



Climate Adaptation Finance : The Gap Between Needs and Resources Continues to Grow

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Abstract

Our recent research on the state and trends of climate adaptation finance needs, gaps, and trends globally and in Africa provides new insights that call for greater urgency in adaptation action and financing. The global adaptation funding gap continues to widen because the understanding of needs shows much higher levels of investment required, and the rate of increase of adaptation financing is insufficient. In this policy brief, we review global climate finance trends, the growing funding gap in climate adaptation finance globally and in Africa, financial instruments used for climate adaptation, and challenges and recommendations to improve the tracking of climate adaptation finance.

Global Climate Finance Trends

Climate finance refers to financial resources and instruments that are used to support action on climate change. Our analysis shows that climate finance



Table 1. Financial Instruments Available for Adaptation Finance

The international and domestic financial community should come together to resolve some of these challenges. Better information on climate adaptation can help compare across geographies and countries, understand where funding should be directed to priority issues or regions, and identify the most urgent gaps for action.

Furthermore, it is not enough to measure finance; it is

We have five recommendations to strengthen the tracking of adaptation finance globally:

- x Converting the NDCs into investment plans for adaptation action based on specific project pipelines is crucial. Monitoring and tracking the implementation of these pipelines should be at the core of reporting funding flows and clear linkages to adaptation actions.
 - x Continue the progress with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) with regulations that use consistent disclosure standards of climate risks at the portfolio level of companies. This information will support the
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