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ADVANCING ADAPTATION FINANCE

Position Paper

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THEME 2: ADVANCING ADAPTATION FINANCE

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Executive Summary

To advance adaptation finance, Africa must secure predictable, direct, and ecosystem-based financing for vulnerable communities, aligned with National Adaptation Plans and responsive to locally led priorities.

Africa is on the frontline of the global climate crisis, experiencing increasingly severe droughts, floods, heatwaves, and shifting rainfall patterns that threaten lives, livelihoods, and ecosystems. The continent, despite contributing less than 4% of global greenhouse gas emissions, bears a disproportionate share of climate impacts while receiving less than 12% of global adaptation finance.

However, Africa does have solutions. Across the continent, communities are pioneering locally led innovations, from drought-resilient crops and early-warning systems to sustainable land management and ecosystem restoration, that demonstrate what effective adaptation looks like in practice. National governments are advancing National Adaptation Plans (NAPs) and integrating climate priorities into development agendas, while regional institutions are promoting collaborative frameworks linking biodiversity, agriculture, health, and infrastructure. However, there is limited, fragmented, and unpredictable financing that continues to constrain progress, leaving those most vulnerable under-resourced and underrepresented in decision-making.

This position paper has been prepared under the leadership of the Adaptation Team, AU-ECOSOCC TWG-CC. It highlights Africa's adaptation finance and seeks to inform deliberations at COP30 and beyond. The paper draws on knowledge and expertise from across the continent, and it is structured around three interconnected themes focused solely on adaptation finance. These themes are enhancing Locally Led Adaptation, aligning NAPSs, and investing in Ecosystem-based Adaptation (EbA) financing. This paper highlights that adaptation efforts are most effective when finance is locally owned, ecosystem-based, and included in national adaptation governance structures. It is therefore essential to unlock predictable finance, empower local actors, and scale innovative solutions. To achieve this, five urgent priorities must guide action:

- Scale up predictable adaptation finance tailored to African needs;
- Empower local actors by providing direct access to resources and decision-making.
- Invest in ecosystem-based solutions to safeguard both biodiversity and livelihoods;
- Invest in innovation, data systems, and indigenous knowledge to inform evidence-based decisions; and
- Foster multi-stakeholder partnerships involving governments, civil society, the private sector, and development partners.

Africa has the solutions, expertise, and capacity to lead on adaptation. What is urgently needed is fair access to resources and stronger partnerships that match the

scale of the climate challenge. Protecting people, ecosystems, and economies today will secure a resilient, sustainable, and equitable future for the continent.

This position underscores Africa's demand that adaptation finance must be simplified to support vulnerable communities as a matter of justice, while supporting ecosystem-based solutions, aligning with National Adaptation Plans, and reflecting locally led actions.

Introduction

Africa faces escalating costs from climate impacts despite contributing the least to global emissions. There is a need for urgent and coordinated actions, as adaptation costs range from $30-50 billion annually by 2030 (World Meteorological Organization, 2024). These challenges threaten development gains, deepen poverty across communities, and undermine Agenda 2063 aspirations.

The UAE Global Goal on Climate Resilience (UNFCCC, 2024) recognized that timely, predictable, and accessible adaptation finance is essential, particularly through simplified and harmonized procedures that enable local actors to have direct access to finance options. The first Global Stocktake (UNFCCC, 2024) showed concern that the adaptation finance gap continues to widen, warning that current levels of climate finance, technology transfer, and capacity-building remain inadequate for the scale of impacts faced by vulnerable developing countries, thus impacting African nations.

Ahead of COP30, the Adaptation Subcommittee calls for urgent reforms to global climate finance systems to ensure accessible, predictable, and inclusive adaptation funding. This position paper emphasizes Locally Led Adaptation (LLA), National Adaptation Plan (NAP) alignment, and Ecosystem-based Adaptation (EbA) as key pillars. The goal is to unlock dedicated finance, embed equity, and harmonize continental and global frameworks, securing scaled and just investments that protect communities, ecosystems, and advance Africa's climate and development priorities.

Background and Context

Africa's development gains are increasingly undermined by climate change, which places unprecedented pressure on infrastructure, ecosystems, and livelihoods. Over 60% (UNDP, 2022) of the continent's population depends on climate-sensitive sectors such as agriculture, forestry, and fisheries, making adaptation critical for achieving the Sustainable Development Goals (SDGs) and the African Union's Agenda 2063. However, Africa remains highly vulnerable, with adaptation finance flows averaging only USD 63 billion annually, far below the USD 212 billion needed for developing countries (Climate Policy Initiative, 2023). Compounding this are centralized financing mechanisms that worsen the gap by channeling funds through intermediaries rather than directly supporting local communities, cooperatives, women- and youth-led enterprises, and indigenous peoples.

LLA is vital for strengthening Africa's resilience as it empowers local actors to design and implement context-specific solutions, integrate traditional knowledge systems, and reinforce community ownership. To scale LLA, it needs to be embedded into NAPs, Nationally Determined Contributions (NDCs), and regional strategies, while aligning with Agenda 2063 and the 2022–2032 AU Climate Change and Resilient Development Strategy (AU-CCRDS, 2022). In addition, access to direct financing for local enterprises,

enhancing African intermediary institutions, should be expanded, and Nature-based Solutions (NbS) integrated, while a continental monitoring, reporting, and verification (MRV) framework should be established, as it will further strengthen accountability and Africa's negotiating power in global forums.

NAPs remain central to Africa's adaptation strategy, providing instruments for identifying medium to long-term priorities and integrating them into development planning (Ministère de l'Environnement et du Développement Durable, 2023). However, many NAPs face financing gaps and misalignment with continental frameworks such as the AU-CCRDS and the Africa Adaptation Initiative, as well as global processes like the Global Goal on Adaptation (GGA) under the Paris Agreement (UNFCCC, 2015). This disconnect undermines Africa's ability to mobilize predictable financing and weakens its collective influence in climate negotiations. The key priorities under NAPs include embedding GGA metrics in national planning, integrating NAP measures with biodiversity strategies (NBSAPs), disaster risk reduction, and sustainable development objectives. Also, financing frameworks must establish cost, multi-year investment pipelines, and ensure inclusive planning that involves women, youth, Indigenous Peoples, and grassroots organizations; ecosystem-based solutions should be leveraged on; ensure transparent monitoring; nurture private-sector engagement; and encourage innovative mechanisms like green bonds, blended finance, and tax incentives will further strengthen adaptation outcomes.

Ecosystem-based Adaptation (EbA) approaches complement LLA and align NAPs by prioritizing the conservation, restoration, and sustainable management of ecosystems to enhance climate resilience. Africa's diverse ecosystems, such as forests, wetlands, oceans, and rangelands, underpin livelihoods but face rapid degradation (Green Earth). EbA remains underfunded, notably that whole of adaptation finance itself is lagging (UNEP, 2022), despite its cost-effectiveness and even though it directly supports Agenda 2063's Aspiration 1 on climate-resilient economies and aligns with the AU-CCRDS, the Africa Adaptation Acceleration Program (AAAP), which mobilized USD 15 billion (AFDB, 2024), and global frameworks such as the Paris Agreement, the GGA, and the Kunming-Montreal Global Biodiversity Framework (KMGBF). Priority areas for advancing EbA finance include securing predictable funding, setting minimum EbA allocations within adaptation budgets, incentivizing local enterprises, building robust evidence for investment, and aligning EbA with NAPs, NBSAPs, and disaster risk reduction strategies.

Continental and global frameworks offer opportunities to strengthen adaptation efforts. The AU-CCRDS prioritizes integrated, gender-responsive adaptation and financing. The AAAP seeks to mobilize USD 25 billion for adaptation, focusing on food security, NbS, infrastructure, and youth entrepreneurship. At the global level, the Paris Agreement's Article 7 recognizes adaptation as a key pillar, while the GGA aims to enhance resilience and reduce vulnerability, and the Glasgow Climate Pact's call to double adaptation finance by 2025 (UNEP, 2024), which presents a critical opportunity for African countries to be strategically aligned.

In conclusion, accelerating LLA, strengthening NAPs, and mainstreaming EbA are mutually reinforcing priorities for Africa (Global EbA Fund, 2021). Together, they provide a roadmap to unlock finance, empower local communities, conserve biodiversity, and deliver inclusive, climate-resilient development aligned with Agenda 2063 and global climate goals.

Problem Statement

Despite growing recognition of the urgency of adaptation, adaptation finance remains critically inadequate, leaving Africa highly vulnerable. Africa continues to face systemic financing challenges that cut across LLA, aligning and improving NAPs with the continental and global agenda on adaptation finance, and EbA financing. The current global climate finance systems are centralized, slow, and poorly aligned with local realities and ecological priorities, and as a result, frontline communities remain last in line for resources. Additionally, NAPs struggle with weak coordination and underfunding, and EbA remains marginalised as a conservation add-on rather than a core climate strategy (Global EbA Fund, 2021).

The UNEP Adaptation Gap Report (UNEP, 2023) estimates that developing countries will require at least USD 212 billion annually by 2030 for adaptation, yet current global flows cover less than one-fifth of this need. Africa risks entering a decade where adaptation remains underfunded, fragmented, and insufficient to address the intertwined vulnerabilities of people, economies, and ecosystems, if there are no urgent reforms.

At the community level, restrictive eligibility criteria, inadequate domestic intermediaries, and persistent underinvestment in women and youth-led enterprises put constraints on LLA. Parallel to this, at the national level, NAPs are often disconnected from budgetary processes, with environmental ministries working in silos and lacking integration with finance, planning, and economic ministries (Côte d'Ivoire Ministry of Environment, 2022). This weakens national ownership and prevents consistent financing of adaptation priorities. Similarly, EbA financing remains fragmented across biodiversity, water, and land portfolios, compounded by the absence of standardized metrics to demonstrate returns on investment, which further reduces investor confidence and sidelines ecosystems critical for resilience.

Private sector engagement in adaptation is also negligible, as between 2019–2022, less than 3% of global adaptation finance came from private investors, and only a fraction of this reached Africa (GCA, Climate Policy Initiative, 2023). Most financing instruments operate on short-term cycles, despite the need for long-term investments in ecosystem restoration and community resilience. Moreover, weak MRV systems limit impact tracking and accountability, while the inadequate de-risking instruments discourage blended finance and innovation.

These structural barriers across LLA, NAPs, and EbA threaten Africa's ability to seize the historic opportunities presented by the New Collective Quantified Goal (NCQG), the Baku-to-Belém Roadmap, and the Nairobi Declaration to secure inclusive, locally driven, and nature-centered adaptation financing. It is crucial to have decisive reforms, without which Africa risks perpetuating fragmented efforts, deepening inequities, and undermining progress toward the Paris Agreement, the KMGBF (Convention on Biological Diversity), the SDGs, and Agenda 2063.

Position and Rationale

Position

Africa's adaptation finance agenda is anchored on these three interlinked pillars: LLAa, NAPs alignment with continental and global agendas, and EbA financing. Together, they address gaps in climate adaptation finance and form a coherent resilience

framework. Without scaling and integrating all three, Africa risks another decade of fragmented, inequitable, and underfunded adaptation. Ahead of COP30, Africa should call for reforms that place people, ecosystems, and national institutions at the center of adaptation finance.

Rationale

LLAs ensure adaptation measures are context-specific, socially just, and cost-effective by empowering communities, cooperatives, women's groups, youth enterprises, and local governments. The evidence shows LLA promotes sustainability, innovation, and integration of indigenous and modern knowledge, but unfortunately, current systems remain centralized, bypassing local actors. Therefore, there needs to be dedicated direct-access finance windows, simplified modalities for community-based organizations, and minimum allocations for women- and youth-led initiatives. In addition, African intermediaries, national climate funds, municipal facilities, and regional banks should be strengthened. Also, by integrating LLA into all NAPs with robust monitoring frameworks, it is both an equity measure and essential for global adaptation goals.

Considering the importance of aligning NAPs with the adaptation finance agendas, they must evolve from policy frameworks into strategic investment roadmaps aligned with the AU-CCRDS and the GGA. NAPs should institutionalize inclusive, gender-responsive planning, integrate nature and ecosystems solutions, and embed financing strategies linking national priorities to continental and global funding (Masahudu, 2025). In addition, while NAP provides a framework for action, its implementation requires stronger connections to global mechanisms. Implementation requires integration with mechanisms like the Green Climate Fund (GCF) and African-led programs such as the Africa Adaptation Initiative and the AAAP, ensuring coherent, inclusive, and sustainable investments.

EbA safeguards biodiversity, enhances livelihoods, and provides cost-effective protection against climate shocks; therefore, investments over the next five years must be decisive. EbA aligns with the NCQG, KMGBF, and Africa's Agenda 2063, integrating climate, biodiversity, and development goals. The NCQG sets higher, long-term climate finance targets from 2025, building on the $100 billion commitment under the Paris Agreement, and it includes adaptation, making EbA a natural fit (UNFCCC, CMA 6, 2024). In addition, the AU-CCRDS encourages bankable EbA solutions (pg. 41 AU - AU-CCRDS, 2022), while the 2025 AfCEN Stocktake recommends scaling natural capital valuation (AfCEN, 2025).

Currently, EbA financing is marginal and fragmented. Africa should position EbA as one of the priorities under the NCQG, and call for predictable, long-term, locally accessible EbA finance that supports a long-term ecological timeline. Financing models must include blended instruments, such as resilience bonds, green bonds, payments for ecosystem services; while ensuring women, youth, and indigenous peoples benefit. Successful examples include Kenya's Upper Tana-Nairobi Water Fund (The Nature Conservancy, 2022), the GCF-supported "Scaling Up Mountain EbA" project, and Mali's climate fund (GIZ, 2017), illustrating ecosystems as primary resilience infrastructure when local stewards are empowered.

LLA, NAPs alignment, and EbA represent Africa's COP30 priorities. Therefore, integrating them into global climate finance, through clear targets, equity safeguards, and long-term instruments, offers a cost-effective, sustainable path to meet the Paris Agreement, KMGBF, SDGs, and Agenda 2063. Acting now enables a climate-resilient Africa that is locally empowered, nationally coherent, and globally aligned.

Recommendations

1. **Scale and reform climate finance access**

First, Africa must institutionalize direct-access financing for local actors through ring-fenced windows in national funds, regional banks, and global mechanisms such as the GCF, Adaptation Fund (AF), and the NCQG. This requires simplified application and reporting processes tailored to community realities and predictable, long-term financing for EbA to ensure ecological continuity. Secondly, African intermediary institutions should be fast-tracked for accreditation and strengthened with governance, technical, and capitalization support to function effectively as finance conduits. Lastly, national adaptation budgets should earmark a minimum share for LLA and EbA, with mechanisms to balance infrastructure-heavy projects against ecosystem-based ones.

2. **Mainstream adaptation financing into national and regional planning**

LLA and EbA must be fully embedded across NAPs, NDCs, NBSAPs, disaster risk reduction frameworks, and Agenda 2063 priorities. In addition to this, public budget processes should reflect these priorities to ensure sustainability beyond donor cycles. Finally, the need to be strong inter-ministerial coordination, harmonized regional governance frameworks, and co-design with communities is essential to create inclusive, context-specific adaptation pathways.

3. **Promote equity, inclusion, and safeguards**

Adaptation finance and planning must be gender-responsive and inclusive of vulnerable groups. At least 30–40% of adaptation financing should be allocated to women- and youth-led initiatives, backed by clear performance indicators. Additionally, safeguards such as Free, Prior, and Informed Consent (FPIC) must be applied to EbA projects to protect biodiversity and ensure no harm to vulnerable communities.

4. **Mobilize partnerships and private sector engagement.**

Africa must leverage private sector participation through blended finance, biodiversity credits, debt-for-nature swaps, and sustainability-linked bonds. The incentive frameworks should reduce barriers to private investment while ensuring that financing is nature-positive and complements public adaptation funding.

5. **Strengthen monitoring, metrics, and evidence.**

There is a need for a continental MRV framework, with clear and measurable indicators, to track socio-economic, gender, and ecosystem outcomes of LLA and EbA. These robust metrics should be able to capture biodiversity and livelihood co-benefits using disaggregated data to reflect equity impacts. They should also reflect the type of finance vehicle afforded to LLAs and EbA, while viewing the timeline from pledge to disbursement. In addition, the MRV systems should be linked with UNFCCC transparency frameworks, and national statistical offices will enhance Africa's negotiation position while driving accountability and evidence-based implementation.

Conclusion

Adaptation finance is not just a necessity; it is an imperative for Africa's survival, prosperity, and self-determined development. Adequate, predictable, and accessible funding, delivered in a timely and coordinated manner and anchored in fairness and climate justice, is essential to safeguard lives, protect livelihoods, and secure hard-won development gains across the continent. With simplified, needs-driven, and community-centered financing, African nations can scale up locally led solutions, protect fragile ecosystems, and strengthen inclusive, climate-resilient economies. By deepening partnerships and expanding innovative approaches, Africa can chart a path toward a thriving, sustainable, and climate-resilient future that benefits all its people.

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