UNFCCC

Empowering Action: Knowledge and Know-How for Adaptation and Finance

Informal Summary Report
Nairobi Work Programme

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Image credit. Quang Nguyen Vinh

Contents

I. Key messages

II. Introduction

III. Foresight methodology

IV. Defining vision 2040

V. Designing pathways for novel ideas

VI. Identifying cross-cutting ideas and pathways

VII. Conclusion

Annex

I. Key messages

Climate finance for adaptation is essential to safeguarding communities, ecosystems, and economies from the escalating impacts of climate change. Yet adaptation remains critically underfunded, with actors at all levels facing barriers to access finance. Scaling adaptation finance—through predictable and accessible solutions that readily adapt to evolving needs—can empower communities to design and implement solutions that reflect their unique needs and priorities. Investing in adaptation is not only a moral imperative but also a strategic necessity to protect livelihoods, sustain ecosystems, and secure a more equitable and climate-resilient future for all.

This report summarises outcomes from the knowledge and know-how for adaptation and finance work under the Nairobi Work Programme (NWP) that was guided by a foresight methodology. Using inclusive and future-oriented processes, such as horizon scanning, systems and stakeholder mapping, and scenario development, the foresight methodology enabled a systematic assessment of emerging trends, scenario testing, and the co-creation of pathways and unconventional mechanisms that can expand the range of practical options for financing at regional, national, subnational, and local levels.

The envisioned adaptation finance landscape by 2040 must be grounded in equity, responsiveness, and efficiency. Achieving this vision requires turning innovative ideas into actionable pathways for change. Common principles connect these ideas—placing communities at the centre, strengthening capacity, establishing universal standards, coordinating across all levels of governance, and promoting innovation and adaptability. Together, these elements form the foundation of a just and future-ready adaptation finance system.

The novel ideas and practical options discussed in this report are not exhaustive. Rather, they seek to inform Parties and other stakeholders of the non-conventional approaches for financing adaptation, and to inspire them to design context-specific solutions for adaptation planning and implementation.

Community-centric adaptation finance and local ownership are central to lasting resilience.

Adaptation finance must empower communities to define priorities, manage resources, and design solutions. Locally led decision-making ensures that actions are inclusive, sustainable, and aligned with lived realities. Strengthening community ownership enhances both legitimacy and long-term impact, ensuring that adaptation delivers where it matters most.

Capacity development and enabling environments are prerequisites for scaling action.

Building the knowledge, skills, and institutional strength of communities and local actors is essential for translating adaptation finance objectives into actionable strategies and measurable results. When supported by coherent policies and strong governance systems, capacity development enables innovative approaches to take root, creating the conditions for durable and measurable adaptation outcomes. Unconventional ideas can unlock access to finance for vulnerable communities, which remains insufficient.

Standardisation of definitions, metrics, and results is vital for accountability and comparability.

A shared framework of metrics and reporting ensures transparency, harmonisation, and scalability across systems. Integrated platforms and open data have the potential to link local insights with national and global decision-making, improving the accuracy of assessments and the credibility of adaptation investments.

Multi-stakeholder coordination across governance levels and leveraging diverse knowledge systems enhance coherence and impact.

Adaptation finance requires collaboration amongst local, national, and regional actors. Coherent planning between public institutions, civil society, and the private sector aligns priorities, reduces duplication, and ensures that resources reach those most at risk. Effective coordination builds trust and enables collective progress towards resilience goals.

Innovative and unconventional adaptation finance pathways have the potential to drive transformative change.

The proposed unconventional ideas for adaptation —such as certified adaptation benefits, de-risking tools, and aggregation platforms—can mobilise additional capital and align investment flows with community needs. Embedding flexibility in design and implementation, in addition to adopting a forward-looking outlook and community-centric approach, will not only allow these ideas to be scalable but also to respond effectively to evolving risks and opportunities, unlocking pathways for transformation.



Image 1. Credits: Katosho Aron

II. Introduction

Context

Despite the growing recognition of the pressing need to adapt to worsening climate impacts, global adaptation finance needs remain unmet. Climate-related events not only disrupt economic activity, with long-term effects on macroeconomic and fiscal stability, but also exacerbate existing socio-economic and political challenges. Marginalised groups and vulnerable communities in low and middle-income countries, for instance, are often the most exposed to climate risks and the least equipped to manage them.[1] Increasing access to finance that enhances resilience is urgent, but much more needs to be done to design and expand the adoption of adaptation finance solutions.

Scaling up adaptation action and strengthening resilience across systems and communities, in pursuit of the Paris Agreement's goals, requires forward-looking strategies and the co-creation of unconventional ideas grounded in diverse knowledge systems. Diverse actors, including communities, governments, financial institutions, and the private sector, must join hands to design these solutions, embedding climate risks and opportunities into decision-making. They must enable rapid resource mobilisation at scale to strengthen resilience across systems. Leveraging this knowledge and know-how ensures that resources deployed are adequate, reach targeted communities, and deliver tangible results. Through this effort, the NWP aimed to design these novel pathways and recommendations.

Objectives and expectations

The overarching objective of the knowledge and know-how for adaptation and finance work under the NWP, guided by the mandates,[2] is to engage diverse knowledge holders to co-ideate creative pathways and unconventional mechanisms that can expand the range of practical options for financing adaptation at all levels , through a foresight-driven process.

The NWP convened an expert group of 23 knowledge holders on adaptation and finance to expand the range of practical options and develop actionable recommendations to finance adaptation.

Scope of work

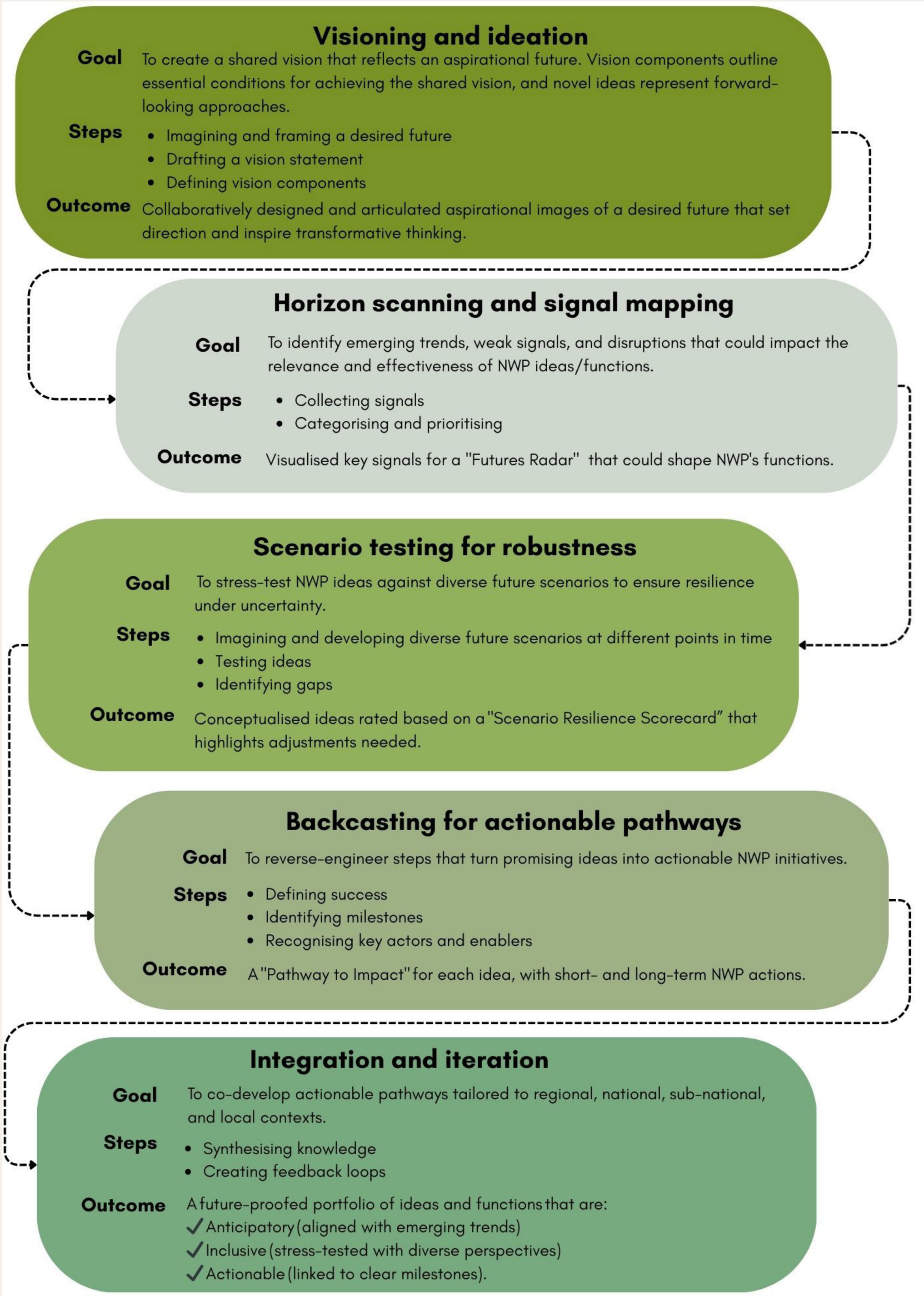
The inclusion of experts from diverse knowledge holders, including academia and scientific institutions, private sector actors, intergovernmental agencies, non-profit organizations, Indigenous knowledge holders, and local knowledge holders ensured that the convening enabled an integrative approach to designing creative pathways and unconventional mechanisms. The expert group met in three virtual meetings and applied a foresight methodology (See next section) to generate forward-looking and non-conventional novel ideas. The event, held during the second climate week in Addis Ababa, engaged 80 in-person and 55 virtual participants. These knowledge holders co-ideated creative and unconventional pathways that can expand the range of practical options for financing adaptation at all levels through a foresight-driven process.[3]

The process included a horizon scanning exercise, co-creation of a vision, and the development of ideas that unlock and facilitate access to finance for adaptation and resilience in several future scenarios (See outcomes in Annex).

[1] This sentence reflects inputs provided by external experts and other contributors participating in virtual events convened under the NWP.
[2] See FCCC/SBSTA/2025/4, para 70 and FCCC/SBSTA/2022/6), para 16
[3] See https://unfccc.int/event/empowering-action-knowledge-and-know-how-for-adaptation-and-finance

III. Foresight methodology

Figure 1. Schematic of the foresight methodology



This foresight methodology was developed under the Resilience Frontiers Initiative

IV. Defining vision 2040

Expert groups in the virtual meetings developed a vision for the adaptation finance landscape in 2040. The novel ideas, presented in the next section, were proposed and designed to achieve this vision. The vision is defined below (See annex for details on the vision and outcomes).

By 2040, a world where people and nature are able to withstand climate shocks, as communities, governments, financial institutions, and private actors co-lead adaptation efforts by integrating all climate risks and opportunities into all financial decisions, ensuring that all communities can access and unlock adequate climate adaptation finance tailored to their needs. This vision is enabled by inclusive governance systems, universally accessible data, and supported by equity, accountability, and innovation in how adaptation is integrated into how capital is unlocked and allocated, risks are priced, and success is measured.

V. Designing pathways for novel ideas

Using back-casting, knowledge holders and participants co-created and refined strategic steps, actions, and conditions to ensure these novel ideas are actionable, grounded in a real-world context and resilient to diverse future scenarios.

Back-casting is a planning method that defines a desirable future and then identifies strategic steps, actions, and conditions necessary to attain that vision (see Figure 1). For each idea, participants contextualised pathways against real-world filters such as policy feasibility, inclusiveness, scalability, innovation, and equity, highlighting key milestones, necessary actions, and actors and enablers at the local, regional, and subnational levels. As dictated by the back-casting process, milestones typically correspond to the institutionalisation of the identified novel idea by 2040, followed by the identification of scalable pilots by 2030, and pilot testing between 2025 and 2029.

This section details the eight novel ideas designed by knowledge holders and experts (See Table 1 for an overview of eight novel ideas and Table 2 for details of each idea, including milestones and key actors).

Table 1. List of novel ideas

Novel ideas
Capturing community-based adaptation
Adapting the Certified Development Mechanism to climate adaptation
Building an open data architecture for resilience
Bottom-up verification of adaptation data
Enabling a collaborative pipeline platform
Aggregating small-scale projects to unlock large-scale finance
Fostering transparency and accountability
Rewarding climate resilience in credit ratings



Image 2. Participants during an active discussion at the NWP event on finance during the Second Climate Week in Addis Ababa, September 2025.

Capturing community-based adaptation

This novel idea aims to shift the perception of adaptation finance as a collateral-based allocation to an impact-driven approach by democratising access to and control of funding decisions. The idea is grounded in the knowledge that placing communities at the centre of decision-making and allocating finance based on the needs of and rules defined by communities can better achieve the intended goals of finance for adaptation.

The milestone of inclusive local participation in decision-making processes by 2040 would be achievable with the adoption of international standards, impact reporting, trusted social networks, and sustained international and domestic finance. Making the vision for community-driven adaptation action a reality would engage governments at all levels, planning departments, community associations, local cooperatives, NGOs, and community members, in addition to development finance institutions and donors, and actors from the financial sector.

Access to low-cost financing for adaptation projects at the local level by 2030 would be achievable if appropriate governance structures that are sensitive to vulnerable sections of society ensure decentralised access to adaptation finance from national to local levels. Context-specific policies and the integration of National Adaptation Plans into development plans would enable this milestone.

By 2029, existing pilots and experiences in community financing to scale locally led action would have to be identified and expanded. Enhanced climate literacy and mainstreaming climate information into education systems that are strategic and cross-cutting are essential elements of this milestone that would empower citizens to make informed, democratic decisions about adaptation and finance. Streamlined adaptation taxonomies that clearly define adaptation and open access data on climate risks that help understand the costs and benefits of investing in adaptation would enable these actions. Locally owned cooperatives would play a central role by pooling savings and providing small-scale, low-interest loans or grants for community-led projects.

Scaling up proven, locally led adaptation initiatives rather than reinventing the wheel will strengthen ownership and efficiency. Unconventional sources of finance, such as remittances from the diaspora and payment for environmental services, can expand the resource base. To succeed, however, solutions must remain context-specific, integrated within existing government systems, and flexible enough to evolve with changing risks. This approach places communities at the centre of adaptation finance while ensuring innovation and long-term sustainability.

Adapting the Certified Development Mechanism to climate adaptation

The Clean Development Mechanism (CDM) of the Kyoto Protocol offers a useful blueprint for scaling non-market adaptation finance in emerging markets and developing economies. Adapting the CDM to the climate adaptation context can channel investments from developed countries into locally relevant adaptation projects in emerging markets and developing countries through Certified Adaptation Benefits (CABs). This finance could be used towards both large-scale climate-resilient infrastructure projects or smaller-scale resilience projects that achieve climate-smart sustainable development objectives.

CABs could be generated both ex-ante—through leveraging capital markets—and ex-post—by retrofitting the Adaptation Benefits Mechanism into existing grant-funded projects. Complementary measures, such as a global solidarity levy and a gradual transition toward a global wealth tax by 2040, would take pressure off of developmental budgets and expand the fiscal base for adaptation. Establishing a dedicated secretariat and building strong partnerships across governments, the private sector, and independent evaluators would ensure the credibility and sustainability of this system.

By 2040, a mechanism supporting the mobilisation of funding from a variety of sources is possible if governments and donors commit to long-term funding schemes and rating agencies recognize that adaptation benefits are relevant to credit scores. Key to this mechanism would be the ability for countries with limited access to finance to be able to enter the market and for different actors to be able to come together to support countries with limited access to financing.

The standardisation of reporting requirements, enhanced reporting, and due diligence can help to create a national and global finance system where results-based instruments inform credit ratings by 2030. This would be enabled by a better understanding of the supply of adaptation finance that matches needs and assures measurement, reporting, and verification.

Governments, central banks, and development finance institutions will be key to scaling this novel idea that could create a structured pathway for financing adaptation and incentivising accountability by requiring high polluters to purchase CABs. A clear taxonomy of adaptation activities and a set of priority investments and needs, as identified in NAPs and NDCs, can enable the launch and acceleration of the ABM ABM by 2029. Capacity building to help prepare the timeline of projects and a standardised methodology for evaluating and recognising the resilience attributes (cost and benefits and financial returns) of adaptation interventions is also essential to enable this idea.

Building an open data architecture for resilience

A robust, top-down open data architecture is key to harmonising how adaptation and resilience are measured and reported. By standardising metrics and creating protected, interoperable platforms, governments, financial institutions, and non-state actors can build consensus on what constitutes resilience and how to measure progress. Open systems enable comparability across sectors and countries while safeguarding sensitive data, allowing decision-makers to evaluate resilience investments with greater confidence. Over time, this architecture can serve as the backbone for aligning public budgets, private finance, and policy outcomes under a shared set of resilience standards.

Bottom-up verification of adaptation data

Complementing the top-down framework, independent, community-level data collection ensures that adaptation finance and planning reflect real local needs. Empowering communities with tools for both quantitative and qualitative data, alongside real-time sharing mechanisms, creates feedback loops that strengthen ownership and ensure that adaptation finance is responsive to actual needs. Equity in who collects, maintains, and validates this data is essential to building trust and accountability.

The use of emerging technologies, such as artificial intelligence at the community level, can help overcome linguistic and accessibility barriers, ensuring that data from diverse regions is compatible, accessible, and actionable. Investing in community capacity development across sectors and providing people with tools for data collection and validation and capturing real-time updates will help in communicating with decision makers, fostering enhanced participation, awareness, and a positive feedback loop. Capturing community inputs alongside national and subnational data ensures that adaptation solutions are needs-driven, sustainable, and rooted in local contexts.

By 2040, such systems should be fully operational and embedded within governance frameworks, supported by digital infrastructure, civil society participation, and technological innovation. A coalition of regional and national actors—backed by ministries, regional development banks, and research centres—will be key to driving standardisation and ensuring open yet protected access to resilience data.

Table 2. Milestones and key actors of each novel ideas

Novel ideas	Purpose	Key milestones by timeframe	Key actors
Capturing community-based adaptation	To shift finance from collateral-based to impact-driven, placing communities at the centre	**2040** Inclusive local participation in decision-making	Governments, communities, NGOs, Development finance institutions (DFIs), financial sector
		2030 Low-cost financing for local projects	Governments, governance structures
		2025-2029 Identify and expand existing pilots	Cooperatives, education systems
Adapting the Certified Development Mechanism	To mobilise non-market finance via Certified Adaptation Benefits (CABs)	**2040** Establishment of a mechanism to mobilize diverse funding sources	Governments, donors, rating agencies, private sector
		2030 A finance system where results-based instruments inform credit ratings	Governments, financial institutions
		2025-2029 Launch and accelerate the Adaptation Benefits Mechanism (ABM)	Governments, central banks, DFIs
Building an open data architecture	To harmonise metrics and reporting for adaptation	**2040** A fully operational system embedded in governance	Regional & national actors, ministries, R&D institutions
		2030 Standardization of adaptation finance taxonomies, disclosure frameworks, regional platforms	Regulators, governments
		2025-2029 Finalization of priorities and plans for data infrastructure	Government, private sector, communities, Civil society, digital infrastructure academia
Bottom-up verification of data	To empower communities to validate and share local data	**2040** A fully operational system embedded in governance	Civil society, digital infrastructure
		2030 A fully operational system embedded in governance	Civil society, digital infrastructure
		2025-2029 Investment in community capacity development Provision of data collection and validation tools	Communities

Novel ideas	Purpose	Key milestones by timeframe	Key actors
Enabling a collaborative pipeline platform	To match projects with finance through a centralised marketplace	**2040** A trusted platform built on standardized approaches	Investors, project developers, governments
		2030 Standardization of adaptation finance taxonomies, regional hubs	Regulators, governments
		2025-2029 Finalization of the platform's data infrastructure plans	Platform designers, communities, academia
Aggregating small-scale projects	To bundle local projects to attract large-scale finance	**2040** Creation of low-cost means for aggregating small-scale projects	Investors, project aggregators
		2030 Establishment of a hub for information exchange and a hub to test innovative aggregation methods	Public sector, stakeholders
		2025-2029 Establishment of a pilot hub to aggregate projects aligned with national strategies	Public sector, investors, civil society
Fostering transparency and accountability	To track finance flows and ensure equitable distribution	**2040** Mutually reinforced transparency and accountability measures by all stakeholders	All stakeholders, civil society, finance providers
		2030 Adoption of standardized metrics for adaptation finance	Governments, DRR authorities, insurance companies
		2025-2029 Strong information disclosure policies to allow access to data on funding flows	Civil society, academics, researchers
Rewarding resilience in credit ratings	To reform credit systems to incentivise adaptation	**2040** Establishment of a sovereign facility linked to fair credit ratings	Ministries of finance, treasury, rating agencies
		2030 Reforms in credit rating methodologies (embedding adaptation considerations)	Central banks, financial regulators
		2025-2029 Advocacy and engagement to shape methodological change	Political champions, multi-stakeholder groups

Enabling a collaborative pipeline development platform

Accessing capital for adaptation projects often involves high transaction costs and fragmented processes. A collaborative pipeline development platform or marketplace can reduce these barriers by centralising project information, mapping opportunities, and aligning adaptation initiatives with potential investors. By co-designing a pipeline of projects with communities, the platform would ensure ownership over adaptation initiatives while also meeting donor and investor targets.

Beyond matching projects with finance, the platform would actively improve readiness and accessibility and inform project design and development. This includes streamlining processes, standardising timelines, offering multilingual tools, and providing capacity building to enhance participation. The platform would also offer a range of financial instruments matched to different project needs and investor capacities, while enabling transparent tracking of finance flows and project outcomes. Such an approach would make capital more accessible and ensure that adaptation investments are high-quality, accountable, and responsive to community priorities. It could also ensure project sustainability by helping projects access finance in the event that they lose support from the original investor.

Interoperable technology and data infrastructure policies enabled by government, the private sector, communities, and academia would support the creation of an interactive platform for projects where users are able to filter projects by interest, location, and other criteria. Projects presented on the platform would be tested for adherence to high environmental standards and social safeguards. To create this trusted platform by 2040, standardising approaches between investors and projects and conditions between countries are necessary actions.

The standardisation of adaptation finance taxonomies, disclosure frameworks, and regional platforms and hubs enabled by international standards will be necessary by 2030. Regulators and governments are key actors in achieving this milestone.

Finally, the platform's priorities and plans for data infrastructure would have to be finalised between 2025 and 2029. Lessons from existing adaptation knowledge portals would inform the design of this marketplace. Equitable representation of communities' adaptation finance needs would inform the creation of this marketplace and the projects included within it to ensure that no one is excluded for their inability to offer bankable projects.

Aggregating small-scale projects to unlock large-scale finance

While most adaptation action happens locally, small-scale projects often struggle to attract institutional investors. Aggregating community-level adaptation needs through intermediaries and digital finance platforms can make these projects more visible, investable, and aligned with larger capital flows. Coordinating across governments and regional economic communities to establish databases of local projects would provide the foundation for aggregation and scaling.

Embedding monitoring, evaluation, and learning (MEL) systems into this process creates feedback loops that improve project quality and design. Data-sharing platforms can then act as hubs for bundling smaller initiatives into portfolios that align with national strategies and NDCs. This approach would make local adaptation projects more attractive to large-scale investors while ensuring that finance reaches the communities on the frontlines of climate risks.

Designing a de-risking mechanism for small scale projects to attain large scale capital would help to achieve the 2040 milestone of creating a low-cost means of aggregating adaptation projects at scale and encouraging investors to understand the risks and opportunities in such investments. By 2030, a hub would be established to exchange information on regional and sectoral projects and test innovative aggregation methods.

This would rely on the public sector to design policies and coalesce stakeholders who support the establishment of a pilot hub that aggregates small local level that align with national strategies and NDCs between 2025 and 2029, allowing investors and interested civil society organisations to leverage the hub.

Fostering transparency and accountability

A transparent mechanism to track where adaptation finance originates and where it is delivered is critical to ensuring that polluters contribute their fair share to adaptation finance and vulnerable communities benefit from the mobilised finance. This requires building a self-reinforcing “network of networks,” involving regional bodies, CSOs, university and indigenous networks, that would monitor flows from source to recipient. Clusters of independent ‘watchtowers’ would complement this system, tailoring oversight to different actors while keeping community needs at the centre.

A strong enabling environment for a watchtower initiative would leverage existing regional groups and networks, aligning them on a common vision. It would also leverage technology, which offers powerful tools for data collection and processing. However, strong guardrails, disclosure requirements, and regulatory frameworks would be imposed to ensure that trade-offs are minimised. Protecting civil and legal rights, ensuring access to information, and capturing both quantitative and qualitative assessments would build trust in the initiative and embed transparency at every level so that adaptation finance can become more equitable, accountable, and responsive to those most affected by climate change

Civil society members and organisations are essential to this idea. They play a vital role in protecting freedoms of speech and access to information and in holding governments accountable for upholding social and legal rights. It would be necessary to create transparency and accountability measures by 2040 that are mutually reinforced by all stakeholders. This watchtower would also track adaptation finance mobilised by any actor in real time. This would be enabled by information systems and authorities, including the public sector, civil society, and providers of finance that include MDBs, DFIs, private investors.

Adopting standardised definition of metrics for adaptation finance and creating a mechanism that limits the adverse consequences of adaptation actions would be critical milestones for 2030 that could be achieved by enabling a common understanding of adaptation objectives, access to open data, and capacity development. Governments, disaster risk reduction management authorities, and insurance companies would be essential actors during this phase.

The success of this milestone would depend on strong information disclosure policies that allow civil society, academics, and researchers to obtain information on adaptation finance flows as a first measure of accountability that is key to creating an enabling environment between 2025 and 2029.

Rewarding climate resilience in credit ratings

To direct capital toward climate-resilient economies, the global credit rating system must be reformed to recognize recognise and reward investments in adaptation. A fair credit framework would incentivize incentivise countries to build resilience by integrating adaptation performance into credit assessments, helping vulnerable regions retain capital and attract new investment. This reform offers a novel way to align financial stability with climate action—linking creditworthiness not only to fiscal performance but also to how well countries manage climate risks.

By 2040, the vision is to establish a sovereign facility linked to a credit rating system, supported by standardised methodologies and internal government systems for assessing climate exposure. Ministries of finance and treasury, alongside rating agencies, would operationalise fair credit metrics. This would be contingent on achieving reforms in credit rating methodologies by 2030 that embed adaptation considerations and introduce recognition and reward systems through central banks and financial regulators, such as the Bank for International Settlements and Securities Commissions.

Between 2025 and 2029, advocacy and engagement efforts, supported by political champions and multi-stakeholder groups, would have to focus on quantifying adaptation outcomes and shaping methodological change within credit rating agencies.

VI. Identifying cross-cutting ideas and pathways

The novel ideas and pathways experts designed can achieve the 2040 adaptation finance vision. Underlying these ideas, however, are common principles and themes that tie this vision together and make it more than just the sum of its parts. This section highlights these cross-cutting considerations and recognises them as essential to building an equitable, responsive, and efficient adaptation finance landscape.

Community-centric adaptation finance and local ownership

Adaptation finance is most effective when communities are at the centre of solutions—defining priorities, managing resources, and shaping interventions. Local ownership ensures that projects are relevant, inclusive, and sustainable, reflecting the knowledge, needs, and priorities of those most affected by climate impacts. Embedding communities in decision-making strengthens both the legitimacy and the impact of adaptation efforts.



Image 3. Moderators of the NWP event on finance during the Second Climate Week in Addis Ababa, September 2025.

Capacity development and enabling environments

Equipping communities, local institutions, and governance actors with the skills, tools, and knowledge to plan, implement, and track adaptation projects is essential. Capacity development, supported by coherent policies and strong institutions, creates an enabling environment in which innovative approaches and financial mechanisms can translate into tangible, measurable outcomes.

Standardisation of definitions, metrics, and results

Harmonised definitions, metrics, and reporting systems are critical for ensuring comparability, accountability, and scalability. Interoperable platforms, open data systems, and real-time feedback loops connect local knowledge to broader planning frameworks, improving decision-making and tracking progress toward adaptation objectives.

Multi-stakeholder coordination across governance levels

Coordinated action among local, national, and regional actors enhances coherence and efficiency. Alignment across governance levels and collaboration between public institutions, civil society, and private stakeholders strengthens legitimacy, reduces duplication, and ensures that resources reach where they are most needed. Multi-stakeholder engagement is key to scalable, effective adaptation pathways.



Image 4. Participants at the NWP event on finance during the Second Climate Week in Addis Ababa, September 2025.

Innovation and flexibility in financial mechanisms

Creative, adaptable financial instruments can mobilise new capital, lower entry barriers, and align incentives with local priorities. Mechanisms such as certified adaptation benefits, de-risking tools, aggregation hubs, and collaborative platforms allow for flexibility, responsiveness to evolving risks, and the catalysation of transformative outcomes in adaptation efforts.

VII. Conclusion

Advancing adaptation finance requires reimagining how capital, knowledge, and governance interact—linking top-down systems with bottom-up action through collaboration, transparency, and innovation. Contextualising pathways for financing adaptation at all levels through a foresight-driven process and building on the progress made under the NWP provides a foundation for scaling tested ideas into practice. While not exhaustive, ideas and options presented in this report intend to introduce Parties and other stakeholders to the many non-conventional approaches for financing adaptation, and to inspire them to design context-specific solutions for adaptation planning and implementation.

The next step is co-designing road maps that translate these innovations—from community-driven finance to credit system reform—into on-the-ground applications. Identifying and engaging relevant knowledge holders ensures that these pilots are locally grounded, inclusive, and evidence -based. Through piloting selected ideas in line with these road maps, adaptation finance can move from concept to action that can expand the range of practical options for financing adaptation at all levels.

Annex

This annex provides a consolidated overview of the outcomes from a series of NWP meetings that use the foresight-driven process to create a vision for adaptation finance by 2040 and develop eight unconventional ideas and pathways to achieve them. The meetings engaged a range of experts and knowledge holders, ensuring representation of different needs and contexts. The strategic insights and actionable recommendations developed during these meetings are presented here for future reference and implementation.

Vision for adaptation finance by 2040

A future where people and nature withstand climate shocks through inclusive, equitable, and efficient adaptation finance systems. Communities, governments, financial institutions, and private actors co-lead efforts by integrating climate risks and opportunities into all financial decisions. This vision is enabled by:

- Inclusive governance systems
- Universally accessible data
- Equity, accountability, and innovation in capital allocation
- Integration of adaptation into credit systems, risk pricing, and success metrics

Foresight methodology

The foresight methodology applied included:

- Horizon scanning to identify emerging trends
- Back-casting from the 2040 vision to define strategic milestones
- Scenario testing to ensure resilience across diverse futures
- Stakeholder mapping to identify key actors and enablers

Each novel idea was contextualised across governance levels (regional, national, sub-national/local) and timeframes (2025–2029, 2030, 2040), ensuring real-world relevance and scalability.

Common principles underlying novel ideas

Across all ideas and scenarios, several common principles emerged:

- Community-centric finance: empowering local ownership and decision-making
- Capacity development: building institutional and individual capabilities
- Standardisation: harmonising definitions, metrics, and reporting systems
- Multi-stakeholder coordination: aligning efforts across governance levels
- Innovation and flexibility: designing adaptable and scalable finance solutions

These themes are essential to achieving the envisioned adaptation finance landscape and ensuring that novel ideas translate into tangible, inclusive, and transformative outcomes.

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Email nwp@unfccc.int for more information.