

ADAPTATION BENEFITS MECHANISM – EXECUTIVE COMMITTEE

FROM PILOT TO GLOBAL MECHANISM: MAKING RESILIENCE BANKABLE

A milestone report on lessons, opportunities, and pathways to scale the Adaptation Benefits Mechanism under Article 6.8 of the Paris Agreement



Executive Summary

In six years (2019 – 2025), the Adaptation Benefits Mechanism (ABM) has evolved from an innovative concept into a fully operational non-market approach (NMA) under Article 6.8 of the Paris Agreement. Developed under the auspices of the African Development Bank (AfDB), in collaboration with both African and international stakeholders, ABM has demonstrated that adaptation outcomes can be reliably quantified, verified and monetized with efficiency and integrity.

Through demonstration projects conducted in multiple countries, ABM will issue Certified Adaptation Benefits (CABs)—a global milestone that demonstrates that resilience results can be quantified, verified, and monetized. Two complementary financing modalities—ex-post and ex-ante—are defined, providing both public and private stakeholders with flexible entry points to contribute to the costs of adaptation.

Why It Matters

Today, less than four percent of global climate-finance flows support adaptation, even as climate impacts intensify and the cost of inaction grows (CPI 2025). ABM directly addresses this imbalance by establishing a results-based pathway for directing predictable finance to the communities, sectors, and ecosystems most affected by climate change.

By recognizing adaptation outcomes as distinct and valuable in their own right, ABM enhances equity within the framework of the Paris Agreement. It empowers countries to fulfill their Nationally Determined Contributions (NDC), National Adaptation Plans (NAP) and Country Platforms (CP) while alleviating pressure on donor grant funds and enabling project developers to access capital markets for financing adaptation initiatives.

Through the creation of Certified Adaptation Benefits, ABM transforms adaptation from a moral imperative into an investable opportunity for shared resilience.

Key Results at a Glance

- 1st operational Non-Market Approach recorded under Article 6.8
- 6 years of pilot implementation (2019 – 2025)
- 20 ABM demonstration projects in 13 African countries
- 1st Certified Adaptation Benefits being issued in 2025
- 2 financing modalities defined (ex-post and ex-ante)
- 3 publicly-available approved methodologies for certification of adaptation benefits

Looking Ahead

Having proved the concept, ABM now stands poised for global scale-up. The ABM Transition Phase (2026–2030) will focus on transitioning the mechanism into a multi-partner platform designed to support countries and institutions in mainstreaming results-based approaches into adaptation finance.

To achieve this, ABM will require enhanced visibility, a sustainable hosting arrangement aligned with its global mandate, robust demand for CABs through initiatives such as solidarity levies and CSR / ESG compacts, and strategic partnerships that connect governments, development banks, and private investors.

ABM's message is simple: ***"The world cannot close the adaptation gap with grants alone. It needs a new source of funding combined with mechanisms that deliver trust, accountability, and leverage. ABM offers that pathway — a proven African innovation ready for global adoption."***

Call to Partnership: Scaling Integrity and Impact in Adaptation Finance

A Shared Mission

The Adaptation Benefits Mechanism (ABM) has reached a pivotal juncture. What began as a visionary African innovation has evolved into a proven Non-Market Approach (NMA) under Article 6.8 of the Paris Agreement. ABM has demonstrated that adaptation outcomes can be effectively quantified, verified and monetized. The first Certified Adaptation Benefits are being issued; the next critical step is to scale these successes, demonstrating that resilience is both measurable and investable.

ABM's vision is to establish a global mechanism for results-based adaptation finance - one that empowers countries, communities, and investors to act with confidence, transparency, and shared accountability

Partnership is the bridge between innovation and impact - no single institution can close the adaptation gap alone.

Why Join the Partnership

Adaptation finance remains critically underfunded. According to the Climate Policy Initiative Landscape of Global Climate Finance Report 2025 (CPI 2025), adaptation finance amounted to just USD 65 billion in 2023 - less than four percent of total global climate-finance flows, compared to nearly USD 1.8 trillion for mitigation. With annual needs in developing countries predicted to exceed USD 310 billion per annum by 2035 (UNEP Adaptation Gap Report 2025), the gap is widening. ABM offers a practical, scalable solution, to close the gap, linking verified adaptation outcomes to sustainable finance and channeling resources where they build resilience for people, ecosystems, and economies.

By joining forces in ABM's Transition Phase, partners can:

- Accelerate national adaptation priorities by integrating CABs into NDC, NAP and CP implementation
- Demonstrate climate-finance integrity through quantified, verified and monetized results
- Access new sources of funding from GHG emitters via solidarity levies and ESG / CSR compacts, thereby reducing reliance on limited grant funding
- Leverage a wide range of capital market finance instruments by using CABs to generate grants and as collateral for loans
- Empower local communities by directing funds to projects that deliver tangible resilience on the ground
- Strengthen South-South cooperation by scaling a mechanism conceived and tested in Africa for global impact
- Engage the private sector by offering companies and investors a transparent pathway to secure and strengthen supply chains, safeguard assets, and proactively address climate risks thereby avoiding higher premiums for inaction - while contributing to shared resilience and long-term stability.

Partnership Pathways

- **Governments:** Champion ABM within national climate strategies; commit to integrating CABs into domestic investment frameworks and regional cooperation platforms.
- **Development Partners and Donors:** Provide catalytic resources for the Transition Phase (2026–2030) and early CAB purchases; support institutional hosting and facilitate knowledge sharing.

- **Development Finance Institutions (DFIs):** Screen existing portfolios of completed, grant-funded adaptation projects for eligibility under ABM's ex-post modality. Integrate CABs into loan and grant portfolios as a performance-tracking tool for adaptation outcomes.
- **Private Companies and Corporations that emit greenhouse gases which drive the indeed for adaptation:** Engage as early buyers of CABs to demonstrate leadership in resilience finance and ESG accountability
- **Public, private and institutional investors:** Leverage the power of the capital markets to make debt, equity and other financial instruments available to adaptation project developers.

What Partners Gain

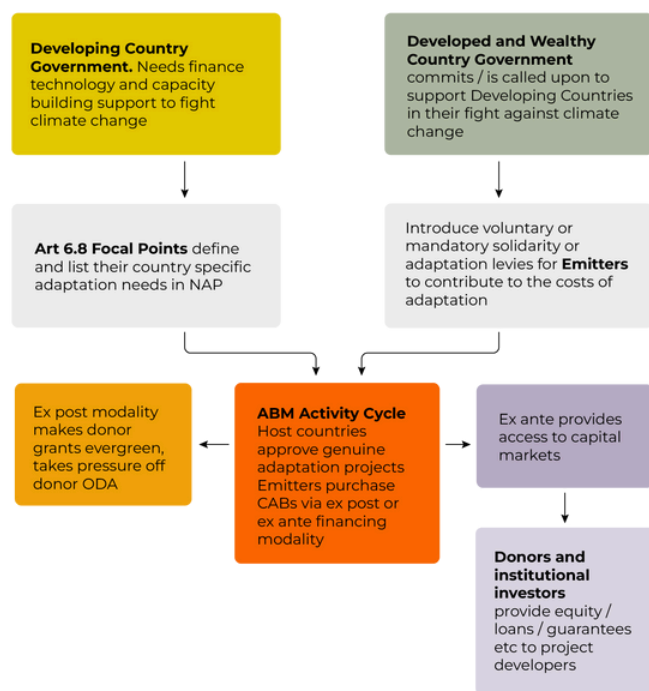
- Quantified, verified and monetized results aligned with SDG 13, selected other SDGs (depending on the technology deployed) and the Global Goal on Adaptation.
- Participation in a pioneering Article 6.8 mechanism shaping the future of climate cooperation.
- Visibility as a founding partner of a global initiative advancing integrity and equity in adaptation finance.

The Road Ahead

The coming year will be decisive. At COP 30 in Belém, ABM will present the results of its pilot phase and outline the roadmap for its transition, inviting partners to express interest in contributing to the design and resourcing of the ABM Transition Phase.

ABM is already supported by Uganda, Nigeria, Kenya, Benin, Madagascar, Guinea and Gambia.

Figure 1: Partnering for Impact



“Without adaptation, the cost of climate change will fall disproportionately on the poorest—and the financing gap will keep widening.”

Why ABM Matters

ABM is an African-conceived and globally relevant solution to this challenge. It offers a structured, transparent approach to quantifying, verifying, and monetizing the benefits of adaptation actions -creating measurable “Certified Adaptation Benefits” (CABs) that reward actual results rather than intentions.

Unlike conventional grant funding, ABM aligns the incentives for governments, investors, and communities by linking payments directly to verified outputs and outcomes. As the first non-market approach under Article 6.8 of the UNFCCC, ABM complements the market mechanisms in the toolbox for implementation of the Paris Agreement (Article 6), by recognizing adaptation actions on their own merits, rather than as a co-benefits of emission reductions. Developed by the AfDB in partnership with countries and international experts, ABM showcases how innovation from the Global South can foster integrity, accountability, and equity in global climate finance.

Alignment with Global and National Agendas

ABM directly supports countries in meeting their NDCs, NAPs and CPs, while also contributing to the achievement of multiple SDGs, notably SDG 1 (Poverty Alleviation), 13 (Climate Action) and SDG 15 (Life on Land). Its methodologies are designed to track measurable progress toward the Global Goal on Adaptation and to integrate seamlessly with emerging transparency frameworks. The ABM requires a letter of host country approval or similar to confirm the contributions of an activity to the country’s needs and priorities in NDCs, NAPs and CPs and for sustainable development.

By transforming adaptation outcomes into verifiable assets, ABM strengthens the connection between local resilience and global accountability providing a practical pathway to scale adaptation finance and ensuring that no country or community is left behind. Building on the concept of solidarity levies, if emitters responsible for 25% of global emissions spent USD 10 per tonne of CO₂e purchasing CABs by 2030, the ABM could channel up to USD 100bn in new funding directly into adaptation action.

Join us in making resilience bankable.

Together, we can turn adaptation ambition into measurable, lasting impact for people and the planet.

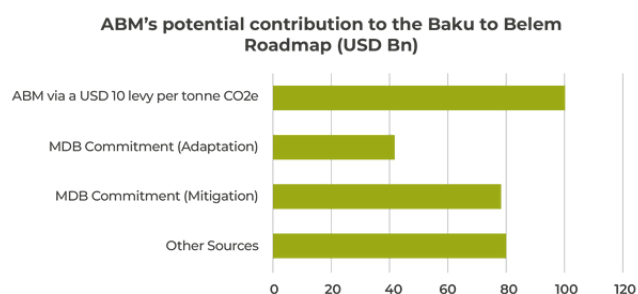
Imagine that if by 2030, emitters responsible for 25% of global emissions spent USD 10 per tonne of GHG emissions purchasing CABs. That would mobilise almost USD 100 bn of new adaptation finance - that’s 1/3rd of the Baku to Belem target!

1. Context and Rationale

The Adaptation Imperative

While climate-finance flows have steadily increased since the Paris Agreement, the distribution remains heavily skewed toward mitigation. Currently, less than four percent of tracked global climate finance is directed towards adaptation. Meanwhile, the impacts of climate change are already undermining livelihoods, infrastructure, and ecosystems especially in Africa, where the cost of inaction could surpass five percent of GDP annually by 2030. Bridging the adaptation finance gap has therefore become one of the defining challenges of this decade. What is needed now is a mechanism capable of mobilizing predictable, transparent, and performance-based finance to strengthen resilience at scale.

Figure 2: ABM's potential contribution to the Baku to Belem target of USD 300 bn by 2030



2. Key Achievements of the Pilot Phase

Operationalization of a Pioneering Mechanism

Between 2019 and 2025, ABM evolved from a concept into a fully operational non-market approach under Article 6.8 of the Paris Agreement.

An independent Executive Committee, supported by a Methodology Panel, Roster of Experts for Methodologies, Validation and Verification, and a lean Secretariat hosted by the AfDB, established and tested all core governance and operational tools.

These tools include the [ABM Guidebook](#), a set of methodologies for quantifying adaptation outcomes, and a transparent project cycle for validation, registration, and verification and issuance of CABs.

The pilot phase confirmed that context-specific adaptation outputs and outcomes can be quantified, verified and monetized in a credible and transparent manner.

An illustrative example of a Certified Adaptation Benefit is presented in Annex 1.

"The first step in applying a non-market approach to adaptation is recognizing that host countries have the right to define adaptation to meet their own needs."

Proof of Concept on the Ground

The ABM demonstrated its effectiveness through a diverse portfolio of pilot projects, each tackling a critical climate vulnerability (see more details on Annex 2):

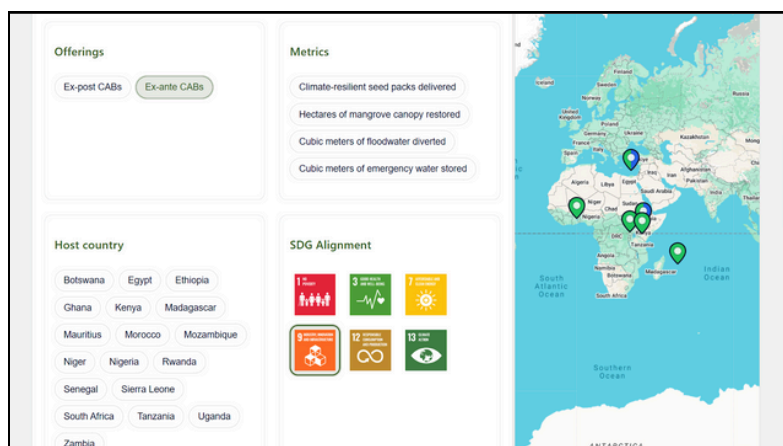
- **Côte d'Ivoire – Cocoa Resilience Project:** Sustainable and resilient agroforestry to strengthen the livelihoods of smallholder cocoa farmers.

- **Nigeria and Kenya - Flood Management (SlamDam System):** Innovative mobile flood barriers to protect infrastructure from flooding.
- **Benin – Degbadji Mangrove Restoration:** Restored degraded coastal ecosystems while empowering women's salt-harvesting cooperatives.
- **Madagascar - Cyclone Resilient Water Supplies:** Constructs sealed wells, solar pumps and overhead tanks to provide year round water supplies to rural villages on the east coast of Madagascar

Together, these projects illustrate how CABs can translate local adaptation needs into measurable global value, creating replicable models for scaling across Africa and beyond.

Once accepted into the ABM activity cycle, projects appear in the Adaptation Supermarket

Figure 3: The Adaptation Supermarket showing the location of projects with CABs under both ex ante and ex post financing modalities



Recognition and Partnerships

- The ABM gained significant visibility and credibility during its pilot phase:
- In 2024, the UNFCCC Secretariat formally recorded ABM in its Platform for Non-Market Approaches (NMA), making it the first operational mechanism for adaptation cooperation under Article 6.8 of the Paris Agreement.
- In the same year, the ABM received the Finance Your Cities Innovation Award, recognizing it as one of the most promising innovations in urban adaptation finance.
- In 2025 an ABM Slamdam pilot project in Kenya was recognized by the Climate Resilience Awards of the WBCSD

Methodologies Finalized: Three approved methodologies now guide the certification of adaptation outputs and outcomes.

- First CAB issuance: The first Certified Adaptation Benefits are being verified, ready for issuance in 2025
- Replication pipeline: 16 new projects are currently under development across Africa

Knowledge and capacity: A roster of more than 30 experts (mostly African, 33% women) received training and now anchors methodological, validation and verification rigor and continuity.

ABM in Numbers (2019–2025):

- 20 high-impact highly replicable pilot projects in 13 African countries, seeking finance for implementation, replication or expansion via the ABM
- 3 approved methodologies
- 2 validated ABM activities
- 1st CABs issued in 2025
- 50 % women in the ABM Executive Committee
- 1 Guidebook for ABM activity developers
- 2 international awards

Forward Outlook:

ABM has demonstrated its ability to build trust, credibility, and interest in adaptation investment. With core systems now proven and partnerships expanding, ABM is poised to move from proof of concept to global deployment, bridging the adaptation finance gap through results that matter. The forthcoming ABM Results Report will provide a comprehensive analysis of the outcomes from the Pilot Phase.

3. Lessons Learned

A Mechanism that validated the Concept

The ABM Pilot Phase has evolved beyond an experiment; it has proven the feasibility of the mechanism. From 2019 to 2025, ABM developed from a visionary idea into a fully operational system capable of quantifying, verifying and monetizing adaptation with transparency and integrity.

The experience has confirmed that resilience is measurable. Adaptation results, once considered intangible, can now be translated into quantifiable, verifiable and monetizable outcomes.

The issuance of the first CABs marks a significant milestone: for the first time, governments, investors, and development partners can attach a recognized financial value to progress in building resilience.

This success is primarily due to the rigorous project-cycle approach and the peer-reviewed methodologies assessed by the ABM Methodology Panel and approved by the Executive Committee. The flexibility to define context-specific adaptation benefits coupled with the project's baseline definition, monitoring, and verification introduce a level of discipline and accountability that is rarely applied in adaptation programming.

The shift from a pricing model determined by supply and demand dynamics to a non-market approach where the price is set to overcome the financial barriers, transforms the nature of adaptation finance. All funds spent on purchasing a CAB are directed entirely to the project developer, to address the financial barrier. This approach eliminates the possibility of aggregation, speculation and profiting from the sale of assets and stops the flow of climate finance to the project once the financial barrier has been addressed.

The ABM Pilot Phase has demonstrated the potential of African-led innovation to shape global climate-finance practices—showing that the Global South can design mechanisms that ensure both environmental integrity and developmental fairness.

"The second step in understanding the non-market approach is to recognize that the price of a CAB is not a function of supply and demand. Instead, it is determined by the financing gap for the specific project activity divided by the number of CABs that the project will produce."

Building Blocks for Scale

Dual Financing Modalities

Two complementary and effective financing pathways have been identified :

- **Ex-post CABs** allow existing adaptation projects, often initially funded by grants, to generate CABs from existing outputs and outcomes. Once verified, and issued, these CABs can be monetized and sold to buyers for immediate delivery. This approach establishes a continuous capital cycle, facilitating successful replication without the need for additional donor grants.

- **Ex-ante CABs** help all new projects to become bankable by enabling developers to secure upfront financing based on expected verified results and CAB issuance. Through an Adaptation Benefit Supply Agreement (ABSA), future CAB revenues are guaranteed, thereby lowering investment risks and enabling public and private sector investment.

Together, these modalities give the ABM a unique ability to serve both public and private stakeholders by combining credibility and financial efficiency with flexibility. They address varying risk appetites and timelines for return - key attributes necessary for scaling adaptation finance globally. They ensure that all funds spent on purchasing CABs go directly toward closing the financial gap, rather than generating profits for speculators.

Programmatic approach

Projects with clear, repeatable adaptation outcomes are well-suited for a programmatic ABM approach. This model is ideal for initiatives that tackle widespread, systemic climate risks that require replication across multiple locations, and can follow standardized methodologies. Additionally it leverages existing government plans such as (NDCs, NAPs and CPs), along with local structures. The key advantages of a programmatic ABM approach include scalability, as standardized methodologies can support hundreds of sub-projects, and efficiency, through the bulk and streamlined validation and monitoring of projects.

Partnership and Ownership

A critical lesson learned is that adaptation cannot be imposed; it must be co-designed with communities it serves. In the pilot phase, project developers collaborated closely with national ministries, local governments, and communities to ensure that each intervention aligned with priorities already identified in existing NAPs or NDCs. This alignment increases the likelihood that the Host Country will issue a Letter of Approval, confirming that the activity addresses genuine national adaptation needs.

Such alignment fosters trust and ownership, reduces transaction costs, and enhances the likelihood that activities will be sustained. Moreover, it strengthens local institutions' understanding of results-based finance, an important asset for broader climate-finance readiness.

Governance and Process

A lean but empowered Executive Committee, supported by an expert Methodology Panel, ensured that decisions remained science-based and transparent. This collaborative review process guaranteed both scientific credibility and fairness.

The key take away is that effective governance is not a bureaucratic burden; rather, it forms the backbone of legitimacy. For future scaling, simplifying certain administrative procedures while maintaining quality could expedite project delivery and reduce costs for developers.

Operational and Strategic Lessons

- 1. Value Definition and Pricing:** The pilot phase highlighted the need for a clearer explanation of the non-market approach to pricing and value definition. The market-based model, deeply ingrained in many stakeholders, impeded understanding of how the ABM functions. The ABM demonstrates “value for money” by emphasizing transparency, specifically, how funds contribute to genuine adaptation actions rather than the number of CABs purchased. A “Value For Money Index” is being piloted to illustrate how buyers’ funds unlock previously underappreciated inputs from project developers, such as land, labor, biodiversity, and indigenous technical knowledge (see example CAB in Annex 1)
- 2. Secretariat Capacity:** With a growing project pipeline and increasing international interest, there is a need to strengthen the secretariat by adding dedicated staff focused on operations, communications, and buyer engagement.
- 3. Visibility and Branding:** Despite notable achievements, ABM remains insufficiently recognized outside specialized circles. To address this, a clear communication strategy is essential.
- 4. Demand Creation and Buyer Engagement:** Currently, there is no significant demand for CABs, as governments do not mandate that emitters contribute adaptation costs. Instead, many governments fund adaptation through tax revenues and Official Development Assistance (ODA). Creating demand for CABs is essential to unlock access to capital markets and take the pressure off declining ODA budgets.

5. Buyer Engagement: The Adaptation Supermarket offers a structured platform to facilitate buyer engagement, thereby increasing liquidity and predictability for project developers. The Adaptation Supermarket lists all registered projects, as well as the volume and prices of CABs available under both ex post and ex-ante financing models (see Figure 3).

6. Data and Digital Tools: Digitized monitoring systems, an accessible registry and the use of smart contracts will enhance transparency, reduce verification costs, accelerate payments, shorten payback period, and improve learning across projects.

Five Key Lessons to Carry Forward :

1. **Clarity in defining adaptation outcomes** Clear definitions of adaptation outcomes foster trust and enable comparability. ABM methodologies employ a theory of change to demonstrate how inputs lead to outputs, outcomes and ultimately, desirable adaptation impacts.
2. **Partnership and co-design with beneficiaries** Engaging beneficiaries through partnership and co-design ensures that adaptation efforts remain locally relevant and sustainable.
3. **Simplified, agile governance structures and avoidance of bottlenecks** promote innovation and allow for timely decision-making, ensuring responsiveness to emerging needs.
4. **Strategic visibility and storytelling** Effective storytelling and strategic visibility amplify support for the initiative and attract financing by showcasing its impact and value.
5. **Policy coherence between project pipelines, NDCs, NAPs and CPs** Aligning project pipelines ensures that adaptation efforts are embedded within national priorities.

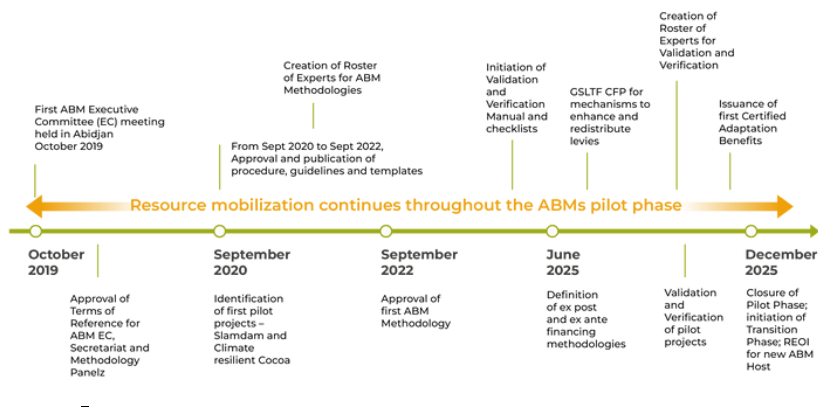
Looking Forward

The ABM's learning journey underscores that scaling adaptation finance will require maintaining integrity while accelerating delivery.

The next phase must focus on consolidating these lessons into a robust institutional framework, expanding the expert community, and leveraging digital technologies for more efficient verification.

Most importantly, it must continue to demonstrate that investments in adaptation yield measurable dividends for people, ecosystems, and economies alike.

Figure 4: Timeline of key events that have fostered learning during the Pilot Phase



4. Opportunities and Strategic Potential

Certified Adaptation Benefits – A New Asset Class for Adaptation Finance

The ABM introduces a groundbreaking innovation in global climate finance: Certified Adaptation Benefits (CABs). These represent a new asset class that transforms adaptation outputs and outcomes into quantified, verified and monetized assets, facilitating access to capital markets.

Unlike carbon credits, CABs are non-fungible and non-speculative. Each CAB represents a verified package of resilience outputs and outcomes, linked to specific communities and geographies.

By generating host country-approved CABs, ABM bridges a longstanding structural gap in adaptation finance. It shifts adaptation funding away from dependence on unpredictable grants toward a results-based system in which tangible outcomes attract new capital. Each CAB issued under the ABM follows a transparent methodology, an approved project cycle, and a registry that guarantees accountability.

CABs, therefore, serve three complementary purposes:

1. **Rewarding Performance** CABs provide payments for verified results achieved on the ground.
2. **Enabling Grant Renewal** Payments from corporations and GHG emitters allow grants to be renewed, offering a sustainable alternative to a donor-funded grant cycle.
3. **Building Confidence in Capital Markets** CABs provide the transparency needed to mobilize resources for adaptation, offering quantifiable returns to investors.

This transformation is significant for international cooperation under the Paris Agreement: for the first time, adaptation has a credible and transparent quantified, verified and monetized instrument that unlocks adaptation finance, complementary to the role of Mitigation Outcomes in financing mitigation actions.

The third step in understanding the non-market approach is how CABs are used. A CAB is proof that funds have been spent contributing to the costs of genuine adaptation needs. The total amount of funds spent can be aggregated across multiple projects to report contributions to the adaptation needs of developing countries.

Catalyzing National and Local Action

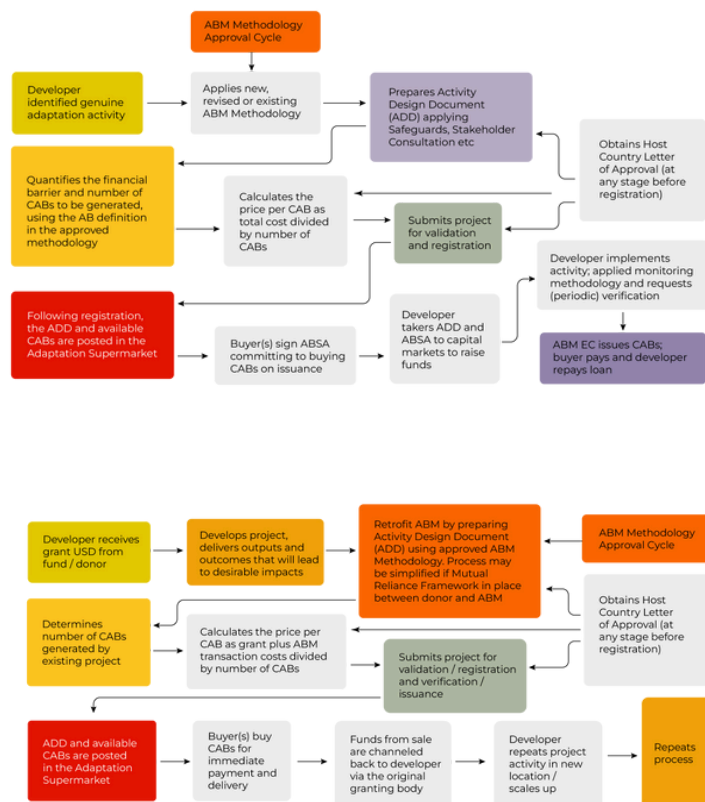
At the national level, CABs create new opportunities for countries to finance their NDCs, NAPs and CPs by relying on verified results to mobilize resources through the ex ante and ex post modalities, rather than competing for scarce grants and concessional loans. Governments can use CAB revenues to strengthen adaptation projects that advance development goals in key sectors.

- **For governments**, CABs provide a credible method for tracking and reporting toward climate-finance commitments.
- **For local developers and NGOs**, CABs reduce reliance on donor funding by offering a clear pathway from implementation to payment.
- **For communities**, CAB-based projects provide tangible incentives such as jobs, risk reduction, capital market access and environmental regeneration anchored in measurable benefits.

The ABM pilot has demonstrated this catalytic power: projects in Côte d'Ivoire, Benin, Nigeria and Kenya have not only built resilience locally but also contributed to national policy discussions on adaptation planning and budgeting.

In the next phase, integrating CABs into NDC, NAP and CP implementation strategies could redefine how adaptation is financed, monitored, and owned by countries, fostering a more sustainable and effective adaptation process.

Figure 5: Activity Cycles for Ex-ante and Ex-post financing modalities



Leverage Potential and Partnership Models

CABs offer a diverse range of financing sources, each playing a vital role in scaling adaptation efforts:

- **Public finance** can be utilized to de-risk early-stage projects and guarantee initial CAB purchases; grant funded projects can then be replicated by CAB buyers using the ex post financing model.
- **Private and Institutional finance** can develop capital market instruments to fund adaptation projects
- **Emitters, private impact investors, ESG, CSR and corporate buyers** can acquire CABs to demonstrate leadership in adaptation and manage supply chain risks within their sustainability portfolios.
- **Development finance institutions** can replenish grant funds and integrate CABs into loan and grant programs to better achieve adaptation outcomes.
- **Philanthropic foundations** can use CABs to ensure accountability and traceability of funded adaptation outcomes.

This paves the way for blended-finance structures, where future revenues from CABs complement grants, concessional loans, and impact capital. Additionally, solidarity levies such as those explored by the Global Solidarity Levy Task Force—could provide predictable funding streams for CAB purchases, channeling contributions from global transactions (e.g., airline tickets, financial transfers) into verified adaptation outcomes.

These innovations collectively position ABM as a cooperative instrument under Article 6.8 operating alongside carbon markets but without the volatility and inequity of speculative trading. ABM provides the transparency that donors demand, the assurance that investors seek, and the inclusiveness that communities deserve.

Scaling Vision: From Fragmented Grants to Investable Flows

The next decade presents a unique opportunity to scale the ABM from a successful pilot into a global mechanism that drives adaptation at scale.

Five key strategic opportunities stand out:

- 1. Integration with national systems:** Embedding CAB issuance within national public-investment frameworks and climate budget tagging will make adaptation funding traceable and performance-driven.
- 2. Replenishment of adaptation grant funds:** Multilateral Climate Funds and the MDBs can screen existing portfolios of completed, grant-funded adaptation projects for eligibility under the ABM's ex-post modality. New grant-funded projects could incorporate sustainable ABM financing by developing methodologies and entering the ABM activity cycle for validation and registration. Mutual reliance frameworks will accelerate the process.
- 3. Regularizing access to the debt capital markets** By utilizing the ex-ante financing model, ABSAs can secure future cash flows for genuine adaptation outputs and outcomes
- 4. Regional expansion:** Replicating the ABM model beyond Africa starting with Small Island Developing States (SIDS) and Least Developed Countries (LDCs)—will globalize its impact while retaining the principles of equity and transparency.
- 5. Digital transformation:** Leveraging digital MRV (Monitoring, Reporting, and Verification) tools and blockchain-based registries will enhance data quality, reduce transaction costs, and strengthen investor confidence.

The financial potential is substantial. If just five percent of annual global climate finance were directed toward CABs, more than USD 20 billion per year could be allocated to measurable adaptation outcomes. If emitters responsible for 25% of GHG emissions spent USD 10 per tonne CO₂e on purchasing CABs, up to USD 100 billion of new finance could be made available as direct financial support to overcome barriers in adaptation projects.

“Why CABs Matter for the Future of Finance”

- **Integrity:** Each CAB is verified, traceable, and linked to real adaptation impact.
- **Accountability:** Each dollar spent on CAB purchases generate transparent, auditable contributions toward NDCs, NAPs, CPs, SDGs and the Global Goal on Adaptation.
- **Efficiency:** Results-based funding coupled with non-market pricing ensures that every dollar delivers measurable resilience.
- **Scalability:** CABs can attract diverse capital sources while maintaining equity and inclusiveness.
- **Innovation:** The model transforms adaptation into a value proposition stimulating new markets for resilience solutions.

Outlook: A Global Opportunity

The ABM Pilot Phase has laid the foundation for a new era in adaptation finance. As the world prepares for COP30 and beyond, the mechanism stands ready to help close the adaptation gap, channeling resources where they have the most significant impact. For governments, MDBs, and private sector partners, engaging in the ABM Transition Phase means investing in the resilience dividend—a future where adaptation is both measurable and investable.

5. Remaining Challenges

A Mechanism Ready to Scale – but Facing Familiar Headwinds

While the ABM has demonstrated its technical credibility and political relevance, scaling it to a global level will require overcoming persistent structural and operational challenges. These challenges are not weaknesses but the natural next steps in maturing a pioneering model that aims to transform global adaptation finance.

1. Limited Visibility and Awareness

Despite its recognition under the Paris Agreement, ABM remains relatively unknown to key decision-makers and investors. Many actors are unfamiliar with non-market approaches and are unsure how to value adaptation benefits. There is also a misconception that adaptation cannot be measured in a transparent, credible and practical manner.

Raising ABM's profile will be crucial. A sustained communication and advocacy campaign, anchored in success stories and champion countries, will help translate the achievements of the pilot phase into a compelling narrative of impact.

ABM's next challenge is not proving that it works—it is ensuring that everyone knows that it works.

2. Securing Sustainable Institutional Hosting and Financing

The pilot phase has demonstrated that lean structures can deliver strong results, however long-term credibility requires institutional stability and predictable resources.

ABM will need a permanent hosting arrangement that aligns with its global mandate, ensuring institutional autonomy, international reach, and a dedicated funding window. The ABM is expected to become self-financing from the collection of registration and issuance fees. Securing multi-year commitments from governments, philanthropic partners, and development banks will guarantee continuity during the Transition Phase and reinforce confidence among project developers and CAB buyers.

A modestly capitalized fund could provide liquidity for early CAB purchases bridging cash-flow gaps for projects in least-developed or climate-vulnerable countries. Reimbursable TA grants could also be deployed to develop methodologies and activity design documents.

3. Ensuring Policy Coherence and Alignment

Adaptation finance is often fragmented across sectors, institutions, and themes. The ABM must continue to align with national planning frameworks such as NDCs, NAPs, CPs and SDG-linked investment programs.

Coherence across ministries of environment, finance, and planning will help mainstream CABs into national budget systems and climate-finance strategies.

The Transition Phase offers an opportunity for closer collaboration with multilateral climate funds and regional development banks to harmonize methodologies, reporting standards, and monitoring frameworks.

4. Maintaining Rigor and Credibility at Scale

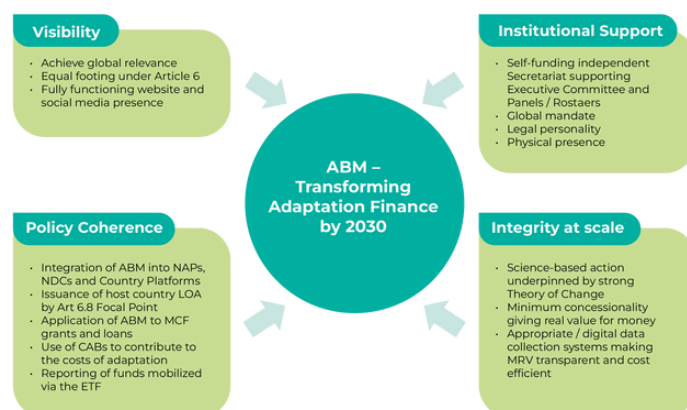
As interest in CABs grows, the greatest risk is compromising the mechanism's integrity. Expansion must not come at the expense of quality.

ABM's strength lies in its scientific and procedural rigor—flexibility to define context specific adaptation, clear baselines, transparent methodologies, and independent verification—appropriate to the nature of the asset that is created. Scaling will require digital monitoring tools, capacity-building for verifiers, and continuous peer review to maintain the trust that CABs have earned. A strong governance model, with clear checks and balances, will remain the cornerstone of credibility.

"Priorities for the Transition Period"

1. Launch a global communications campaign to raise ABM's visibility at COP 30 and beyond.
2. Secure hosting arrangements and seed funding for the ABM's Transition Phase (2026-2030).
3. Expand partnerships with governments and climate-finance institutions for policy alignment.
4. Digitalize verification systems to ensure efficiency and quality control at scale.

Figure 6: From Pilot to Global: The Next Hurdles



Forward Outlook:

The challenges ahead are evident, yet none are insurmountable. By addressing these challenges, ABM has the potential to evolve from a promising innovation into a **global public good for adaptation finance** one that countries, investors, and communities can rely on to deliver resilience with measurable impact.

6. The Way Forward

A Vision for 2026 – 2030: From Pilot to Global Mechanism

The ABM has reached a critical juncture. Its pilot phase has proven the concept, demonstrating that adaptation outcomes can be quantified, verified, monetized, and scaled with integrity.

The next step is clear: to transition ABM from an African-led innovation into a global mechanism for implementing Article 6.8 of the Paris Agreement, helping countries and partners direct finance toward resilience.

By 2030, the vision is for ABM to operate as a recognized, multi-partner mechanism that:

- Certifies adaptation outcomes across regions and sectors;
- Integrates CABs into national and international finance systems;
- Engages public and private buyers through transparent, results-based contracts; and
- Becomes self-financing through issuance and associated service fees.

This vision aligns with the momentum of the Global Goal on Adaptation and the growing demand for accountability in climate finance. ABM can act as a bridge between ambition and implementation, ensuring that pledges translate into measurable results.

The world has invested billions to slow warming; now it must invest wisely to live with it – and ABM shows how.

Clarifying Roles and Responsibilities

The next phase requires collective leadership and clear division of roles:

- **African Development Bank (AfDB)** – will remain the **lead incubator** and custodian during the ABM Transition Phase (2026), providing administrative hosting, fiduciary oversight, and technical backstopping whilst handing over to a new Long Term ABM Host. The Bank's convening power and credibility are critical to sustaining partner confidence until a permanent home is established.
- **Long-term ABM Host** - Governments and International Organisations are invited to express their interest in hosting the ABM. The selected partner will collaborate with the African Development Bank to assume responsibility for hosting the ABM Executive Committee, the Secretariat, and its Panel(s) and Roster of Experts, with the handover expected to be completed by the end of 2026
- **Developing Country Governments** – are encouraged to integrate CABs into their national adaptation strategies, NDC and NAP implementation plans, and climate budget frameworks. Champion countries can play a central role in promoting ABM within regional and UNFCCC processes.
- **Developed and Wealthy Country Governments** - are invited to adopt solidarity levy initiatives and encourage and later require emitters to participate, relieving some of the growing burden of adaptation funding from their ODA budgets.
- **Donors and Development Partners** – can catalyze the transition by providing targeted funding for the secretariat, capacity-building, and early CAB purchases. They will also be essential in establishing a multi-donor trust fund or solidarity facility to sustain ABM operations until self-financing is achieved. Vertical funds and MDBs can be early adopters of the ex-post modality by screening their existing portfolios of completed, grant-funded adaptation projects for eligibility.
- **Private sector actors** – financial institutions, corporates, and impact investors can become early buyers of CABs to demonstrate leadership in resilience finance. Engaging them through clear standards and value propositions will be key to mainstreaming adaptation in corporate sustainability strategies.

- **Finance providers, institutional investors, DFIs and PDBs** can lend money to ex-ante adaptation activities and structure, guarantees and insurance products to protect returns

Each group has a stake in ensuring that ABM becomes not only a success story of Africa but a global public good for adaptation finance.

Immediate Priorities for the Transition Period (2026 – 2027)

1. Initiate Global Engagement at COP30

ABM's presence at **COP 30 in Belém** will mark the **initiation of its global engagement process**. This milestone should be used to showcase the first CAB issuance, present the outcomes of the pilot phase, and open a structured dialogue with interested partners on hosting and collaboration. The launch of the Request for Expressions of Interest to Host the ABM will invite governments, institutions, and investors to express interest and contribute to shaping the next phase of ABM as founding partners.

2. Secure Transition Financing

The transition requires an estimated USD 5 million to fund a twelve to 18-month bridge period. Potential sources include the AfDB Special Initiative budget, the Climate Investment Funds (ARISE window), AfDB-managed Trust Funds such as FAPA, KOAFEC and ACCF, and philanthropic partners such as the Gates Foundation and Children's Investment Fund Foundation (CIFF). Mobilizing this funding before mid-2026 will ensure continuity and momentum.

3. Finalize Hosting and Operational Model

A competitive process should be initiated in early 2026 to select the long-term host organization. Parallel to this, ABM will develop a business plan for its 2027 – 2030 operations, including a path toward self-financing through CAB fees and strategic partnerships.

4. Expand Outreach and Knowledge Exchange

A comprehensive outreach campaign and capacity-building program will ensure that countries, financial institutions, and project developers understand how to engage with ABM. Regional hubs and training partnerships could serve as entry points for new participants.

"The Transition Phase at a Glance"

- Q4 2025: Launch of Global Engagement and Teaser at COP 30.
- Q1–Q2 2026: Strategic analysis of governance and financing options.
- Q3–Q4 2026: Finalize hosting arrangement and resource mobilization.
- Q2 2027: Full operationalization under new governance structure.
- 2027–2030: Expansion to new regions and integration with global climate-finance architecture.

A Collective Journey Forward

ABM's strength has always been its collaborative spirit and its focus on shared benefit. The next phase calls for deepening that collaboration through new alliances and shared responsibility. Grant-giving Multilateral Climate Funds can build ABM into their funding programs to provide a sustainable transition away from donor funded grants; Governments can champion the mechanism politically; MDBs can amplify its reach through program integration; and the private sector can demonstrate that resilience is bankable.

By leveraging these roles and lessons, ABM can deliver on its promise to make adaptation finance predictable, efficient, and equitable — a mechanism that builds trust between the global north and south through shared accountability.

Closing Message

The future of adaptation finance depends on transformative partnerships and credible mechanisms. ABM has shown that a system born in Africa can speak to the world's most pressing climate challenge.

The journey ahead will demand commitment, collaboration, and courage—but the path is clear.

"Together, we can make resilience investable, measurable, and scalable."

ANNEX 1: ILLUSTRATIVE EXAMPLE OF A CERTIFIED ADAPTATION BENEFIT



Certified Adaptation Benefit

USD 300,000: 200 ha agroforestry practices implemented

Issuer:

Adaptation Benefits Mechanism (Pilot Phase)

Issue Date:

2 Jan 2026

Registry:

ABM Registry (Pilot Phase)

Redemption Date:

30 Jan 2026

Project Details:

Project ID: 4490

Project Name: Harvest Loop Sahel

Methodology: Harvest measurement Method

Host Country: Senegal

Location: Saint-Louis Region

Project Owner: Sahel Supply Innovations SARL

Activity duration: 01 May 2025 - 30 April 2030

Benefits duration: 01 May 2025 - 30 April 2030

Redemption Details:

Organisation Name:

Address:

Adaptation benefits redeemed:Redeemed CAB details:

Monitoring Period:

01 May 2025 - 31 Dec 2025

Serial number range:

000212..000411

Security Type: CAB

Quantity: 200

Metric: ha agroforestry practices implemented

Vintage: 2025

Price: USD 1,500.00 per CAB

Redemption Purpose:

Solidarity levy 2025 vintage

Monetary Value:

- USD 300,000.00

SDGs:

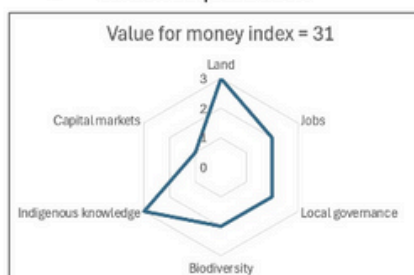


Climate-induced threat:

- changing climate threatens productivity and longevity of agricultural crops and livestock

Co-benefits:

- carbon sequestration



This Certified Adaptation Benefit (CAB) has been issued through the application of the Pilot Phase Adaptation Benefit Mechanism (ABM) modalities and procedures as detailed on the ABM website (September 2025) www.abmechanism.org, expedited to meet the deadline of UNFCCC COP30. The certification of outputs and outcomes (adaptation benefits) is the result of independent assessment and approval of an ABM methodology; independent validation of the Activity Design Document; and independent verification of the delivery of outputs and outcomes that are considered highly likely to result in long term positive impacts on adaptation and resilience in the host country. Assessments have been carried out with a limited level of assurance which confirms that "nothing has come to the verifier's attention to suggest material misstatement". Based on statements from parties, funds have been transferred from the buyer to the seller, constituting a voluntary contribution towards the costs of adaptation in the host country. This certificate does not guarantee that the desired impacts will materialize. Redemption is final; units are retired and cannot be re-issued or transferred. Full terms: <https://abmechanism.com/terms>

Verify this CAB by scanning the QR code or visiting
<https://registry.abmechanism.com/check/477fwejkwu>

Automatically generated on [date]; [time(UTC)] by the ABM Registry

Adaptation Benefits Mechanism
www.abmechanism.org

CCIA Building, Adaptation Benefits Mechanism,
Avenue Jean-Paul II B.P. 1387 Abidjan 01 Côte d'Ivoire

ANNEX 2: FURTHER DETAILS OF PILOT PROJECTS

- **Côte d'Ivoire – Cocoa Resilience Project:** Introduced a package of measures for climate-smart and sustainable and resilient agroforestry and soil-restoration practices to strengthen the livelihoods of smallholder cocoa farmers. CABs quantify hectares of sustainable Cocoa plantations under sustainable and climate-resilient practices/management, as well as improved survival rate of cocoa saplings (%), enhanced productivity of cocoa farms (kg of cocoa beans/ha) and complementary farm output (USD/ha), as well as co-benefits for, among others, which include improvements in farm resilience, biodiversity protection, and carbon retention.
- **Nigeria and Kenya - Flood Management (SlamDam System):** Deployed innovative mobile flood barriers to protect informal settlements and markets from flooding, combining disaster-risk reduction with livelihood preservation. CABs can quantify people / infrastructure / agricultural land protected.
- **Benin – Degbadji Mangrove Restoration:** Restored degraded coastal ecosystems while empowering women's salt-harvesting cooperatives through sustainable resource management. CABs can quantify hectares of mangroves restored or households with improved resilience through livelihood protection.
- **Madagascar - Cyclone Resilient Water Supplies:** Constructs sealed wells, solar pumps and overhead tanks to provide year round water supplies to rural villages on the east coast of Madagascar. The funding model offers CABs quantify the supplied liters of water provided a. A second kind of CAB is linked to 5-years of maintenance of the wells.