

CLIMATE ADAPTATION AND RESILIENCE IN ASIA:

# Pricing Risks, Identifying Opportunities, Financing Solutions

## Expert Presentation for UNFCCC Veredas Dialogue

10<sup>th</sup> June

Financial sector approaches to climate risk management and investing in resilience:  
Enhancing the business case for adaptation and mobilising private capital for resilience

# Climate costs are material yet still systematically underpriced

Global annual climate costs to publicly listed companies

**US\$1.3T**

in the 2030s

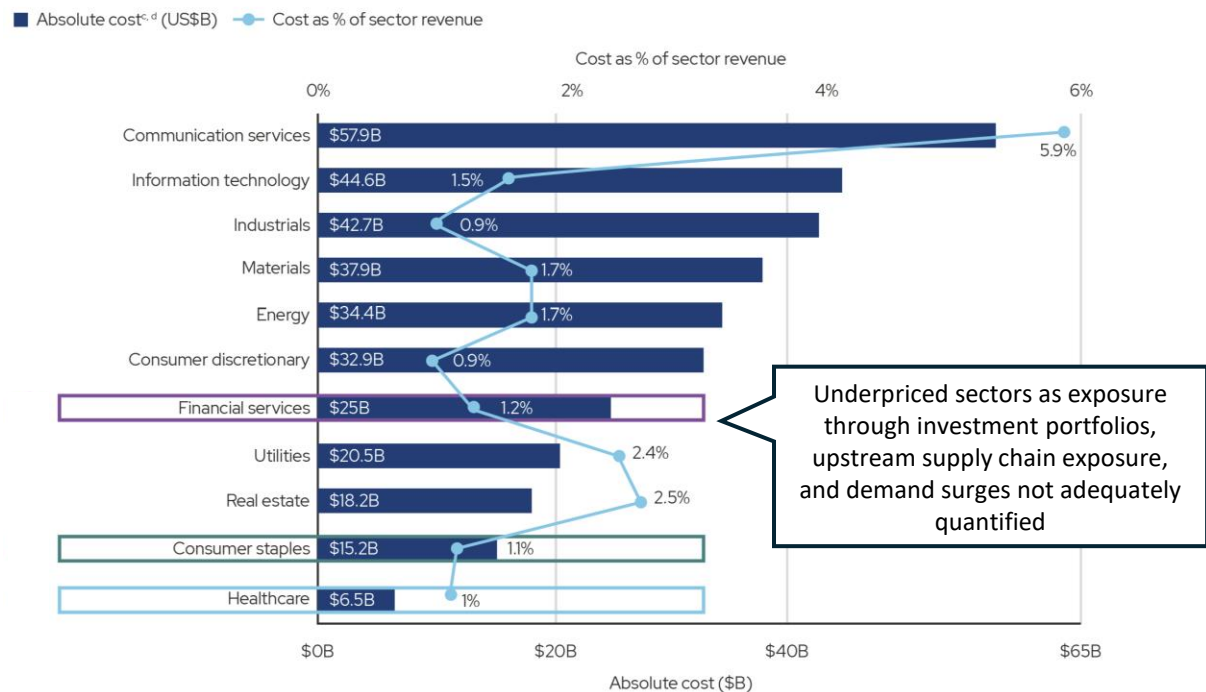
**US\$1.7T**

in the 2050s



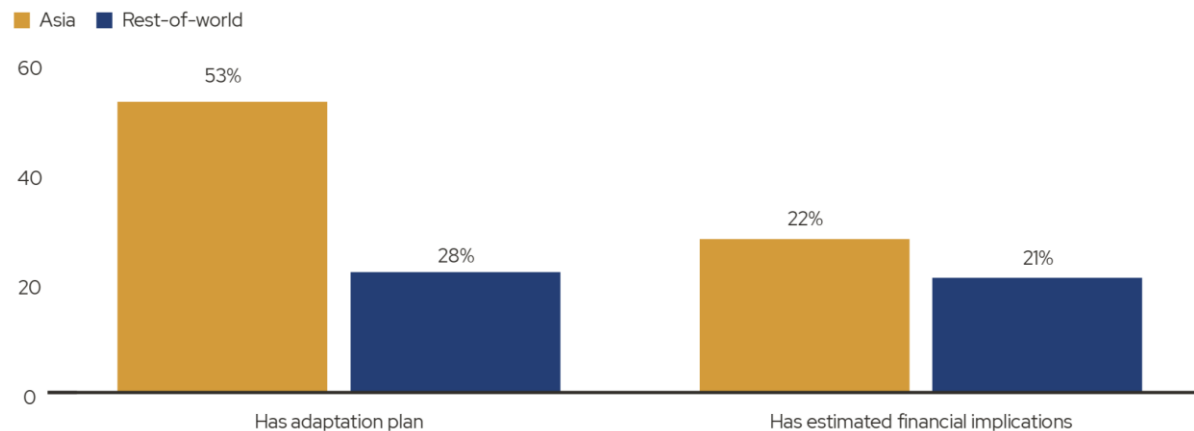
>50% of these companies have a material Asian footprint

Figure Annual physical risk cost by sector of Asia HQ companies (2030s),<sup>a</sup> under a Medium climate change scenario<sup>b</sup>



Yet, many companies do not have adaptation plans; even fewer estimate financial impacts

Figure Companies with adaptation plans and have also estimated financial implications (Asia vs. Rest-of-world)

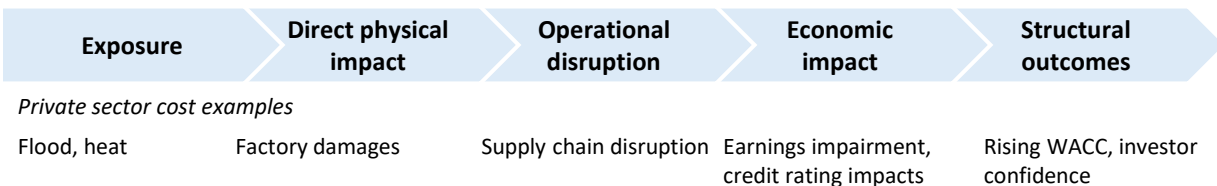


Limited impact of climate on ratings today

<1%

of S&P's rating actions since April 2020 globally have stemmed from physical climate risks, indicating that such risks have not widely altered the creditworthiness of rated entities.<sup>1</sup>

## Climate cost transmission pathway



Key challenges

Time horizon mismatch

Data gaps & modelling limitations

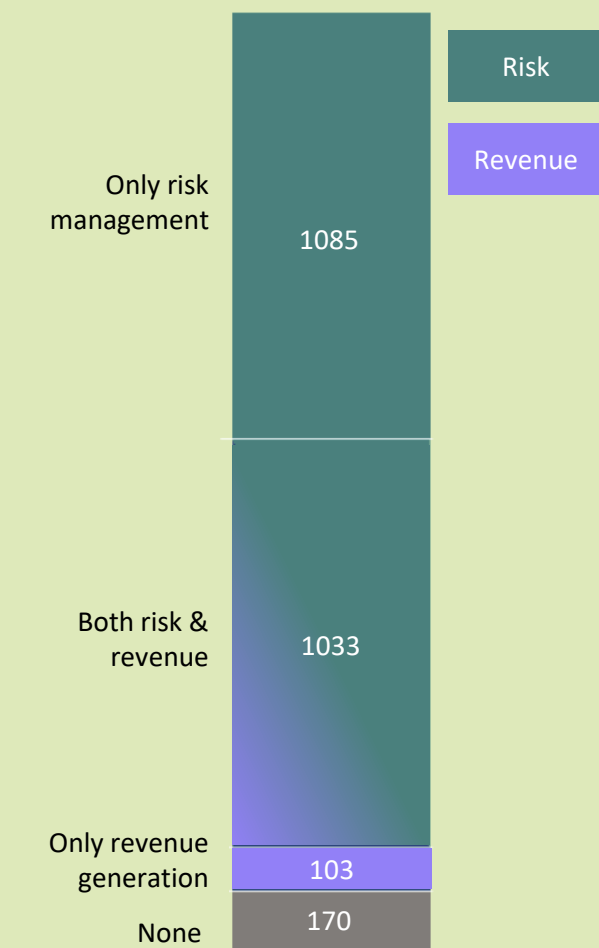
Unpriced externalities

Undervalued resilience dividends

# There is value to invest in climate adaptation and resilience, beyond risk mitigation

Corporate resilience spans risk mitigation and revenue generation

Figure. Corporate resilience activities of MSCI ACWI Index



## Commercial value drivers of climate adaptation and resilience (CA&R)

Illustrative	Commercial driver	Linkage to impact
Generating upside	Premium pricing for certified-resilient assets	Rental and valuation uplift, lower vacancy rates, stronger buyer and tenant demand
	New market and customer segments	New revenue from resilience-linked products and services
Reducing costs	Physical asset protection from acute events	Reduced damage and replacement costs, lower post-event downtime, preserved asset useful life
	Workforce productivity protection, e.g., under chronic heat	Maintained labour output, reduced heat-related absenteeism and occupational injury, lower turnover costs
	Reducing cost of capital	Improved investor confidence and risk perception, tighter credit spreads; access to broader capital pools
Mitigating risk	Business continuity and supply chain resilience	Faster post-event recovery, reduced revenue interruption, lower inventory write-offs, and contractual penalties
	Maintained insurability as the protection gap widens	Continued access to insurance at viable premiums, lower self-insurance burden as underwriters retreat from unprotected exposures
	Regulatory positioning ahead of tightening adaptation mandates	Preserved licence and ability to operate in high-risk zones, reduced unplanned compliance costs

3 additional dividends, if properly valued to generate ~26.8% average EIRR across sectors



**Avoided losses:** avoided or reduced injuries, illnesses, mortality, and infrastructure damages and losses<sup>5</sup>



**Induced economic benefits:** increase in yields, tourism, and reduction of maintenance costs<sup>5</sup>



**Social and environmental benefits:** reduction of carbon emissions, increase in biodiversity, and improvements in well-being and health outcomes<sup>5</sup>

# The CA&R opportunity landscape is diverse; 250+ solutions across 9 sectors prioritised for Asia; private sector flows today is limited

Directional

## CA&R solutions sit across the spectrum of commercial viability

3 tiers of solutions

94 solutions with **limited or no commercial viability**

No clear revenue pathways in the short term, typically involving shared public goods

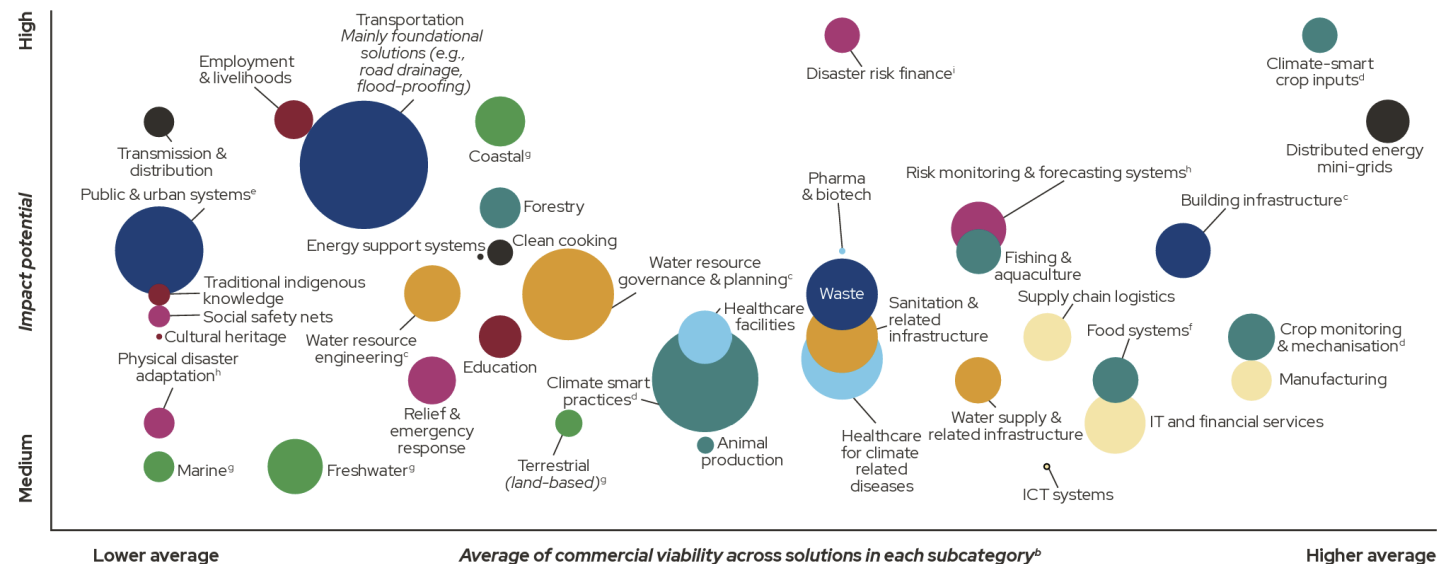
93 solutions with **emerging commercial viability**

Clear use case and demand but not yet consistently scalable, repeatable, or profitable

65 solutions with **proven commercial viability**

Proven, repeatable revenue and scalable unit economics across markets

## The CA&R opportunity landscape in Asia<sup>a</sup>

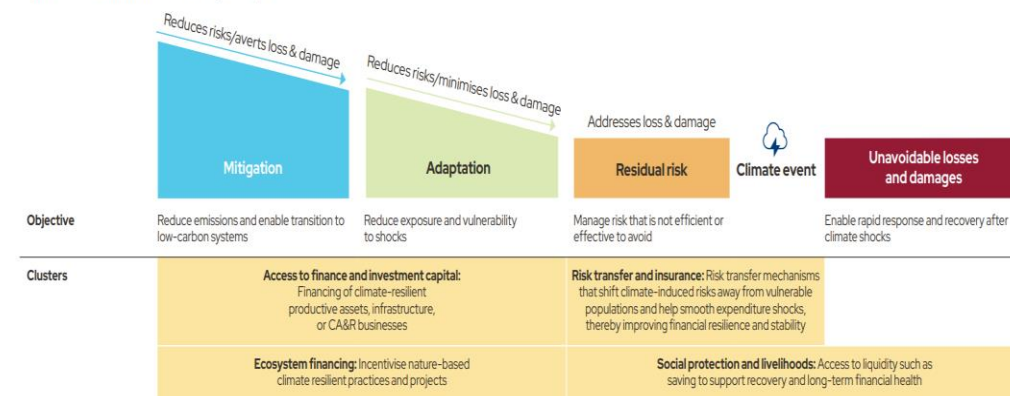


**Note:** a This is an indicative and directional mapping that not be read as an assessment of investment viability, but as an estimation of average commercial viability of all 252 solutions within each sub-sector; b Placement of sub-categories is based on average of commercial viability and impact potential across individual solution that range from low to high; c Water resource engineering and water resource governance and planning are subsets of water resource management; d Climate-smart agri practices, climate-smart crop inputs, and crop monitoring & mechanisation are subsets of crop production; e Public & urban systems and building infrastructure are subsets of buildings & settlements; f Food systems refers to post-farmgate handling, storage, aggregation, transport, processing (primary to mid-level), and distribution of food commodities, with a focus on ensuring food availability, quality, and affordability; g Ecosystems subsectors (marine, freshwater, terrestrial, coastal) refer to interventions for the related ecosystem; h Risk monitoring & forecasting and physical disaster adaptation are subsets of risk reduction; i Disaster risk finance is a subset of both risk reduction and relief & emergency response; j For further details and examples of solutions in each sub-sector please refer to main report.

Source: Climate Adaptation and Resilience in Asia (2026) by CIIP, in collaboration with Temasek, Invesco, and Impact SF, supported by Dalberg

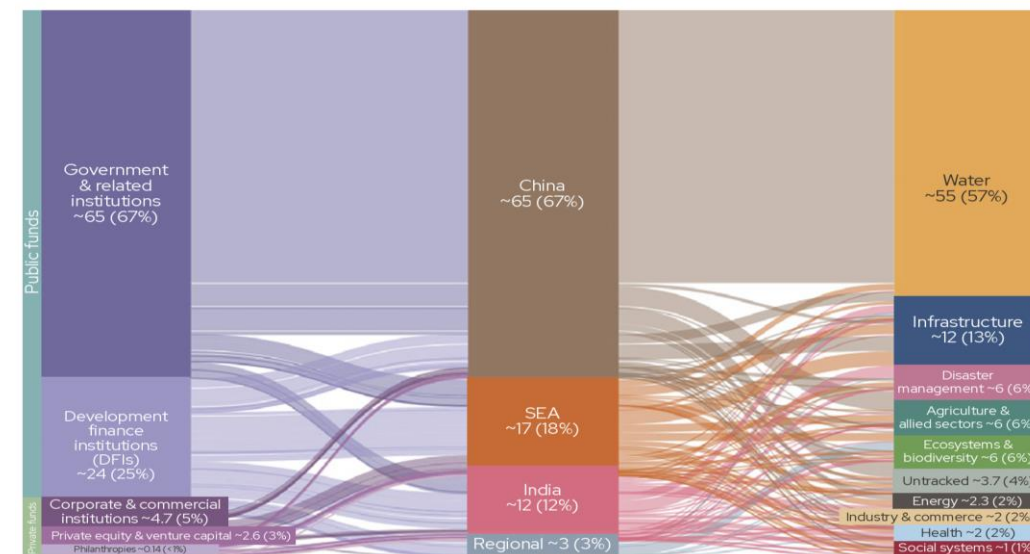
## Financial services underpins the climate risk journey

Figure Illustration of climate risk journey<sup>a</sup>



## Today, private sector capital remains constrained

**Global flow of CA&R finance across Asia, by funder and sector**  
 Total: ~US\$96B (cumulative 2021-2025); 2025 data may be partial due to data limitations



# The good news: There is emerging funder interest in this space

*Directional*

Survey completed by

# 165

Asian funders between September 2025 and March 2026<sup>a</sup>

Representing

# >US\$1T

AUM or funds managed globally

# #1 CA&R

Impact category by activity (49%) and interest (28%) combined

Top CA&R sectors

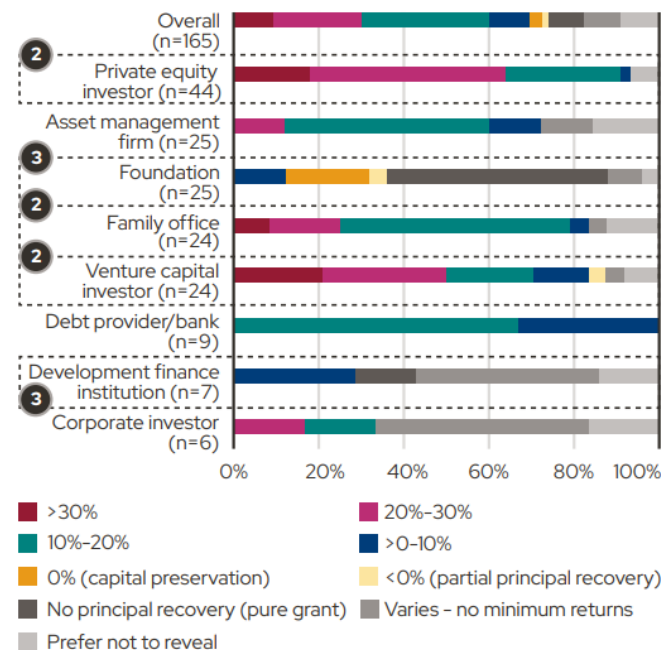
1. Agriculture
2. Energy
3. Ecosystems & biodiversity

## Key barriers exist for private sector participation at scale

	Active or interested	Not interested
Top challenges	1. Pipeline	
	2. Macro challenges	2. Mandate
	3. Deal structuring	3. Knowledge and capacity
Top enablers	1. Stronger business models with clear exit timelines / better returns	
	2. Broader pipeline	2. Change in strategy
	3. Downside protection	3. Improved organisation capability

## Majority of funders expect minimum returns between 10% and 30%

Figure 13. Minimum expected portfolio returns



## What's needed

**Innovative financing**  
*Pooled capital across stack and time, bundling and aggregation*

**Data and capacity building**  
*For both funders and enterprises*

**Macro levers**  
*Climate-aligned policies, standardised valuation frameworks, incentives*

# Examples of private sector action: ~50 case examples from Asia

Non-exhaustive

CA&R objectives

**Risk mitigation**  
(e.g., hardening of assets, making BAU more resilient)

**Upside generation** (e.g., new business models, investment strategies, approaches)

**Pure impact**  
(i.e., no revenue or upside expected)

Companies

Funders

THANK YOU

Read our CA&R reports here



Discover insights into CA&R needs and opportunities across Asia, informed by ~250 industry stakeholders, alongside a deep dive on agri-food resilience in SEA

Explore the CA&R financing dashboard



Map ~US\$100B of CA&R financing over the past 5 years, and explore over 250+ solution categories for actors across the capital spectrum

