

NATURE-BASED SOLUTIONS FOR ADAPTATION BRIEF SERIES

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This brief explores how private finance can be mobilized to close the climate adaptation gap through gender-responsive nature-based solutions (NbS) in Sub-Saharan Africa. It examines the investment case for adaptation, highlights financing instruments and partnership models that align public and private capital, and underscores the importance of gender-responsive approaches in delivering resilient, inclusive, and scalable adaptation outcomes.

INVESTING IN IMPACT: Mobilizing Private Finance for Gender-responsive NbS for adaptation in Sub-Saharan Africa

CLOSING THE ADAPTATION GAP: WHY PRIVATE FINANCE MATTERS

Global climate finance flows have grown steadily over the past decade, with annual climate finance having more than doubled between 2018 and 2022, representing a jump from USD 674 billion to USD 1.46 trillion ([CPI 2024](#)). Unfortunately, international public adaptation finance¹ for developing countries fell from USD28 billion in 2022 to USD26 billion in 2023, accounting for less than 10% of the estimated need of at least USD310 billion per year by 2035 ([UNEP 2025](#)). This public sector support represents approximately 92% of all adaptation financing



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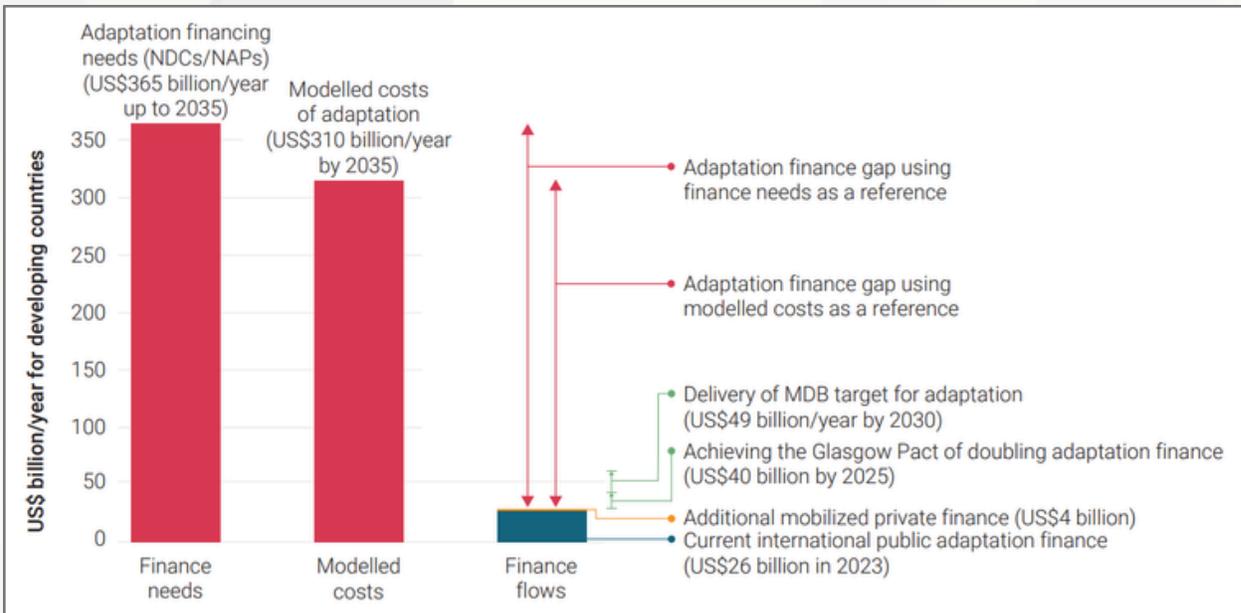
¹ “Adaptation finance refers to financial resources aimed at helping communities, companies, countries, and regions adapt to the impacts of climate change” ([WRI 2023](#)).

flows (CPI 2024), leaving adaptation and resilience needs severely dependent on favorable policies and countries.

Over 70% of domestic climate finance in advanced economies is provided by the private sector, with overwhelming support to the energy, transportation, and infrastructure sectors (CPI 2024). Internationally, however, corporations and institutional investors provided just \$1 billion, or 2%, of tracked adaptation finance in 2019 and 2020 (WRI 2023). Private investment abroad continues to fall short due to several factors, including perceptions of limited or uncertain returns on investment, high levels of risk, constrained access to reliable climate data and technical expertise, and long payback periods – particularly where effective adaptation projects

require extended implementation timelines and are relatively small in scale.

Private finance can play a critical role in adaptation by supporting investments that reduce climate risk, protect supply chains, safeguard natural assets, and strengthen the resilience of communities and markets. For many companies and investors, these outcomes translate to avoided losses, enhanced long-term value, and more stable operating environments. However, unlocking this potential requires clearer articulation of adaptation’s value proposition, improved risk-sharing and cost-benefit analyses and mechanisms, and financing structures that better align with private sector expectations while remaining responsive to local needs.



Graphic 1: Comparison of adaptation financing needs, modelled costs and international public adaptation finance flows in developing countries (UNEP Adaptation Gap Report 2025).

System	Definition	Example
Public	Finance that “constitutes resources that the government invests in climate change from its exchequer using the public financial management system” (UNDP 2021)	Government agencies and ministries
Multilateral	Finance “associated with multilateral channels” (UNDP 2021)	Green Climate Fund (GCF), Global Environment Facility (GEF), Loss and Damage Fund, Climate Investment Funds (CIF)
Private	“Revenue that is generated through a mechanism primarily implemented by the private sector” (Tobin-de la Puente and Mitchell 2021)	Family foundations, high-net-worth individuals, corporations and corporate foundations
Blended	“Strategic use of public finance for the mobilization of additional finance towards sustainable development’ (OECD 2019), often by combining public and philanthropic capital with private, return-seeking capital into the same financing” (Tobin-de la Puente and Mitchell 2021)	Blended finance funds (e.g. Land Degradation Neutrality Fund), green equity from a financial institution and a philanthropic grant
Innovative	Finance that “enables investments in climate change adaptation and mitigation projects that could not be funded using traditional financial mechanisms” (UNDP 2021)	Green bonds, biodiversity credits, green Sukuk and carbon markets

Table 1: Types of financing systems



THE INVESTMENT CASE FOR GENDER-RESPONSIVE NATURE-BASED SOLUTIONS

Researchers have found that investing USD1 in adaptation can yield more than USD10.50 in benefits over 10 years ([WRI 2025](#)). According to the World Resources Institute's study across 320 adaptation and resilience projects – spanning agriculture, water, health and infrastructure – USD133 billion worth of investment is expected to generate USD1.4 trillion in benefits over 10 years ([WRI 2025](#)). The World Bank and [Global Commission on Adaptation](#) estimated that investing USD1.8 trillion in five target areas from 2020 to 2030 could produce USD7.1 trillion in total benefits ([World Bank 2021](#)).

Using a “[triple dividend of resilience](#)” lens, WRI's research assessed adaptation investments across three broad types of value: reduced climate-related losses, wider economic gains, and social and environmental co-benefits. The findings indicate that adaptation initiatives frequently deliver benefits across all three dimensions and can yield returns that are stronger than is often expected – even when disasters don't occur ([WRI 2025](#)).

Climate and adaptation finance is further siloed by too often failing to integrate gender-responsive actions and indicators, resulting in gender accounting for even less of current adaptation finance. The Adaptation Gap Report 2025 (AGR 2025) includes an updated review of National Adaptation Plans (NAPs) and third-generation Nationally Determined Contributions (NDC 3.0) to assess progress on costed programming for gender and social inclusion. The review applied a version of the Gender Equality and Social Inclusion (GESI) continuum developed by the United Nations Environment Programme (UNEP). Of the 97 NAPs and NDCs that include costed adaptation measures, the analysis found that only 20 explicitly identify dedicated financing needs for GESI-related interventions ([UNEP 2025](#)). This is likely because climate change is treated as a sectoral issue, when gender and poverty are considered to be “cross-cutting” ([UNDP 2021](#)). To realise effective and inclusive climate adaptation, the two must be reconciled – making the investment case for gender-responsive Nature-based Solutions (NbS) even stronger.



Public finance remains essential in creating the enabling conditions for private investment, particularly in non-market and community-led adaptation contexts where direct financial returns may be limited. The emergence of public-private partnerships (PPPs) have been essential in not only bridging the adaptation financing gap but addressing the risk factors, knowledge and data gaps, and payback periods that have previously left the private sector skeptical over their investing.

Through policy frameworks, concessional capital, blended finance, and targeted de-risking instruments, governments and development actors can help channel private capital toward adaptation priorities. In this context, NbS – especially when designed to be gender-responsive – offer a compelling entry point for private finance by delivering measurable resilience benefits alongside environmental and social co-benefits.



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APPROACHES AND INSTRUMENTS TO MOBILIZING PRIVATE FINANCE

Mobilizing private finance for adaptation requires moving beyond a one-size-fits-all approach and

recognizing the diversity of actors, motivations, and risk appetites within the private sector. Unlike mitigation, where revenue streams are often clearer, adaptation investments – particularly in gender-responsive NbS – depend on financing structures that can accommodate longer time horizons, shared benefits, and mixed financial and non-financial returns. As a result, a range of approaches and instruments is needed to align private capital with adaptation outcomes.



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Facing climate change, governments can strengthen societal resilience by investing in the conservation and restoration of ecosystems and the services they provide as a core climate adaptation strategy. However, realizing the full adaptation potential of NbS requires moving beyond the expansion and improved management of protected areas to the systematic integration of biodiversity considerations into economic decision-making across sectors. This approach underpins the [BIODEV2030 initiative](#), implemented since 2020 in 15 countries across Africa, Asia, and the Pacific, which seeks to align economic activities with national biodiversity and climate objectives through structured engagement with the private sector.



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Using a science-based and iterative multi-stakeholder dialogue process, BIODEV2030 identifies and prioritizes key biodiversity pressures at the national level and links them to specific economic sectors and production practices. High-level private sector actors are then supported to develop voluntary commitments at the value-chain, organizational, or landscape scale, alongside the enabling policy and financial conditions required for implementation. These dialogues inform the reform and alignment of sectoral policy instruments – such as agricultural, mining, fisheries, and forestry policies – while bottom-up, participatory processes at the landscape level translate national priorities into bankable project proposals.

Across participating countries, these projects are now mobilizing public, private, domestic, and international finance to implement NbS that deliver biodiversity conservation, climate adaptation, and socio-economic benefits. In most cases, women play a significant role in the design and implementation of these interventions, reinforcing the importance of gender-responsive approaches in ensuring both equitable outcomes and long-term resilience.

By acting as an incubator for policy reform, project development, and financing pathways, BIODEV2030 demonstrates how coordinated public action and private sector engagement can catalyze investment in gender-responsive NbS that reconcile economic development with biodiversity conservation and climate adaptation.

At the same time, the design of financing mechanisms and market-based instruments is critical in determining who benefits from these investments. While these strategies can be effective in incentivizing community-led sustainable management and restoration of ecosystems, they must be implemented with care for the potential risks, particularly from a gender perspective, that may arise from the commodification of a natural resource. In particular, some studies have found that attaching a financial value with natural resources previously associated with subsistence can result in the male takeover of female-dominated activities. Rather than contributing to women's economic empowerment, therefore, such projects can risk the further marginalization of women and other vulnerable groups ([Westholm, 2016](#)).



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Box 1: A note on innovative financing

Strategies such as payment for ecosystem services (PES) allow communities to be directly remunerated for natural resource management and restoration practices that strengthen ecosystems and their provision of key services ([UNREDD, n.d.](#)). Carbon credits could be considered a type of PES, wherein payments are made based on units of carbon avoided or removed from the atmosphere, often through forest conservation and management. Similarly, biodiversity credits attach a market value to quantifiable units, typically a geographic area, of restored or preserved biodiversity over a fixed period of time ([WEF, 2023](#)).

Women should be fully represented in the design and management of market-based schemes such as PES. Their contributions ensure that the value of non-timber forest products (NTFPs) – women in many regions depend heavily on NTFPs for income and subsistence – is accurately assessed and that schemes do not overly emphasize compensation for commercial forestry activities, often a male-dominated sector ([Löw, 2020](#); [Tuijnman et al., 2020](#)).

In Sub-Saharan Africa, adaptation and NbS financing often requires combining multiple instruments to reflect women’s roles in natural resource management and the informal nature of many local economies. Enterprise-led approaches – such as impact investment in climate-resilient agricultural value chains or women-led green enterprises – can be supported through blended finance and corporate partnerships that de-risk early investment.

Community-led NbS, including landscape restoration, water management, and sustainable livelihoods initiatives are more effectively financed through philanthropic grants, recoverable grants, and revolving funds that prioritize local ownership and long-term resilience. In [Madagascar](#), Wildfowl & Wetlands Trust (WWT) leads a project

funded by the Global EbA Fund using an innovative financing mechanism to enable community-driven wetland restoration through ecosystem-based adaptation (EbA). The project provides small grants to empower community groups to implement EbA in globally important wetlands. By piloting and demonstrating the impact of these locally led EbA interventions, the project builds the evidence base needed to attract wider investment. Ultimately, the project aims to develop and institutionalise a Community Wetland Fund by securing public and private investments to sustain and expand community-led wetland restoration over time. This approach demonstrates how targeted, small-scale grant mechanisms can catalyse additional financing and enable NbS interventions to be scaled up.

Across both models, public and philanthropic capital is essential to unlock private investment by

Box 2: Business-led projects & Community-led projects

- *Business-led projects:*
 - Impact investing and private equity
 - Blended finance structures (e.g. first-loss capital, guarantees)
 - Corporate investment and supply-chain finance
 - Environmental markets (carbon, biodiversity, ecosystem services) as complementary revenue streams
 - Commercial and concessional debt instruments
- *Community-led projects:*
 - Private and corporate philanthropic grants
 - Recoverable grants and revolving community funds
 - Low- or zero-interest loans from foundations or development finance actors
 - Payments for ecosystem services (PES)
 - Aggregation platforms that bundle smaller projects into investable portfolios

funding project preparation, strengthening gender-disaggregated impact data, and supporting aggregation mechanisms that bring small, locally rooted initiatives to scale. When intentionally designed, these financing approaches can simultaneously advance adaptation outcomes, women’s economic empowerment, and ecosystem resilience.

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