



27-29 February 2024

# Climate Adaptation Investment Framework

NAP Global Network Peer-learning Workshop  
Victoria Falls, Zimbabwe

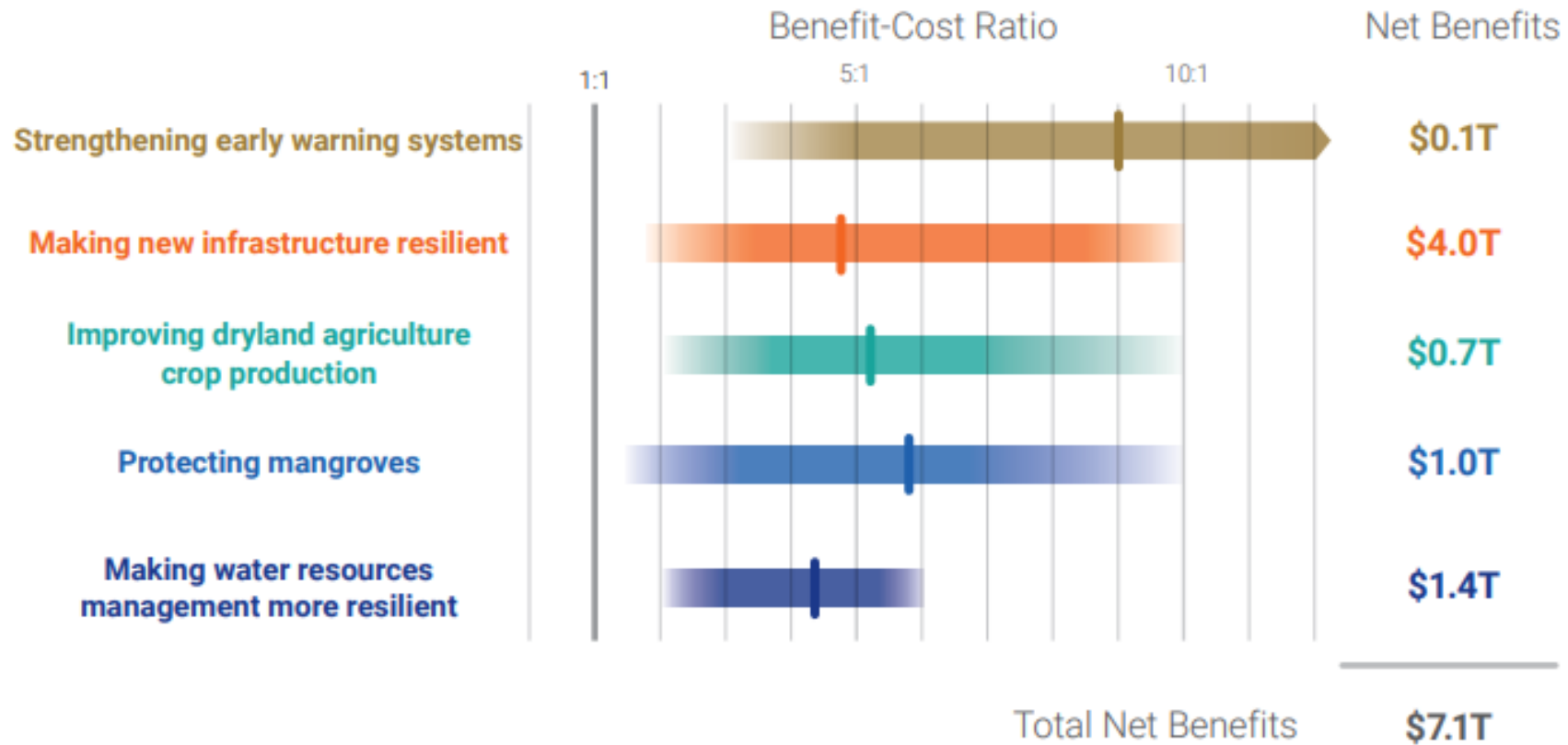
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# STATUS AND TRENDS

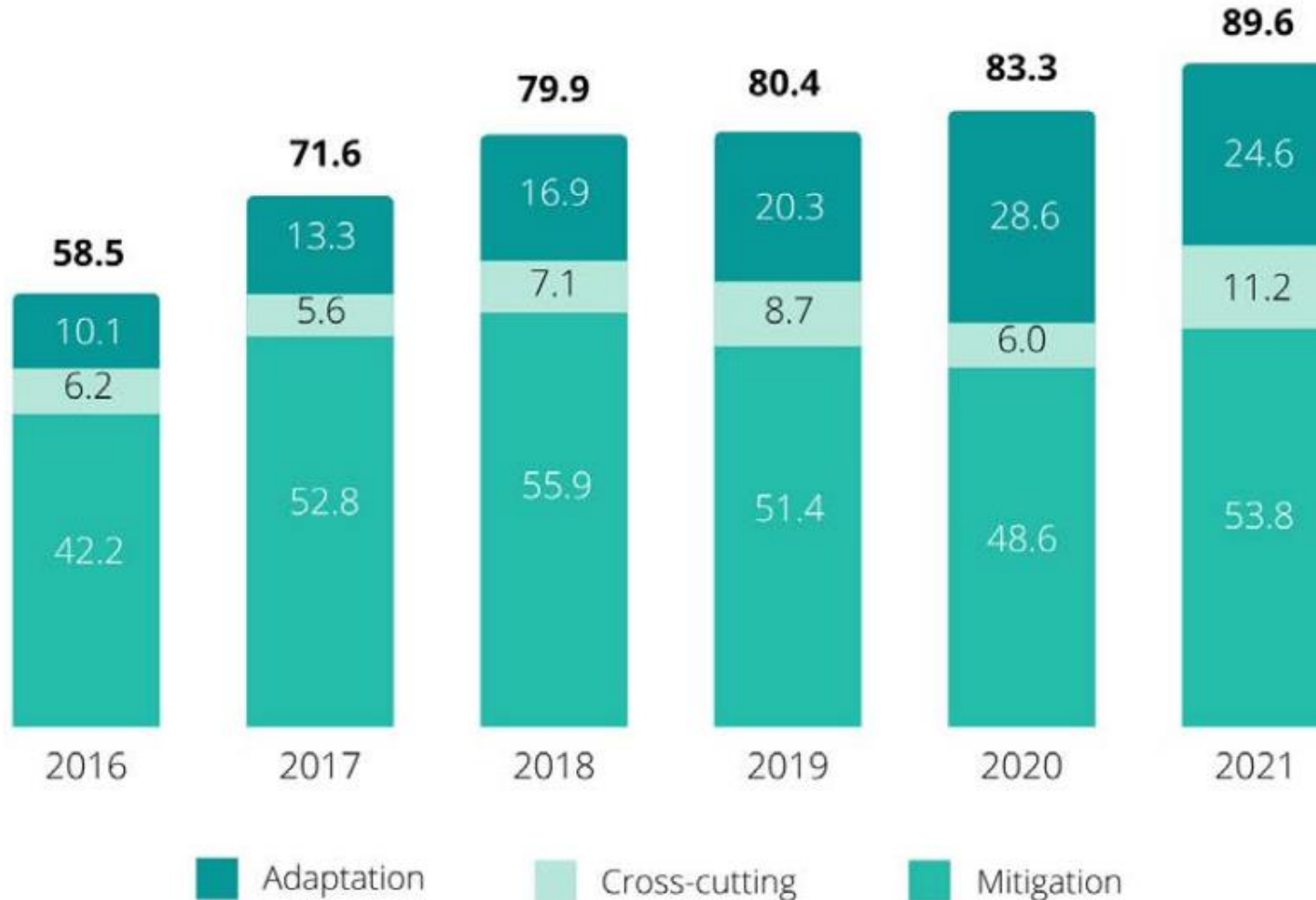


# Large untapped potential for investments in adaptation





# Trends in adaptation finance provided and mobilised by developed countries

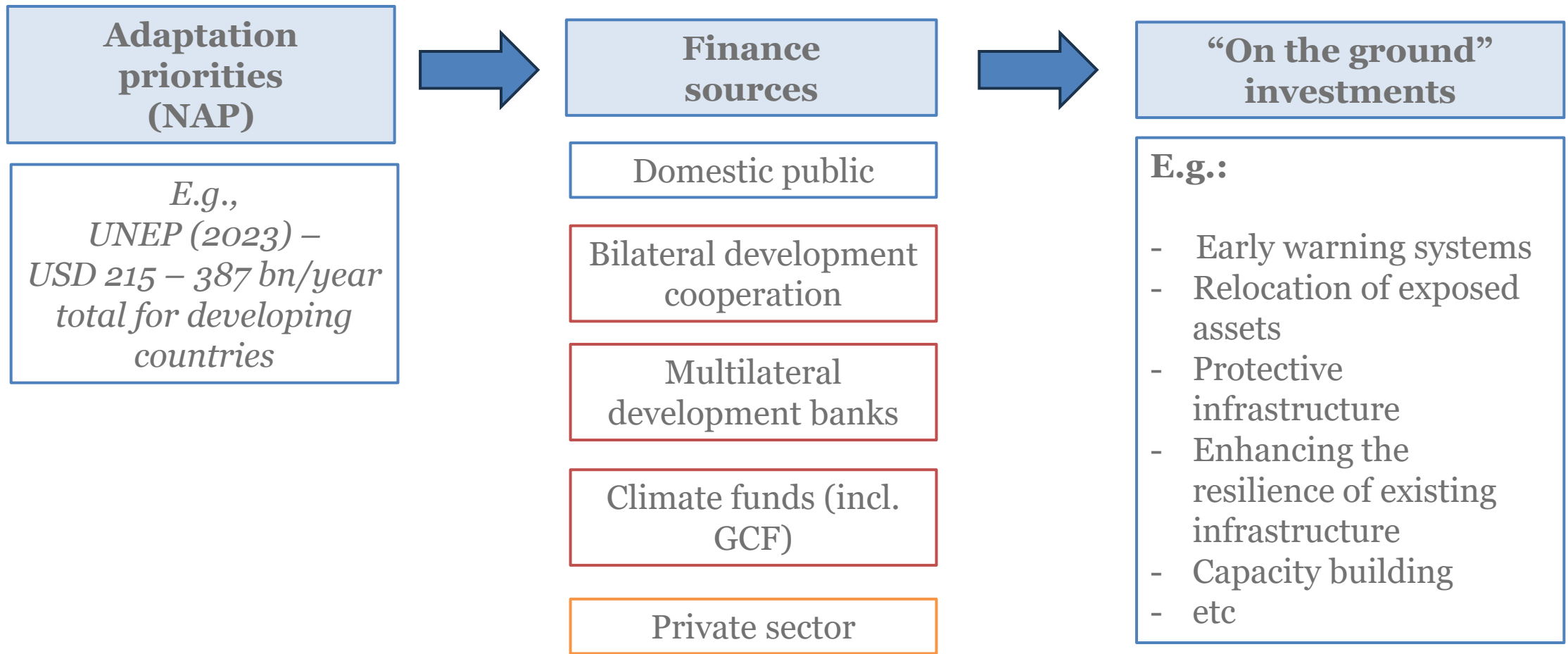




# CLIMATE ADAPTATION INVESTMENT FRAMEWORK - OVERVIEW

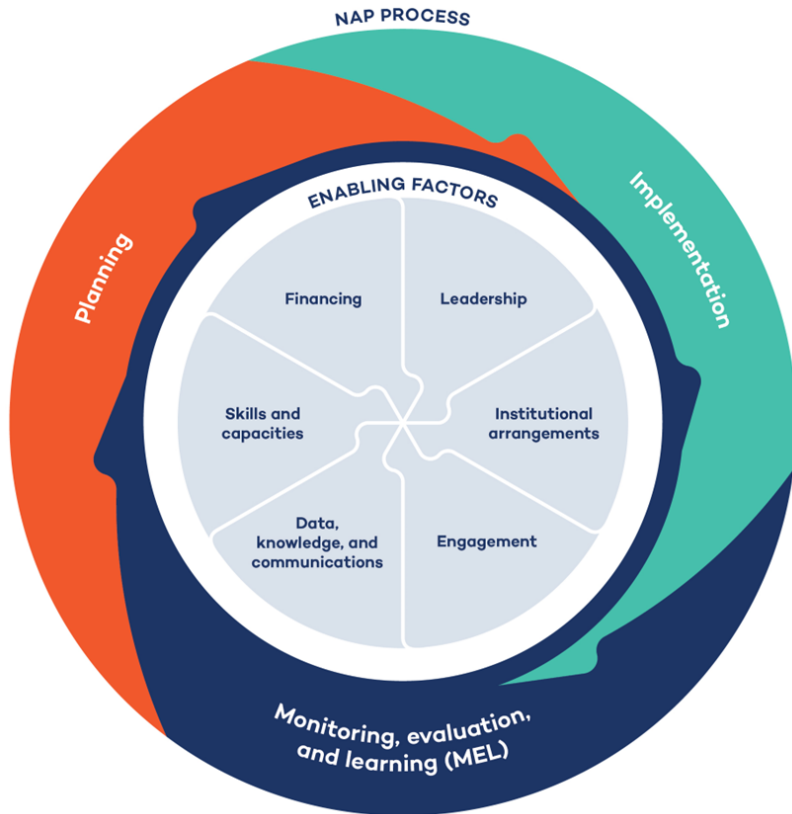


# Translation of adaptation planning into the implementation of priorities





# NAP process provides a critical entry point for addressing barriers to investment



## 1: Planning

- Diagnosis of gaps in the enabling environment
- Prioritisation of adaptation needs
- Development of a financing strategy

## 2: Implementation

- Implementation of plan for adaptation investment
- Development of project pipeline(s)
- Policy reforms to strengthen the enabling environment

## 3: Monitoring, evaluation and learning (MEL)

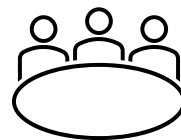
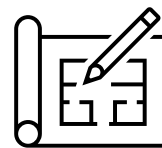
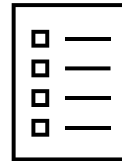
- Tracking climate-related expenditures
- Monitoring trends in investment for climate adaptation
- Identifying lessons learnt in unlocking finance for adaptation



# Climate Adaptation Investment Framework (CAIF) is designed to unlock investment in adaptation

## Aims to:

- Identify barriers to **public and private** investment in adaptation
- Identify the **core policies and measures needed to implement a strategic approach** to unlocking investment in adaptation
- **Facilitate complementary initiatives** – e.g. private sector-led disclosure
- Support **dialogue with countries and experts about good practices** for scaling-up investment in climate change adaptation.



## Potential applications:

- Facilitate the **integration of finance and investment into NAPs**
- Support the implementation of **adaptation investment plans** and project pipelines
- Provide a framework for **country reviews and policy dialogues**
- Provide a resource for **capacity building** activities





# CAIF will build on the approach taken in the Policy Framework for Investment...

## Improve overall investment environment

- Trade policy
- Taxation
- Infrastructure
- Etc..



## Target adaptation-specific issues

- Physical climate risks
- Public and private finance flows
- Links with adaptation investment planning
- Etc ...

Climate  
Adaptation  
Investment  
Framework



## Unlock investments for adaptation:

- New business opportunities
- Proactive relocation of exposed assets
- Enhancing the resilience of existing infrastructure
- Capacity building
- etc



# Proposed thematic areas

- **Pragmatic** approach to identify key common elements
- Building a shared **understanding** of good practice across relevant policy areas
- **Flexible** implementation

Strategic planning

Establishing priorities to guide investment in adaptation

Funding for climate resilience

Development of funding streams to support continued investment

Project development

Support for developing projects that enhance climate resilience

Mainstreaming into public finance

Mainstreaming adaptation into public finances

Enhancing access to finance

Suitable financial instruments are available to support investment

Disclosure and transparency

Improved understanding of climate risks and benefits of adaptation



# Illustrative example : Mainstreaming into public finances

**Objective(s):** Ensure that public spending is conducive to building resilience to the impacts of climate change

## Example core questions and principles:

- Do budget allocations consider climate adaptation?
- Do project appraisal tools account for the benefits of adaptation?
- Do public procurement policies account for benefits over the lifecycle of the investment?
- Is there a strategy in place to manage the financial consequences of climate extremes?
- ...

## Examples of relevant policies and measures:

- Budget tagging (CPEIR)
- Project appraisal guidance
- Procurement policies
- Disaster risk financing strategies
- ...

## Resources:

- UNDP - CPEIR Methodological Guidance ([link](#))
- NAP Global Network - finance guidance ([link](#))
- OECD – Best practices for Green Public Procurement ([link](#)), Recommendation on Disaster Risk Financing ([link](#))
- GCA – Knowledge Module on PPPs for Climate-resilient Infrastructure ([link](#))
- ...



## Questions for discussion

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### Areas for discussion:

- What are the main challenges that you have faced in translating planning into investment?
- What resources have you found helpful in overcoming these challenges?
- Do you agree with the proposed focal areas?
  - Strategic planning, project development, enhancing access to finance, identifying funding streams, mainstreaming into public finance and disclosure and transparency



# Timeline and next steps

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## **2024 : Phase 1**

- Literature Review and gap analysis (Q1 2024)
- 2<sup>nd</sup> meeting of the Informal Expert Group (Q2 2024)
- Case studies and questionnaire (Q3-4 2024)
- Publication of Framework

## **2025-26 : Phase 2**

- Pilot studies to apply the framework
- “Deep dives” to support application of the framework