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Pathways Towards Resilience

Delivering ambition for adaptation finance in 2025

1. Scaling finance

2. Enhancing finance quality and access

3. Planning, policy & partnerships

Authors:
Elliott Bourgeault
Amy Dodd
Kaysie Brown
Ana Mulio Alvarez

Background and objectives

Climate impacts are accelerating around the world with devastating consequences. Countries must work together to strengthen global resilience and urgently tackle the growing financing gap developing countries face to adapt to increasing climate threats. *Pathways Towards Resilience* proposes three realistic shared goals to deliver positive outcomes on adaptation finance for vulnerable countries. It sets out a roadmap for what needs to happen in 2025 to achieve these goals and enable countries to better prepare and adapt for the future.

Global temperatures, greenhouse gas emissions and sea levels are reaching record highs, resulting in increased extreme weather events and volatility.[1] All countries are experiencing these accelerating climate impacts, yet vulnerable and developing countries are often hit the hardest and are least able to respond. All countries must have a role to play in supporting and strengthening global resilience.

Failure to address climate change impacts at the scale needed will continue to exacerbate existing vulnerabilities and security threats, as well as undermine development efforts and directly impact countries' economies and populations. The window to avoid the worst impacts of climate change is closing and the cost–benefit analysis is clear: action today will save huge costs in the future[2] and reap economic benefits.

With the COP30 Presidency committed to elevating adaptation as a key priority at COP30, 2025 offers a unique opportunity to land an ambitious political action agenda for adaptation and finance. A shared agenda on global resilience can, and should, be a collective cause that countries rally around. It can re-establish trust between actors at a time when it is in short supply and help build the political will to deliver at the scale and pace needed.

We now have a clear collective understanding of the barriers adaptation finance faces from existing initiatives in developing countries and some good progress has been made to address these. Yet efforts are fragmented and vulnerable countries face a significant struggle to secure the reliable and accessible finance required, even while climate impacts increase significantly.

1 World Meteorological Organization, 19 March 2025, WMO report documents spiralling weather and climate impacts; **2** Climate Policy Initiative, 4 January 2024, The cost of inaction

Three shared goals for adaptation finance

To move forward, adaptation finance urgently needs to be given higher political prioritisation. To achieve greater impact, leaders can create a positive feedback loop by driving increased resources, zeroing in on the quality and access of the resources needed, and ensuring that policy systems and collective initiatives are enhanced.

In *Pathways Towards Resilience* we seek to consolidate these diverse threads around three shared goals:

1. Scaling finance

2. Enhancing finance quality and access

3. Planning, policy & partnerships

We recommend clear actions to achieve each of these goals, proposing a roadmap towards urgent, high ambition and strengthened outcomes which will enable countries to work together to scale efforts where they are needed most and chart a path to global resilience.

Timeline for delivering ambition for adaptation finance in 2025

2025	Cross-cutting	Scaling finance	Enhancing finance quality and access	Planning, policy & partnerships
May 19–23 **Climate Week** Panama			Stakeholders discuss the need for an Adaptation Action Plan for better quality & access.	
June 15–17 **G7 Summit** Kananaskis	G7 outcome integrates climate adaptation in economic resilience and global security priorities.			
June 16–26 **SB62** Bonn			Technical progress on Adaptation Action Plan, GGA / indicators and NAP assessments, accompanied by strong political support for finalisation at COP30.	
June 21–29 **London Climate Action Week**		Build momentum and partnerships to demonstrate collective political commitment to adaptation.		
June 30 – July 3 **FfD4** Sevilla		FfD4 outcome sets benchmarks for success and enables action commitments.		Climate & Development Ministerial Country Platforms Workshop builds momentum for country-led programmatic financing.
July 6–7 **BRICS Summit** Rio de Janeiro	Coalition of countries announce political support for adaptation; partnerships create groundswell of momentum around elevating adaptation and finance.			
September 9–23 **UNGA / NYCW** New York				Momentum built around NDCs and NAPs to guide investment in adaptation.
October 17–19 **IMF / WB** Annual Meetings		Signals of increased ambitious financing goals for MDBs, including private finance mobilisation.	IFIs demonstrate progress on IFA reform including on increased leveraging of financing, meaningful steps to improve debt sustainability.	New Country Platforms for Resilience announced.
November 10–21 **COP30** Belém		Updated adaptation finance goal and multi-stakeholder action plans announced.	Adaptation Action Plan and UAE Framework for Global Climate Resilience agreed and launched, backed with substantive plans and means of implementation.	UN High Level Climate Champions announce multi-stakeholder platform to support UAE Framework delivery by 2030. Most parties submit NAPs or NDCs with adaptation components.
November 22–23 **G20 Summit** Johannesburg	G20 Leaders' Summit outcome includes language supportive of enhancements to adaptation finance.			

1 Scaling finance

Adaptation is significantly underfunded, including and especially for those countries facing some of the worst effects of climate change but with the least capacity to respond. Global GDP losses from climate change could be up to 34% by 2100, but investing 1–2% of cumulative GDP into adaptation could prevent up to 6% of GDP loss.[3] Achieving that will require addressing both adaptation and mitigation at scale. While mitigation and resilience reinforce each other, funding to support mitigation has tended to grow at a faster rate and from a broader variety of sources than adaptation financing. The gap between what is needed and what is available for adaptation has continued to grow.

A wide range of financing sources will thus be needed to meet developing countries' needs, and this must include significant international support. While overall financing has increased, even reaching the target of $40 billion by 2025 would only address roughly 5–10% of the estimated annual adaptation finance gap of $187 billion to $359 billion.[4] Given geopolitical developments and difficult fiscal and political contexts leading to the shrinking of both domestic and international aid budgets, there is now an even greater risk that adaptation finance efforts will be further deprioritised.

COP30 offers a unique opportunity to identify and commit to clear steps towards scaling adaptation finance, including renewing the Glasgow Pact with a new target and a concrete plan to better mobilise private sector finance and improve adaptation lending by multilateral development banks (MDBs). Establishing a new target for adaptation finance that builds off the existing Glasgow commitment to significantly scale public resources and that is more clearly aligned with country needs could maintain much-needed momentum for adaptation through 2025 and beyond. Shared ambition for building global resilience through scaling adaptation finance can also serve as an area of common ground in an otherwise geopolitically turbulent year for climate diplomacy.

3 Boston Consulting Group, 12 March 2025, Why investing in climate action makes good economic sense; **4** UNEP, 2024, Adaptation Gap Report 2024

The political momentum for this exists. Entry points for action include:

- The newly established High-Level Dialogue for Adaptation and Baku Adaptation Roadmap under the UNFCCC can be leveraged at COP30 to ratchet ambition on adaptation finance and action.
- The G20 and the Coalition of Finance Ministers for Climate Action have identified adaptation finance as a priority and can deliver meaningful progress more widely, including through their critical influence in international financial institutions (IFIs) – MDBs in particular – and other global bodies.
- Reforms of the international financial architecture (IFA), led primarily through the G20 and relevant institutions as well as through actions at national level which can direct and mobilise private finance, continue to provide innovative opportunities to scale financing and support for adaptation efforts in low- and middle-income countries.
- Other diplomatic coalitions, such as the Champions Group on Adaptation Finance and the Climate and Development Ministerial, have pledged to address the need to scale adaptation finance from all sources and embed adaptation in the IFA reform agenda.
- Delivering on the New Collective Quantified Goal on Climate Finance (NCQG) agreed at COP29, including the Baku to Belém Roadmap to $1.3 trillion as well as the goal of providing and mobilising $300 billion per year to developing countries by 2035.

Recommendations under Shared Goal 1

1

The Champions Group on Adaptation Finance and the COP30 Presidency coordinate a group of ambitious countries that land an updated adaptation finance goal at COP30.

- Such a goal could be inside or outside of the Baku to Belém Roadmap and could build off the existing Glasgow Pact goal. It should recognise the need for grants and other concessional resources, define the respective roles and a realistic split between public and private sources of finance, and provide assurance on both the quality and quantity of climate finance as Parties scale up to meet the $300bn goal of the NCQG.
- Moreover, 2025 should see substantive signals on how COP29 commitments to triple funds under the UNFCCC will be delivered and secure replenishments of critical funds including the Adaptation Fund, the African Development Fund and the Least Developed Countries Fund.

2

Public finance providers, including all MDBs, agree to set up their own ambitious goals to increase adaptation finance.

- Delivery of such goals should be enabled through continued progress on the IFA reform agenda to improve the quality and quantity of MDB financing, including better leveraging their existing capital and other balance sheet optimisation with a focus on also ensuring this delivers urgently needed scale-ups in concessional and affordable finance.

3

Leading countries' finance ministers, central banks and financial regulators take concrete steps to ensure that private sector rules and incentives support increased private sector investment into adaptation and resilience, as well as more effective leveraging of existing private finance flows to those activities.

- In particular, COP30 should mark an evolution in the relationship between governments and the insurance sector in terms of collaborative public–private approaches, including increased transparency in relation to data and risk modelling, and accelerated rollout of risk reduction measures e.g. early warning systems.
- Additional welcome and useful steps include: changes to sectoral and financial regulation, adjustments to prudential regimes; scale-up of public–private partnerships; increased use of public sector guarantees; enhancement of credit rating agency methodologies; new requirements for private sector climate transition and adaptation planning including integration with financial planning; integration of adaptation and resilience into country platform approaches; additional technical assistance for project preparation; improved monitoring and tracking of private sector financial flows.

2 Enhancing finance quality and access

To complement needed increases in the amount of adaptation finance, improving the quality and accessibility of finance is also crucial for resources to reach vulnerable communities and allow them to address their adaptation needs.

Barriers to accessing high-quality adaptation finance fall into two broad categories:

1. The cost of capital and the need for more affordable financing options.
2. Structural and procedural barriers limiting access.

To avoid increasing debt burdens, and to ease and accelerate finance delivery, and strengthen transparency, issues of quality and access should be addressed by establishing and implementing a credible roadmap. Significant work has already been done through the V20, the G20, IFA reform agendas, and the Climate and Development Ministerial, among others, to identify barriers to accessing quality adaptation finance, providing a strong analytical foundation for action.

Support should be provided to countries facing debt distress exacerbated by climate impacts, including through the role of IFIs and through other relevant forums. Credit rating agencies, MDBs and other financial institutions must all play a part in reducing the cost and budget implications of accessing financing, particularly debt financing. De-risking and other measures to improve the enabling environment for private finance and other non-public actors can, where appropriate, provide a significant boost.

More sophisticated approaches to debt sustainability that better reflect the fiscal implications of investments, from both official actors and credit rating agencies, could also provide a more fit-for-purpose tool for financial management and risk assessment. MDBs and finance providers can accelerate efforts to improve their operational effectiveness, including harmonising access and accreditation processes, while international development assistance should be preserved or enhanced in planned and forthcoming replenishments.

To further catalyse investments in adaptation, the quality of finance flows can be improved by better aligning adaptation finance tracking to avoid duplication and provide better data to understand impact. This also underscores the importance of operationalising the UAE Framework for Global Climate Resilience in 2025 to reduce vulnerability, build adaptive capacity, and track and guide efforts.

Work under existing initiatives and partnerships across these issues must move from analysis, knowledge sharing, and pledging towards implementation and delivery. We propose four actions for enhancing the quality of and access to finance.

3 Boston Consulting Group, 12 March 2025, Why investing in climate action makes good economic sense; **4** UNEP, 2024, Adaptation Gap Report 2024

Recommendations under Shared Goal 2

1

Parties, led by the COP30 Presidency, develop a detailed, credible, and time-bound Adaptation Action Plan to increase the quality of and access to finance.

- Such an Action Plan should include measures to create fiscal space in developing countries, emphasise the critical need for non-debt-creating instruments, and complement and reinforce the role of the Baku to Belém Roadmap in setting a collective vision for adaptation finance.

2

Debt sustainability (DSAs) and credit risk assessments by IFIs and credit rating agencies should more systematically reflect the value of action – and cost of inaction – on adaptation and resilience.

- This can leverage the ongoing IMF–World Bank Debt Sustainability Analysis process, as well as the work of the Expert Group on Debt, Climate and Nature. The nexus between debt and climate vulnerability requires policy action geared to addressing both, including measures to restructure and refinance unsustainable debt, supporting additional fiscal space for productive adaptation investment.

3

MDBs and multilateral climate funds tackle known barriers to accessing finance and strengthen good practice.

- This work should build on recent dialogues under the COP, the Climate and Development Ministerial and the G20 and focus on identifying and implementing practical solutions such as promoting direct access, reducing the time to access finance, reducing transaction costs, and simplifying and streamlining reporting requirements.

4

Parties operationalise a fit-for-purpose UAE Framework for Global Climate Resilience.

- The Framework's finance indicators will serve to measure adaptation progress, which can facilitate the scaling and enhancement of adaptation efforts and investments.

3 Planning, policy & partnerships

Effective adaptation actions at the country level must be formulated and integrated as part of broader policymaking and implementation processes at national, sector and subnational levels. Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), both due by COP30, provide a critical pathway to connect these country-led processes to the international level.

Many developing countries will not have the resources to fully develop and publish NAPs, making the adaptation components of NDCs and adaptation communications of vital importance. Means of Implementation from donor countries are key to making these a reality. Country platforms could play a critical role in ensuring coherence and alignment of international climate finance with national plans and priorities, and be a tool for implementing multiyear programmatic approaches, which are shown to be more fit-for-purpose.

Commitments for increased finance, including through an updated adaptation finance goal (Goal 1 above), and backed by a credible action plan to enhance quality and access of finance (Goal 2), would provide clear incentives and confidence to developing countries that their NAPs will receive the resources to be implemented and are therefore worth submitting. NAPs must highlight national adaptation actions and needs, operationalise the UAE Framework for Global Resilience, and propose measures to respond to climate impacts.

NAPs should also be accompanied by an adaptation investment plan which outlines costs and existing efforts to identify gaps and guide and attract future investments. The NDC Partnership's biannual transparency reports should also be considered when developing NAPs and NDCs. Integrating clear and recognised policy measures and frameworks into NAPs and NDCs can guide investment and ensure effectiveness.

Lastly, all Parties must continue to closely cooperate for local adaptation efforts to effectively develop shared global resilience. To this end, the importance of new and existing multi-stakeholder platforms and initiatives focused on elevating and ensuring adaptation finance as a global priority is paramount. It also aligns well with the COP30 Presidency's intent to support creative platforms, partnerships, and approaches across sectors that can turn negotiated outcomes into implementation and real delivery.
We propose three actions for linking planning, policy, and partnerships to increase and improve the quality of financial support for adaptation.

Recommendations under Shared Goal 3

1 All Parties strive to submit fit-for-purpose NAPs or, as a minimum, submit NDCs with substantial adaptation components.

- NAPs and NDCs should include and align with international policy instruments and frameworks, as well as reporting mechanisms, including the targets of the UAE Framework for Global Climate Resilience and Biannual Transparency Reports to guide investment and external financing flow.

2 The Climate and Development Ministerial demonstrates progress on its ambition to enhance country-led, programmatic financing.

- This should include the identification of an approach to support adaptation and resilience country platforms that can leverage NAPs and Adaptation Investment Plans.

3 The UN High-Level Climate Change Champions create a multi-stakeholder platform.

- The purpose of the platform should be to boost partnerships, promote action, and build widespread support for achieving the Global Stocktake adaptation outcomes and the Global Goal on Adaptation targets by 2030, and should be established via the Marrakech Partnership and other initiatives.

ABOUT E3G

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We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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