

## Making Resilience Bankable: The Future of Climate Finance

Ladies and Gentlemen, dear Colleagues,

The previous panel has done a terrific job on developing innovative financial instruments to leverage art 6.

*But I noticed something missing: Article 6.8 has hardly been mentioned. Speaking here between your coffee break and your lunch break, I will strive to give you an appetite — not for food, but for the unique promise of this provision.*

We live in a moment of truth. The science is unforgiving: even if emissions stopped today, the Earth is already locked on a trajectory beyond +2°C — with warming accelerating since around 2010, as James Hansen and colleagues show in Global Warming in the Pipeline. Dispute the timeline if you will — the direction is clear. Acceleration is visible in real time. Adaptation is not tomorrow's agenda. It is today's urgency.

Yet too often, in boardrooms and ministries, adaptation is still a footnote. Confused with charity. Buried in a CSR budget line. Seen as a discretionary expense.

**That's not just shortsighted. It betrays fiduciary duty.**

### The Challenge

**Let's face it: the risks are systemic — and they are already here.**

**Supply chains collapsing. Insurance premiums soaring. Assets stranded — from coastal real estate to agribusiness**

The cost?

Almost 2 trillion dollars in climate-related losses over the last decade. And that's just the visible part. The hidden toll — productivity lost, livelihoods destroyed, ecosystems degraded — is far greater.

So let's be clear: adaptation is not an add-on. It is leadership's core responsibility.

Every policy. Every investment decision. Every business strategy. They must all pass the filter of resilience.

### The Finance Gap

And yet, adaptation remains the missing piece of the climate finance puzzle. Out of the hundreds of billions tracked each year, only **5 to 7 percent** goes to adaptation. And less than **17 percent** of that ever reaches the local level.

This is the paradox. Because adaptation is not just about avoiding losses. It creates a triple dividend: **it protects assets, yields up to tenfold returns, and opens new markets — from infrastructure to food, water, and health.**

### **So why is capital not flowing?**

Because adaptation is treated as an afterthought — seen as high risk and low return. Because its outcomes are harder to measure. Because resilience is still not recognized as a bankable value.

### **This is where systemic innovation must rise to the challenge.**

Mitigation finance works because carbon credits turned avoided emissions into tradable units of value. But let's remember — it took years of effort to create the standards, the governance, and the market trust that made it possible. Adaptation has no such equivalent. But it can

The Adaptation Benefits Mechanism (ABM) is one breakthrough. It certifies adaptation benefits — food security improved, water resilience strengthened, vulnerability reduced — in measurable, verifiable, and monetizable ways.

It gives financiers confidence that their capital produces real, recognized outcomes.

And this is precisely where Article 6.8 of the Paris Agreement must move from jargon to reality.

### **Because where carbon markets end, human survival begins.**

But mechanisms alone are not enough. We need a new financial architecture that:

1. **Blends capital** — public funds to de-risk, private finance to scale, philanthropy and sovereign wealth to innovate.
2. **Localizes finance** — sending resources directly to municipalities and communities, not just capitals.
3. **Integrates adaptation into rules of investment** — so resilience is valued, priced, and rewarded.

### **Why Should Business Take the Lead on Adaptation and Resilience**

#### **Because business has the most to lose — and the most to gain.**

1. **Risk exposure is immediate.** Climate shocks are already disrupting supply chains, eroding asset values, and driving insurers out of markets. For business, resilience is not philanthropy — it is survival.

2. **Returns are real.** Every dollar invested in adaptation can generate multiple returns: avoiding losses, safeguarding productivity, and creating new resilient markets. That is a business case, not a charitable gesture.
3. **Leadership drives trust.** When companies embed adaptation into their core strategy, they demonstrate credibility — not just on emissions, but on preparedness. In a world where climate shocks are the new normal, this will define reputations and market value.
4. **Business can innovate at scale.** Governments set the rules, but businesses design, deploy, and finance solutions that reach millions.

**In short: adaptation is not just a public good. It's a private-sector imperative — a fiduciary duty. Without business leadership, resilience won't happen.**

**Ladies and gentlemen, dear Colleagues,**

**Unlocking capital isn't about new money. It's about new rules of value.**

We cannot keep treating adaptation as optional. If it remains a footnote, systemic resilience will remain out of reach.

So let me leave you with three challenges:

1. **To financiers and investors:** Stop treating adaptation as charity. Embed resilience into fiduciary responsibility.
2. **To governments and MDBs:** Use your capital to de-risk, to crowd in private finance, to make resilience investable.
3. **To innovators and entrepreneurs:** Build the metrics, the models, the instruments that make resilience a bankable asset class.

**Therefore, dear colleagues: if adaptation stays on the margins, the cost of inaction will bankrupt us all. Business must lead, regulation must enable — because the choice is stark: invest in resilience today, or face collapse tomorrow.**

Thank you.