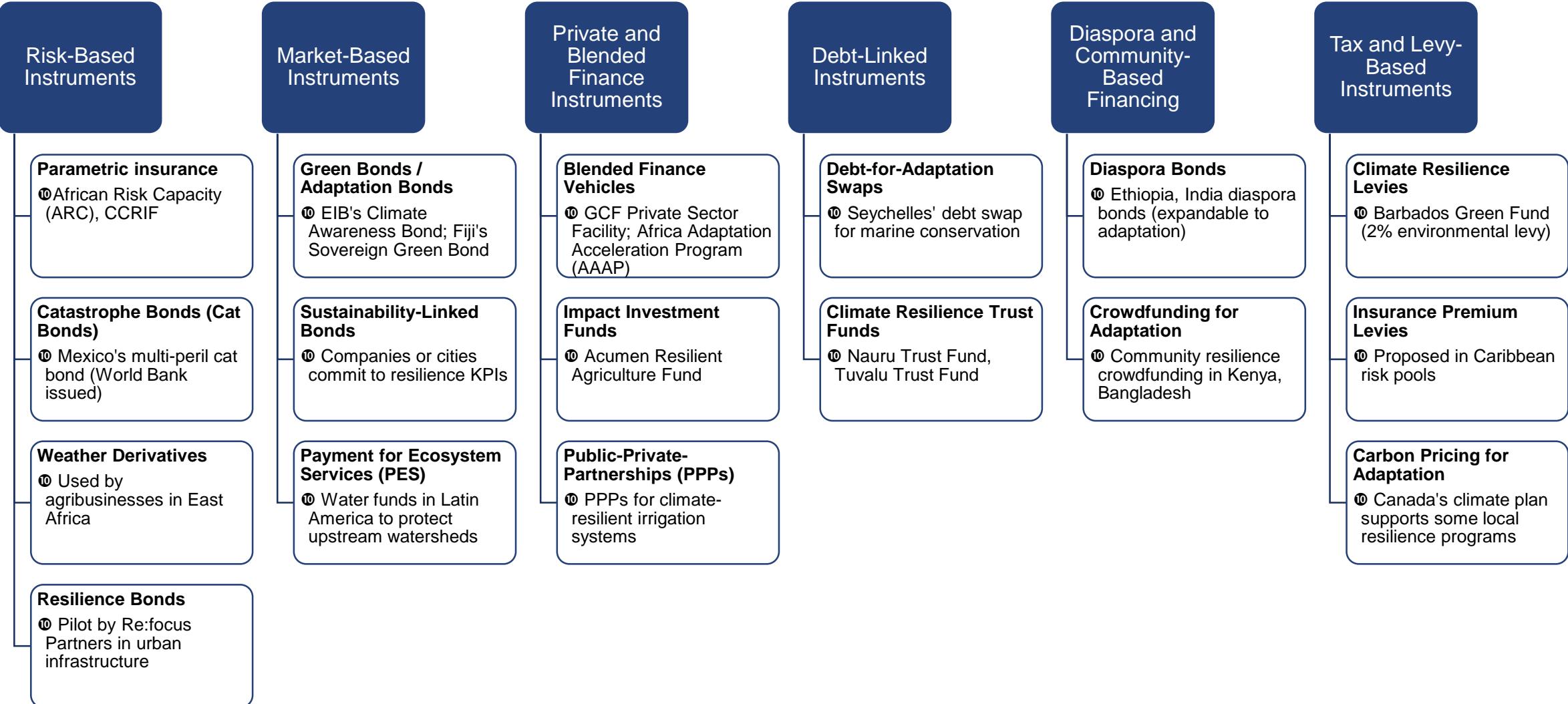




Types of innovative finance for adaptation

Type	Description	Instrument(s)
Risk Based Insurance	These help transfer or manage climate-related risks, making investment in adaptation more attractive	<input type="checkbox"/> Parametric Insurance <input type="checkbox"/> Catastrophe Bonds (Cat Bonds) <input type="checkbox"/> Weather Derivatives <input type="checkbox"/> Resilience Bonds
Market-Based Instruments	These create value streams that support adaptation or incentivize resilient behavior	<input type="checkbox"/> Green Bonds / Adaptation Bonds <input type="checkbox"/> Sustainability-Linked Bonds <input type="checkbox"/> Payments for Ecosystem Services (PES)
Private and Blended Finance Instruments	These crowd in private sector investment by blending public or philanthropic funds with commercial capital	<input type="checkbox"/> Blended Finance Vehicles <input type="checkbox"/> Impact Investment Funds <input type="checkbox"/> Public-Private Partnerships (PPPs)
Debt-Linked Instruments	Used to create fiscal space for adaptation investment or redirect funds towards resilience	<input type="checkbox"/> Debt-for-Adaptation Swaps <input type="checkbox"/> Climate Resilience Trust Funds
Diaspora and Community-Based Financing	Leveraging local or diaspora capital for adaptation needs	<input type="checkbox"/> Diaspora Bonds <input type="checkbox"/> Crowdfunding for Adaptation
Tax and Levy-Based Instruments	Innovative public revenue streams used to finance adaptation	<input type="checkbox"/> Climate Resilience Levies <input type="checkbox"/> Insurance Premium Levies <input type="checkbox"/> Carbon Pricing for Adaptation
Cross-Cutting Mechanisms		<input type="checkbox"/> Results-Based Finance (RBF) <input type="checkbox"/> Advance Market Commitments

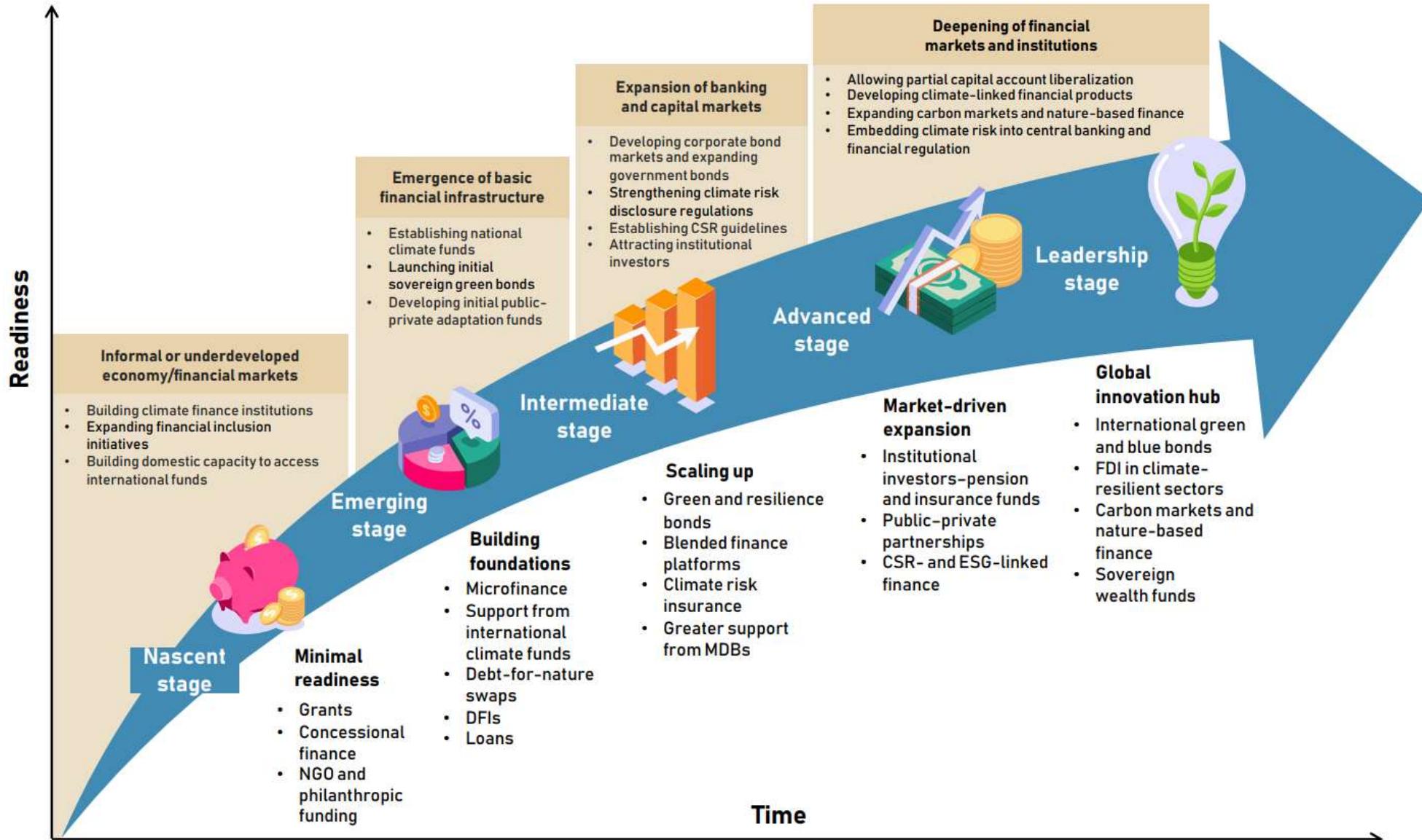
Examples by type of innovative finance for adaptation



Guiding Questions

- What is a list of key priority activities and projects for the NAP for the country?
- From estimates of adaptation gaps and the country priorities, what levels of funding are envisioned by 2030?
- What could be reasonable mix of sources to pursue
- What would be the pattern of scaling-up access/mobilization of the needed funding and financing by 2030?

Gradual progression in capacity to engage in and catalyse increasingly complex financing instruments and modalities



How to choose the right innovative finance for adaptation (Decision tree)

