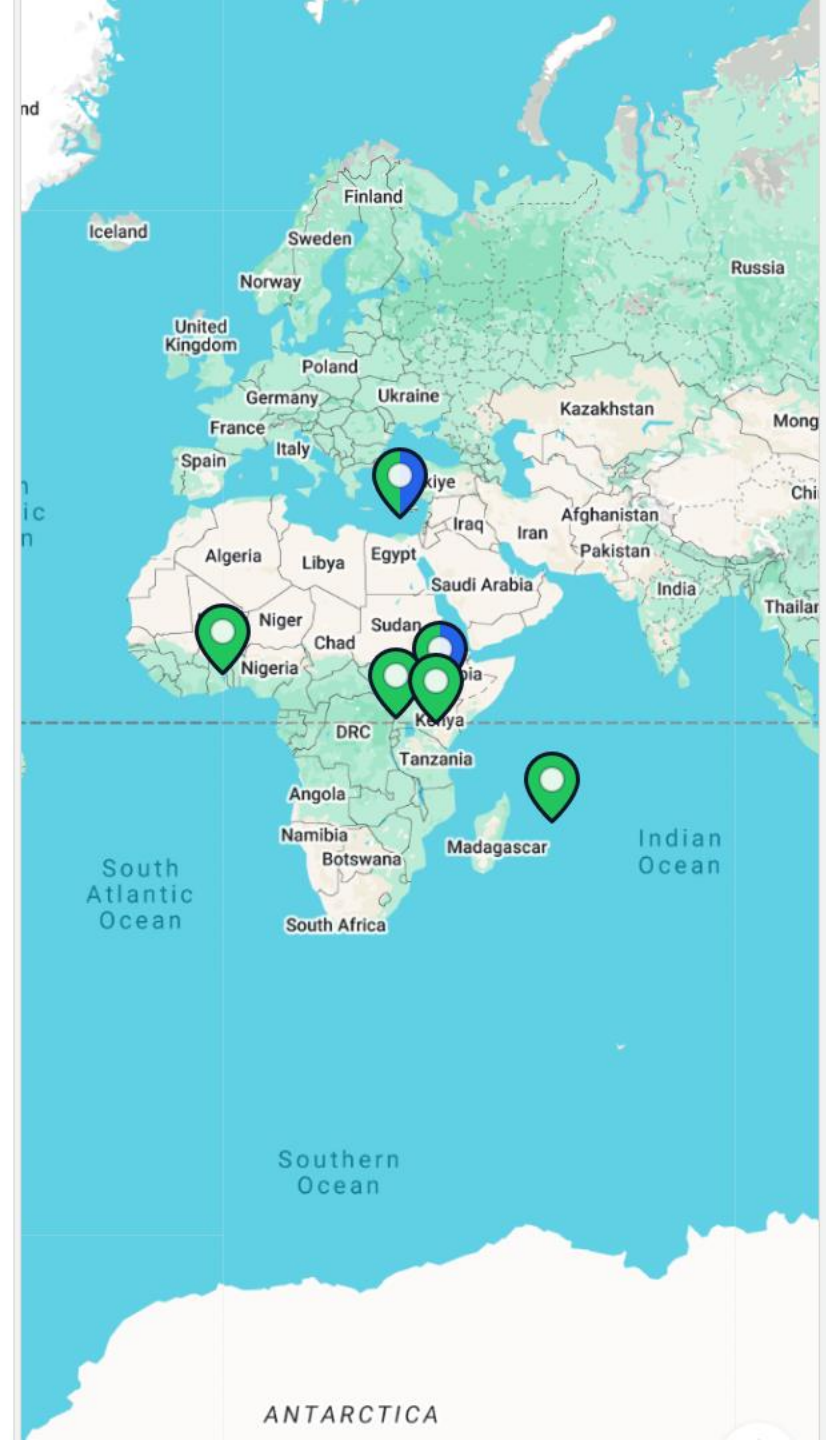
South Africa

Tanzania

Uganda

Zambia

## SDG Alignment



ANTARCTICA

# What is a CAB?

- ❑ Issued when the buyer redeems the CAB
- ❑ Certifies a voluntary contribution to a genuine adaptation project
- ❑ Certifies the delivery of outputs and outcomes that are expected to yield long term adaptation impacts
- ❑ Host country approved means contribution can be reported in the ETF
- ❑ Contains a variety of information about the project and a unique QR code



**Certified Adaptation Benefit**  
USD 300,000: 200 ha agroforestry practices implemented

**Issuer:**  
Adaptation Benefits Mechanism (Pilot Phase)

**Issue Date:**  
2 Jan 2026

**Registry:**  
ABM Registry (Pilot Phase)

**Redemption Date:**  
30 Jan 2026

**Project Details:**

Project ID: 4490  
Project Name: Harvest Loop Sahel  
Methodology: Harvest measurement Method  
Host Country: Senegal  
Location: Saint-Louis Region  
Project Owner: Sahel Supply Innovations SARL  
Activity duration: 01 May 2025 - 30 April 2030  
Benefits duration: 01 May 2025 - 30 April 2030

**Redemption Details:**

Organisation Name:  
Address:

**Adaptation benefits redeemed:**

Redeemed CAB details:

Monitoring Period:  
01 May 2025 - 31 Dec 2025  
Serial number range:  
000212..000411  
Security Type: CAB  
Quantity: 200  
Metric: ha agroforestry practices implemented  
Vintage: 2025  
Price: USD 1,500.00 per CAB

Redemption Purpose:  
Solidarity levy 2025 vintage

Monetary Value:  
• USD 300,000.00

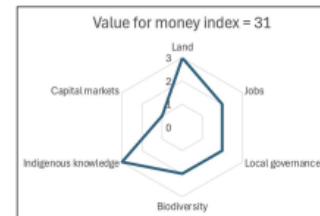


**Climate-induced threat:**

- changing climate threatens productivity and longevity of agricultural crops and livestock

**Co-benefits:**

- carbon sequestration



This Certified Adaptation Benefit (CAB) has been issued through the application of the Pilot Phase Adaptation Benefit Mechanism (ABM) modalities and procedures as detailed on the ABM website (September 2025) [www.abmechanism.org](http://www.abmechanism.org), expedited to meet the deadline of UNFCCC COP30. The certification of outputs and outcomes (adaptation benefits) is the result of independent assessment and approval of an ABM methodology; independent validation of the Activity Design Document; and independent verification of the delivery of outputs and outcomes that are considered highly likely to result in long term positive impacts on adaptation and resilience in the host country. Assessments have been carried out with a limited level of assurance which confirms that "nothing has come to the verifier's attention to suggest material misstatement". Based on statements from parties, funds have been transferred from the buyer to the seller, constituting a voluntary contribution towards the costs of adaptation in the host country. This certificate does not guarantee that the desired impacts will materialize. Redemption is final; units are retired and cannot be re-issued or transferred. Full terms: <https://abmechanism.com/terms>

Verify this CAB by scanning the QR code or visiting  
<https://registry.abmechanism.com/check/477fwejkww>

Automatically generated on [date]; [time(UTC)] by the ABM Registry

Adaptation Benefits Mechanism  
[www.abmechanism.org](http://www.abmechanism.org)

CCIA Building, Adaptation Benefits Mechanism,  
Avenue Jean-Paul II B.P. 1387 Abidjan 01 Côte d'Ivoire





## Demand for CABS

- ❑ Currently there is no demand for CABS
- ❑ Developed country governments have so far failed to call on emitters to contribute to the costs of adaptation and have instead funded adaptation from ODA budgets (perhaps because there have been no suitable mechanisms to date?)
- ❑ With falling ODA budgets and a growing adaptation gap, it is clear that emitters need to start contributing to the costs of adaptation – which is driven by emissions
- ❑ Solidarity Levies offer the first opportunity to create a levy (or tax) on emissions and we hope the Global Solidarity Levy Task Force will select ABM as one of their mechanisms to enhance and redistribute levies
- ❑ My dream: Emitters responsible for 25% of global GHG emissions spend USD 10 per tonne of CO<sub>2</sub>e emissions on purchasing CABS by 2030 = USD 100bn of NEW money, 100% focused on financial barriers = 1/3 of Baku to Belem Target



## Where do we go from here? (Luc Gnacadja)

- ❑ ABM Pilot Phase closes at the end of 2025
- ❑ At CoP 30 we are launching a ABM Transition Phase to identify and re-locate the ABM in a host country or International Organization
- ❑ ABM will be self-funding from service fees. We need financial support to get started and a Government or International Organization to provide a legal setting and location enabling global roll out
- ❑ ABM Modalities and Procedures are operational but can be revised based on lessons learnt during the pilot phase
- ❑ Existing project pipeline needs to be serviced, to start generating ex post and ex ante financing opportunities in 2026
- ❑ Demand for CABs needs to be secured – we are calling on Developed and wealthy Governments; ESG / CSR actors; Solidarity levies
- ❑ Developing countries need Capacity building; training; Art 6.8 Focal Points; LoA issuance procedures





Closing words from Bob Natifu, Assistant  
Commissioner for Climate Change, Focal Point for CC  
Learn and a long time ABM Ambassador





## To find out more:

- ❑ Join the World Café
- ❑ Attend our flagship ABM event Thurs 13<sup>th</sup> 15:30 – 16:30 at the Joint MDB Pavilion
- ❑ Visit our website: [www.abmechanism.org](http://www.abmechanism.org) (under redevelopment)
- ❑ Contact: [G.Phillips@afdb.org](mailto:G.Phillips@afdb.org)  
[abmechanism@afdb.org](mailto:abmechanism@afdb.org)

