UN environment programme

ADAPTATION GAP REPORT 2025, KEY MESSAGES

Top-level narrative

Amid rising global temperatures and intensifying climate impacts, a yawning gap in adaptation finance for developing countries is putting lives, livelihoods and entire economies at risk, according to UNEP's *Adaptation Gap Report 2025: Running on Empty*.

While most countries have adaptation planning instruments in place and financial support from climate funds for implementation grew in 2024, adaptation finance needs in developing countries by 2035 are at least 12 times as much as current international public adaptation finance flows. The report estimates the costs of adaptation finance needed in developing countries at US$310 to US$365 billion per year in 2035. Actual flows sit at US$26 billion in 2023.

To close this gap and soften the blows of increasingly frequent and intense climate impacts, a global effort is needed to increase adaptation finance – with both public and private finance having to step up, and care taken not to increase the proportion of non-concessionary debt instruments to support vulnerable nations.

Amid shifting political priorities and an intensifying climate crisis, adaptation financing needs in developing countries are 12-14 times as much as current flows.

- The adaptation finance needed for developing countries by 2035 is at least US$310 billion per year, based on modelled costs.
- When basing estimates on extrapolated needs expressed in Nationally Determined Contributions and National Adaptation Plans, this figure rises to US$365 billion a year.
- Meanwhile, international public adaptation finance flows to developing countries were US$26 billion in 2023: down from US$28 billion the previous year.
- This leaves an adaptation finance gap of US$284-339 billion per year (US$2023 prices). The previous estimate was US$194-366 billion per year until 2030.
- There is a silver lining: the finance gap is lower for Least Developed Countries and Small Island Developing States (SIDS), though the levels still fall far below needs.

There is progress on closing the planning gap, including through mainstreaming adaptation into national plans and strategies.

- 172 countries have at least one national adaptation policy, strategy or plan in place. However, 36 of these countries possess instruments that are outdated or have not been updated in at least a decade. This should be addressed to minimize the possibility of maladaptation.
- Among the 25 predominantly developing countries without a national adaptation plan, strategy or policy, 21 have started developing one.
- In the Biennial Transparency Reports (BTRs) – which nations submit under the Paris Agreement to outline their progress in meeting climate pledges – 59% of countries report at least one instance of integrating adaptation into non-climate plans or strategies.
- For example, most SIDS are taking steps to mainstream adaptation into broader national development planning.

Climate fund support for new adaptation projects rose in 2024 – although emerging financial constraints make the future unclear.

- The annual funding value of new adaptation projects under the Adaptation Fund, the Global Environment Facility and the Green Climate Fund grew to nearly US$920 million in 2024.
- This is an increase of 86% compared to the five-year moving average of US$494 million between 2019 and 2023. However, this may only be a spike rather than a trend, with financial constraints likely to rise beyond 2025.
- The BTRs show over 1,600 implemented adaptation actions, mostly on biodiversity, agriculture, water and infrastructure.
- However, few countries report on outcomes – such as uptake of adaptation-relevant technologies and practices, improved access to basic services or reforestation – and impacts describing greater resilience, including changes in biodiversity from restoration and ecosystem protection, sufficiency of water availability or improved agricultural production.
- Reporting needs to improve to assess progress on effectiveness and adequacy of adaptation actions.

The Glasgow Climate Pact is unlikely to be met and the New Collective Quantified Goal (NCQG) for climate finance is insufficient to close the finance gap.

- If current finance trends continue, the Glasgow Climate Pact goal of doubling international public adaptation finance from 2019 levels by 2025, which would be approximately US$40 billion, will not be achieved.
- During COP29 in Baku, the NCQG set the goal of developed nations providing at least US$300 billion per year by 2035 for climate action in developing countries. However, this financing target includes both mitigation and adaptation.
- Meanwhile, if the estimated adaptation finance needs of US$310-365 billion in 2035 were adjusted for inflation at an annual rate of 3% (a figure in line with near-term projections), they would increase to US$440-520 billion.

The Baku to Belém Roadmap to raise US$1.3 trillion in climate finance could make a huge difference – but care must be taken not to increase the vulnerabilities of developing nations.

- The Baku to Belém Roadmap to 1.3T (US$1.3 trillion) was established at COP29 as part of the NCQG, to scale up finance for low-carbon and climate-resilient development.
- The roadmap text highlights the need for grants, and concessional and non-debt-creating instruments. Such approaches are crucial to avoid increasing indebtedness and making it harder for vulnerable countries to invest in adaptation.
- More attention must also be given to the distinction between financing (who provides the money) and funding (who ultimately pays) to avoid transferring costs back to developing nations.
- For the roadmap to work, the international community must:
    - contain the growth of the adaptation finance gap through mitigation and avoiding maladaptation;
    - increase the volume of adaptation finance with the help of new providers and instruments;
    - engage more finance actors in integrating climate resilience into financial decision-making.

The private sector must do more, but it cannot close the finance gap on its own.

- Current private sector flows for adaptation are around US$5 billion per year.
- The report estimates the realistic potential for private sector investment at US$50 billion per year, or 15-20% of adaptation financing needs.
- Reaching this level will require targeted policy action and blended finance solutions, with concessionary public finance used to de-risk and scale-up private investment.