Adaptation Finance at COP30

SHAPING EUROPE'S RESPONSE

Discussions at COP30 are fraught with financial and political constraints, yet also offer a window of opportunity. Europe can neither fill the global adaptation finance gap alone nor afford to retreat from leadership. A realistic but ambitious outcome would establish a credible pathway toward a quantified adaptation finance goal, strengthen institutional delivery mechanisms, and re-energise trust between developed and developing countries by demonstrating real-world progress on mobilising finance. By combining modest new resources with genuine reform and creative partnership, Europe can help ensure COP30 delivers not only promises but progress – and in turn enhance its competitiveness, security and relations with key developing country partners. Such signals would reinforce Europe's commitment to multilateralism and shared resilience in an increasingly fragmented world.

Context

As COP30 gets under way, climate finance remains a major threat to continued global action. This is particularly true for adaptation finance. Adaptation needs in developing countries are expected to reach $310–365bn annually by 2035 – an order of magnitude above current levels.[1] Lack of predictability of future adaptation finance and recent events in the Caribbean are likely to have strengthened political frustration going into COP, where adaptation was already a critical risk.

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[1] UN Environment Programme, October 2025, **Adaptation Gap Report 2025**

There is an abundance of evidence that the benefits of investing in adaptation far outweigh the costs. This includes adaptative investment being a major enabler of growth and job creation, and a guard against spillover effects that have destabilising impacts on international markets (with the European economy particularly exposed to impacts related to food security, trade and migration). But a wide range of market failures prevent mobilisation at the scale needed. For some activities, these can be fixed with shifts in both domestic and international policies, norms and regulations. For others, owing to lack of a clear route to revenue generation, there will be a continued need for public finance, with international support being critical for many.

Europe has a critical role to play. The EU has long positioned itself as a leader in climate finance. It remains so in relative terms, with climate finance levels at €31.4bn in 2024. But it faces a challenging outlook. Other Western providers of finance are stepping back, while new contributors continue to challenge suggestions that they should face any obligations to provide support. Political, economic and financial headwinds have squeezed budgets and reduced the political appetite to protect the importance of development cooperation. And costs and political frustrations in vulnerable countries, both on Europe's doorstep and among its allies in the climate negotiations, are rising. Predictability of climate finance is at a cliff-edge with donor commitments all expiring and climate finance in the multilateral development banks (MDBs) under intensified scrutiny, while the status of the flagship Glasgow "doubling" commitment is unclear beyond 2025.

This briefing lays out realistic outcomes Europe could aim for on adaptation finance at COP30, the necessary steps to achieve them, and how Europe can signal a broader commitment to climate justice and global partnership. It is predicated on a view that

- the success of the multilateral climate process remains of immense value to European interests
- Europe has both a self-interest and a moral imperative – popularly supported – to help build a resilient planet, and possesses the tools with which to do this.

What is a realistic but ambitious outcome at COP30?

While it faces a wide range of risks, COP30 represents an opportunity to reaffirm credibility, demonstrate solidarity with developing countries, and articulate a forward-looking vision for international climate cooperation. The building blocks that will determine the outcome at COP include:

1. **Predictability of international public finance**, including both bilateral commitments to climate finance and an agreed path forward on the expiration of the Glasgow decision to double public financial support for adaptation efforts to just under $40bn per year by 2025.
2. **Treatment of Means of Implementation (MoI) support needs in the Global Goal on Adaptation (GGA)**, and confidence that there will be a space to consider and provide accountability around these within the UNFCCC process.
3. **Confidence in mobilising overall adaptation finance at the scale needed**, potentially rooted in the Baku to Belém Roadmap and Action Agenda, and a wider mobilisation of the international financial architecture and private sector.
4. **A response to a number of qualitative factors related to how adaptation finance is delivered.** These include improvements in access (especially to national priorities) and allocations to the most vulnerable.
5. **Commitment to UNFCCC climate funds**, such as the Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund and Fund for Responding to Loss & Damage (FRLD), following the commitment in Baku to triple the outflows from these funds by 2030 from 2022 levels.

There are challenges to agreement being reached in each of these areas, the majority of which reflect longstanding gaps between the level of demand for increased support versus the ability to provide it. Agreement at COP30 on a package which advances across the spectrum remains possible, but will require a combination of compromise, pragmatism, leadership and occasional use of procedural solutions.

A **"best realistic" outcome** would combine a strong political signal with practical steps to enhance delivery. Table 1 sets out suggestions – reflecting this combination – that could be deliverable at COP30, and would represent a significant if insufficient (given current politics) movement towards a response.

Table 1: A "best realistic" outcome to aim for on adaptation finance at COP30

Predictability	Ideally, the setting of a new public finance goal for adaptation linked to efforts to scale up to the NCQG. If, as appears likely, this cannot be agreed there should at minimum be agreement to extend the Glasgow "doubling" target and in-principle agreement to set a new, enhanced, support-based goal (e.g., at COP31). This could be supplemented by agreement by donors to set individual adaptation targets and enhancement of MDB targets.
Needs	Clarification of the process by which needs will be taken into account in future discussions, meaning compromise on GGA indicators or via integration into existing finance processes. To broker agreement, this could avoid specific language on *who* is responsible other than use of existing language which makes clear the need for developed country leadership (e.g., under the NCQG, Art.9).
Mobilisation	In combination with amplification of mobilisation efforts outside the negotiating rooms (such as renewed commitments from MDBs and private sector initiatives), setting of a needs-based goal for overall finance flows into developing countries analogous to the $1.3tn.
Qualitative	Accountability mechanisms around the aspects highlighted via the NCQG decision, accompanied by a donor statement to champion specific reforms. This should include providing time-bound accountability around efforts to enhance access and to take up challenging issues such as allocations and vulnerability indices within bilateral finance and in multilateral institutions.
UNFCCC Funds	Sufficient replenishment of the Adaptation Fund and strong signalling of upwards replenishment of the GCF. (NB we have not included the FRLD here, which also reflects a critical risk at COP.)

Clarity on future financing levels remains particularly challenging. Even best estimates of what a future goal will be, based on current forecasts of how provision of finance will evolve without a major breakthrough, are limited to roughly $100bn by 2035. And there is little political appetite to go beyond current pledges. A quantified goal being agreed at COP30 which is at sufficient scale to meet the demand of developing countries and is agreeable to those providing support feels elusive at this stage. But while there are concerns within Europe about both the political feasibility and the benefits of an adaptation finance goal which focusses on the level of finance rather than its impact, such a goal will remain a political necessity within the negotiating process to provide assurance that there is a route to enhancing finance levels in response to growing needs.

Any new goal could include both a recognition of needs and a floor for public finance, as the NCQG itself does. In practice this would mean:

- **A needs-based target for finance from all sources into developing countries**, representing a portion of the $1.3 trillion. The HLEG estimates that $300–400 billion is needed for adaptation finance in developing countries other than China by 2035.[2] This could send a clear signal of intent, would reflect the overall challenge facing adaptation finance and ramp up ambition without a clear "bind" on a subset of donors.
- **A floor for public finance**, similar to the Glasgow doubling and representing a portion of the $300 billion. The upper limit of credible current estimates land at around $120 billion,[3] a "tripling of the doubling" by 2035. But it is difficult to see agreement at COP, with few donors able to be committal and little progress on levies. A better solution may be agreement to set a better new goal in future, with COP30 seeing an interim commitment to maintain or increase from current levels.

Securing agreement will require European leadership. While the bilateral actions of Member States, the Commission and other European governments are critical, Europe is most effective when working as a bloc. A joint statement, whether with consensus or as many signatories as possible (including not only the EU but other donors such as the UK, Australia and Canada), could help set the tone for negotiations. This could include:

- Commitments to prioritise adaptation finance, both bilaterally and within MDBs.
- Identification of priority private finance mobilisation initiatives, including pooling efforts to the highest impact funds and facilities and pooling of support for adaptive/resilient country platforms.
- Joint high-level political support for an initiative to enhance access, working with the major climate funds and MDBs. This could include a commitment to a leadership role for European DFIs or MDBs (e.g. EIB).
- Agreement to work towards negotiated outcomes in line with Table 1 above.

[2] High-Level Expert Group on Climate Finance, November 2024, **Raising Ambition and Accelerating Delivery of Climate Finance** (PDF)
[3] NRDC, August 2025, **What could a new adaptation finance goal look like?**

Bridging diplomatic and development leadership: Europe's opportunity

COP30 is more than a finance negotiation: it is a moment for Europe to redefine its role in global climate diplomacy.

Europe's signals should emphasise three themes:

1. **Partnership over paternalism**: Shift from a donor–recipient narrative to a co-investment approach with developing countries.
2. **Consistency and predictability**: Make clear a continued commitment to providing adaptation finance – in partnership with the full range of relevant actors – and provide forward-looking pledges and plans.
3. **Integration across policy domains**: Connect climate finance with trade, development, and security strategies.

Policymakers often highlight that Europe "has no money" – at least not at the scale required, with EU institutions and government facing competing domestic and international spending priorities. There *is* an undoubted need to shore up the political confidence and prioritisation of international support, including in support of Europe's economic competitiveness and security agenda. The European Commission's proposed increases to the EU budget provides a potential pathway for doing so, and national governments in the EU and beyond are considering their future climate finance targets. All should seek a marked and specified increase in allocations for adaptation finance.

This financial scarcity makes strategic prioritisation essential. Europe's credibility in the climate negotiations depends not only on quantitative delivery but also on qualitative leadership: transparency, predictability, accessibility and innovative mechanisms to crowd in private and institutional capital. Europe has key comparative strengths that, if built on, can see it have an enhanced role in international delivery which can be made more synergistic with the objectives outlined in the Global Climate and Energy Vision:

- The provision of **long-term technical assistance**. Europe has unique and leading expertise in the green and resilient economy. Increasingly, countries recognising the importance of climate action are changing their focus to call for a shift in how adaptation support is provided – meaning a focus on long-term, predictable and embedded capacity building. Europe's ability to provide this is unique, and if combined with multi-year programming (taking advantage, for instance, of the multi-year nature of the MFF) this can help catalyse partnerships with developing countries.
- **Mobilising private finance for adaptation**. This remains a major gap: less than 2% of trackable global adaptation funding currently comes from private sources. Yet Europe's financial ecosystem offers a unique advantage and there is huge potential for Europe's

private sector. Europe could lead by developing EU-wide incentives for private adaptation investment, scaling blended-finance platforms such as EFSD+, supporting insurance mechanisms, and promoting adaptation-linked financial instruments. A dedicated EU–Private Adaptation Finance Initiative could unite DFIs, institutional investors, and governments to mobilise billions in new capital by 2030. This could also offer collaboration opportunities with partners, such as the UK's EMDE mobilisation taskforce.

- Leadership **in international financial institutions**. MDBs remain the primary source of international public finance. Collectively, European countries far outweigh the US shareholding, but harnessing this into a powerful common position can at times be challenging. Ahead of a refresh of all major MDB climate strategies and a key year for the IMF's climate work, Europe has the opportunity to enhance MDB adaptation action, and in so doing respond to long-standing demands from vulnerable countries. In a parallel briefing, E3G sets out a range of measures that could be pursued by European shareholders.[4]

- **Increasing public finance availability**. Beyond national budgets, there are opportunities to increase concessional finance for adaptation – including through international levies. While the politics of securing agreement to these has been exemplified via the IMO, Europe must remain an advocate and find solutions that can navigate current politics. Europe's role in multilateral institutions should also include a focus on increasing overall financing levels – not least in the EIB, which recent analysis has demonstrated has significant surplus reserves that could be put to use, including for international climate finance via EIB Global.

Across all of these areas, the key shifts needed for Europe to maximise its potential are centred around:

- Ensuring that co-ordination of individual donor priorities actually happens in practice, and that Europe's ability to shape global outcomes is not hampered by fragmentation (this is especially true for mobilising the private sector).

- Ensuring that the demand-driven nature of the Global Gateway is not at the expense of proactive action to shape policy frameworks and pipelines towards a climate resilient future.

Similarly, with the pivot of the Global Gateway – and development in general (not only in the EU) – towards national interests, Europe must be careful to preserve its relationship with vulnerable countries (such as SIDS and LDCs) who have less direct impact on the European economy but who are critical partners in its wider global agenda.

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[4] E3G, November 2025, **Delivering on Adaptation Finance: The Evolving Role of the Multilateral Development Banks**

ABOUT E3G

E3G is an independent think tank working to deliver a safe climate for all.

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.

More information is available at **www.e3g.org**

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We aim to help reduce greenhouse gas emissions and limit the damaging effects of global warming.

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