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Enhancing European financing for climate adaption to cascading climate risks

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CASCADeS-ECDPM event

CASCADeS has received funding from the European Union's Horizon 2020 program under grant agreement No 821010. CASCADeS analyses cross-border impacts of climate change and applies state-of-the-art quantitative and qualitative research as well as stakeholder engagement approaches to identify critical areas of concern for European societies and EU policy and explore different solutions.



Table 1. Adaptation action, climate finance and total commitments (2022, percentage and billion €)

Financial institution	EIB*	EIB Global	EBRD	KfW Development Bank	AFD	4 European DFIs	EDFI total
Share of adaptation in climate finance	4.9%	10.3%	4.2%	29.5%	36%	8.7%	2.1%**
Climate adaptation	€1.9 bn	€0.4 bn	€0.246 bn	€2.13 bn	€2.16 bn	€0.061 bn	€0.061 bn
Total Climate finance	€35.1 bn	€4.1 bn	€6.36 bn	€7.2 bn	€6 bn	€0.7 bn	€2.9 bn
Total commitments	€62.6 bn	€8.5 bn	€13.1 bn	€10.9 bn	€9.4 bn	€2.1 bn	€8.7 bn
Share of climate finance to total commitments	56%	48%	48.5%	66%	64%	33%	33%

Note: *Covering all EIB operations, within and outside the EU.

**Incomplete reporting by European DFIs on adaptation.

Mobilising (European) Development Finance for Climate Adaptation and Resilience

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Research Paper | September 2023





Challenge 1: Adaptation finance targets are either low, unclear or missing

Recommendation 1: Set clear financing targets and adopt transparent reporting

Recommendation 2: Adopt innovative financing approaches to meet adaptation costs



Challenge 2: Limited cooperation within Europe and outside Europe

Recommendation 3: Strive for result-oriented partnerships

Recommendation 4: Advance blended adaptation finance approaches



Challenge 3: High risks and unbankability of adaptation projects

Recommendation 5: Develop a pipeline of bankable projects

Recommendation 6: Adopt a systematic approach to measuring adaptation risks

Source: BMZ

