

## SUBMISSION TO THE BAKU TO BELÉM ROADMAP TO 1.3T

### **Mobilizing finance for adaptation and resilience through public private collaboration**

In 2023 the Atlantic Council's Climate Resilience Center in collaboration with the UN High-Level Champions conducted seven high-level roundtable discussions and six global webinars with finance institutions and country delegates, resulting in the first-ever [Call for Collaboration](#) (CfC) with the aim to mobilize finance for adaptation and resilience.

Launched at COP28, the CfC invites key finance and investment actors to come together, and devise needed solutions for scaling finance for adaptation and resilience in developing countries, ranging from data analytics and metrics to blended finance solutions and enabling policy mechanisms.

The CfC was coordinated jointly by the Atlantic Council's Climate Resilience Center, the UN High Level Climate Champions, the Insurance Development Forum (IDF), the Institutional Investors Group on Climate Change (IIGCC), the United Nations Environment Programme Finance Initiative (UNEP FI), the University of Oxford Environmental Change Institute, the University of Cambridge Institute for Sustainability Leadership, and the Asia Investor Group on Climate Change (AIGCC).

Building on that process, these supporting partners as well as other key stakeholders participated in a new series of working groups in 2024, discussing actions and priorities, ranging from physical climate risk analytics to financial standards, resulting in a [Six Ways to Scale Private Finance for Climate Adaptation](#), which was launched at COP29 and includes core recommendations capturing the priorities and summaries of those larger discussions.

**(a) What are priority short-term (by the end of 2028) and medium-to-long-term (beyond 2028) actions necessary to enable the scaling up of financing for climate action to developing countries? Based on experience to date and evidence, what can those actions contribute to in terms of progress in enabling the scaling up of financing?**

We believe that all of the below actions have to be implemented as soon as possible but will likely be sequenced in the following way.

Building on the findings of the CfC and the *Six Recommendations* the following short-term actions should be prioritized by the end of 2028:

- **Creating the space for the financial sector to collaborate:** Banking, insurance, institutional investors, regulators, will need to coordinate and work together to identify the impact on the real economy and prepare their clients for the future.  
→ [Several projects](#) such as innovative parametric insurance solutions show that collaborative solutions are necessary to address the systemic nature and complexity of climate change impacts.
- **Metrics and Incentives:** Through engagement with industry members and policymakers, creating standards for metrics and investments for adaptation and identifying relevant policy incentives.  
→ As identified in the working groups one of the main barriers to increased investments into adaptation and resilience is a lack of standardization and incentives.

- **Capacity building:** Strengthening of institutions, both public and private, to allow them to absorb the systemic shifts that need to be made to address climate impacts.

→ Building institutional capacity within government and across domestic and international financing institutions is a prerequisite to conduct physical climate-risk analytics, establish an adaptation-finance strategy, and design fit-for-purpose financial products - from pure grant-support to blended financial products or pure commercial lines.

Medium-to-long-term (beyond 2028):

- **Risk-analytics and data capabilities and the ability to translate these into financial materiality:** Re-assessing and re-signifying risks with a long-term vision and addressing how we can mainstream these risks into the financial decision-making processes.

→ Translating physical climate risks into granular economic and financial metrics is essential to attract public and private-sector engagement and to pinpoint priority areas for adaptation and resilience investment.

- **Generation, acceleration of adaptation solutions through finance and Technical Assistance:** Investing in the underlying capabilities and analysis of cost-benefits that address both the cost of inaction and the investment opportunities for adaptation finance.

→ National Taxonomies have the potential to identify adaptation solutions that create the desired adaptation outcomes. The identification of adaptation solutions has to be driven through a bottom-up process that integrates local community knowledge and innovation.

- **Structuring and standardizing investment pipelines:** Scaling adaptation solutions and creating the space for a dialogue between the private and public sectors on an enabling policy environment, especially with shifting political agendas.

→ Marketplace platforms have demonstrated success, as evidenced by the [Bangladesh Climate and Development Platform](#).

#### **(b) What strategies can be implemented to enhance and scale up public and private financing mechanisms for climate adaptation, especially in vulnerable regions?**

The Atlantic Council's Climate Resilience Center suggests a facility that will provide expert analytical support as well as capacity building tools directly to developing countries to:

- help quantify risk, by for example, helping cities understand which flood zones are underpriced, which energy grids are overexposed, and which critical services require climate-proofing;
- turn risks into action, programs, investment plans and projects; and,
- standardize coordination and dialogue processes between policy makers, investors, financial institutions and project implementers at a country level. This could eventually lead to institutionalize Adaptation Investment Platforms linking ministries (Planning, Finance, Environment) with investors, banks, insurers, and development partners.

The Atlantic Council's Climate Resilience Center further suggests that urgent grant-financing has to be mobilized for developing countries to build the suggested capabilities and capacities that are crucial to mobilize finance for adaptation and resilience and to create [debt sustainability](#) through adaptation. Additionally, there is an urgent need to build capacity to mobilize funding for [nature-based solutions](#) that provide a long term solution for building resilience in vulnerable regions.

**(c) What other experiences, proposals or approaches could help inform and accelerate efforts to mobilize USD 1.3 trillion in financing, including through grants, non-debt creating instruments, new sources of finance, and strategies to create fiscal space?**

Numerous examples show that public–private collaboration mobilizes diverse capital; the common thread is innovative partnership design—e.g., donor- or philanthropy-funded premium support to expand insurance coverage. Mobilizing the necessary climate finance will require a diverse coalition of local and international financial actors. However, to be effective, the roles need to be clearly defined and agreed upon for delivering on commitments.

**Case Study: How data and risk analytics can drive financial instruments design for adaptation and resilience**

**Ghana’s Parametric Flood Insurance Pilot**

In recent years, Ghana has experienced a notable increase in the frequency and severity of urban flooding, particularly in Accra and other urban centers. Recognizing the rising costs of flood-related losses and humanitarian needs, the government explored innovative financial tools to reduce the burden on public finances and enhance response capacity. The Parametric Flood Insurance Solution, designed under the *InsuResilience Solutions Fund (ISF) Project C5.23*, is a pilot initiative that applies risk transfer to support anticipatory and early humanitarian action. **The solution was designed to enable faster access to funds for emergency response activities through pre-agreed triggers and payout mechanisms based on satellite-based rainfall data. The pilot is structured around three main actors: the Government of Ghana (as the risk owner and recipient of payouts), Ghana Red Cross Society (as the implementing partner), and Swiss Re (as the risk carrier and technical partner).**

*Risk Analytics as the Foundation*

The success of the pilot relied heavily on robust **risk analytics and technical modeling**. Swiss Re developed a **parametric trigger index** using remote sensing rainfall data (CHIRPS and IMERG) and hydrological modeling to determine the probability and severity of flood events in the target area. The index was calibrated to historical events and validated using a flood impact validation study.

By using **trigger thresholds and return periods**, the model allowed for pre-defined payout structures that are both **transparent and objective**, supporting efficient activation of early humanitarian measures. Additionally, the solution used a **two-layer design**:

- A **parametric insurance layer**, which provides payouts to the government based on rainfall exceedance.
- A **protocol layer**, which outlines how the Ghana Red Cross would execute the response with pre-identified activities and budgets.

*Implementation and Institutional Roles*

The pilot involved **extensive collaboration between national and international actors**, including:

- The **Ministry of Finance**, which hosted workshops and provided policy context.
- The **Ghana Red Cross Society**, responsible for executing early actions based on disbursement.
- Technical support from **Swiss Re**, and advisory support from **Willis Towers Watson, PULA, and ISF Advisors**.

The insurance contract was underwritten by Swiss Re and intermediated through a domestic insurance partner, **Star Assurance**. This layered engagement between global and domestic institutions ensured both financial risk transfer and capacity development within the national insurance ecosystem.

*Outcomes and Lessons*

While payouts were not triggered during the pilot period (2022), the project produced several critical insights:

- **Risk analytics** are essential for designing credible, evidence-based parametric products.
- **Local validation of models** builds stakeholder trust and improves the contextual relevance of the trigger mechanisms.
- The pilot demonstrated the importance of **protocol-based humanitarian response planning** linked to financial instruments.
- The project created a **blueprint for potential scale-up**, particularly for urban flood risk management in other regions of Ghana.
- The project also shows how a diverse set of actors from public and private side, as well as from the humanitarian sector can come together to create financing instruments that are based on country needs.

**Case Study: Benin — Ecotaxes funding local adaptation via LoCAL (Komdè, Ouaké)**

Benin applies a “polluter-pays” ecotax on imported high-impact goods—e.g., used vehicles, tyres, clinker, single-use plastics, tobacco—(with small fixed/ad-valorem charges such as approximately **300–3,000 West African CFA francs (XOF)** on vehicles and **0.25–0.5%** on select goods) and channels the proceeds into locally led adaptation through UNCDF’s LoCAL Performance-Based Climate Resilience Grants (PBCRGs); while aggregate revenues aren’t disclosed, the steady inflows “add up” and contributed to the national environment fund (FNEC) securing Green Climate Fund accreditation in 2019.

**Mechanism details.** Ecotax revenues flow to FNEC, are blended with external finance (e.g., AfDB’s Africa Climate Change Fund), and disbursed to communes via LoCAL PBCRGs against community-identified priorities and performance criteria, creating a predictable, rules-based channel for local adaptation.

**Impact.** In Komdè (Ouaké), funds financed a solar-powered irrigation system that replaced petrol pumps and manual bucket-watering, securing dry-season water for market gardens, reducing labor (especially for women), stabilizing yields/incomes, and enabling households to invest in essentials like children’s education.

**(d) What key actors and existing multilateral initiatives should be considered or involved, as appropriate, to support the delivery of the USD 1.3 trillion target?**

- 1. Regulation & financial stability:** The Network for Greening the Financial System.
- 2. Frameworks and taxonomies:** Institutional Investors Group on Climate Change; Climate Bonds Initiative Resilience Taxonomy; University of Cambridge Institute for Sustainability Leadership; UNEP FI, Principles on Responsible Banking, Working Group on Adaptation
- 3. Mobilizing finance for NAPs:** Asia Investor Group on Climate Change, World Bank.
- 4. Metrics and data:** UNEP FI Adaptation and Resilience Investors Collaborative.
- 5. Insurance for climate adaptation and resilience:** Insurance Development Forum, Atlantic Council’s Climate Resilience Center.