Nairobi Work Programme Empowering Action: Knowledge and Know-How for Adaptation and Finance
Climate Week 2
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Notes for RINGO Constituency
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1. Finance and Financial Systems for Adaptation

Current Landscape & Needs:

- Some governments are creating financial institutions and capacities.
- There is a need to go further by requiring emitters to pay for adaptation.
- Financial systems must be aligned with climate goals and the Paris Agreement.

Innovative Finance Mechanisms:

- Innovation is needed for financial instruments.
- Introduce adaptation credit/benefit mechanisms.
- Use grant money for project preparation to unlock larger funding.
- Fair credit rating reforms to incentivize investment in adaptation.
- Aggregation of small-scale adaptation needs to attract large-scale capital.
- Collaborative pipeline development platform/marketplace to align projects with investors and reduce friction.
- Watchtower initiative to monitor adaptation finance flows, ensuring equity and preventing risk transfer.

Finance System Goals:

- Finance must enable and monitor flows toward adaptation.
- Link finance to measurable climate resilience and stability.

2. Vision for 2040: Resilience and Co-leadership

- By 2040, people and nature are able to withstand climate shocks.
- Communities, governments, financial institutions, and private sector actors co-lead adaptation efforts.
- Climate resilience is mainstreamed into macroeconomic and fiscal stability planning.

3. Core Vision Components

Equity and Inclusion:

- Focus on accountability, access, and equity.
- Ensure ownership at the local levels.
- Address who benefits and who might be left out.

Systemic Approaches:

- A systemic approach is needed for lasting impact.

- Co-created novel ideas and pathways to adaptation.
- Integration of adaptation into every decision-making process.

Data and Technology:

- Data collection and metrics are foundational.
- Bottom-up verification of data on adaptation needs and demands.
- Top-down use of open data architecture and protected platforms to build consensus around resilience metrics.
- Standardize metrics for use across sectors.
- Leverage AI and technology for:
    - Cost-benefit analysis
    - Decision guidance
    - Impact tracking
    - Efficiency assurance

4. Pathways and Foresight-driven Process

Co-creation and Scenario Testing:

- Build on expert group progress and novel ideas.
- Actively co-ideate, refine, and stress-test adaptation pathways.
- Contextualize and test pathways against regional and local realities.
- Develop actionable recommendations on unconventional mechanisms for financing adaptation.

Inclusive Engagement:

- Engage diverse knowledge holders.
- Ensure all actors co-lead (communities, governments, financial institutions, private sector).
- Expand the range of practical financing options at all levels: regional, national, sub-national, and local.

5. Missing Elements / Open Questions

Guiding Questions:

- Who benefits from current and proposed financing mechanisms?
- Who might be left out?
- How can grant funding be strategically used to prepare high-quality adaptation projects?
- What additional mechanisms are needed to ensure adaptation finance reaches the most vulnerable?