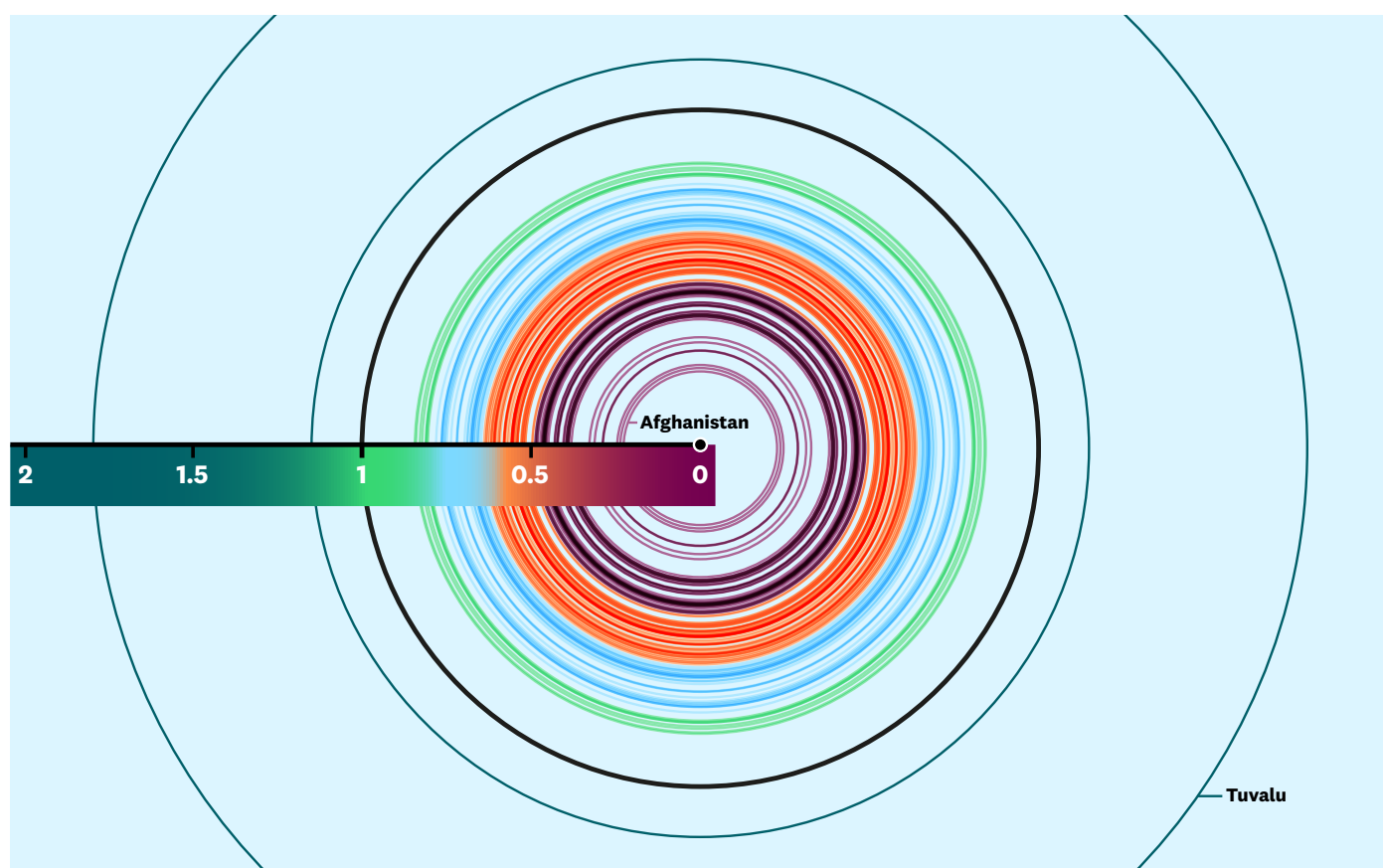


Climate Adaptation Finance Index 2026



Who Gets Adaptation Finance —
and Who is Left Behind

Imprint

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Foreword

On 26 August 2026, a massive avalanche of ice and rock near the Nepal-Tibet border unleashed devastating flash floods downstream. Researchers have since concluded that climate change likely helped create the conditions for the glacier collapse through exceptional warming, glacier thinning and permafrost melt. The disaster with a confirmed death toll of 1,451 as of late September 2026, was a stark reminder that climate risk is no longer an abstract projection: it can cascade within minutes across borders, destroy infrastructure and livelihoods, and overwhelm the capacities of communities and governments. It was not an isolated warning. Severe monsoon floods in Bangladesh and other parts of South Asia, flooding in West Africa, extreme heat and drought, and major wildfires have marked 2026 across the globe, and particularly the Global South.

Whether an extreme event becomes a humanitarian catastrophe depends heavily on poverty, infrastructure, institutions, access to services and the resources available to prepare, adapt and recover. This is where the injustice of the climate crisis becomes most visible: many countries that have contributed least to global warming face the highest risks while having the least capacity to protect their people.

International adaptation finance is meant to help close this gap. But scarce resources can only deliver their full impact if they are directed to where climate risks and adaptation needs are greatest. The question is therefore not only whether the world provides enough adaptation finance. It is also whether the finance available actually reaches those who need it most.

This is the question at the heart of the Climate Adaptation Finance Index (CAFI). Covering 129 recipient countries, CAFI compares international adaptation finance with climate risk and asks a simple but consequential question: does finance follow risk?

The CAFI 2026 findings show that too often it does not. More than 70 per cent of the countries covered by the index are severely or extremely underfunded relative to their climate risks. More than 6.3 billion people live in these countries. And the same countries repeatedly appear at the bottom of the index: countries where high climate risk overlaps with low income, fragility, conflict and limited adaptive capacity. Four consecutive CAFI editions since 2023 indicate that this is not a temporary imbalance but a structural pattern.



This matters because misallocation reduces the effectiveness of already insufficient adaptation finance. When countries with the most urgent needs face the greatest barriers to accessing support, international finance risks reinforcing vulnerability rather than reducing it. CAFI 2026 therefore looks beyond aggregate funding volumes. It examines why risk, poverty and fragility so often translate into poorer access; where more vulnerability-oriented allocation is working; how Germany compares with the wider donor community; and what the growing shift from grants to loans means for countries with little fiscal space and adaptation investments that often generate no direct financial return.

With “Climate Adaptation Finance Index 2026: Who Gets Adaptation Finance — and Who is Left Behind”, Brot für die Welt contributes to greater transparency and accountability in international adaptation finance. The report does more than identify funding gaps. It shows where the finance architecture itself needs to change.

As climate impacts intensify, the case for adaptation finance is stronger than ever. More adaptation finance is needed but that is not enough. It must become more accessible, more grant-based where vulnerability and debt burdens demand it, and above all more responsive to climate risk. CAFI 2026 provides the evidence needed to ask whether international climate finance is meeting that test — and what must change if it is to do so.



Dr Dagmar Pruin
President, Brot für die Welt

Executive Summary

Adaptation Finance Is Growing — Yet the Most Vulnerable Groups Continue to Miss Out

Climate change is increasingly shaping development prospects across the Global South. Record-breaking heatwaves, floods, droughts and storms during 2025 and early 2026 have further underscored that adaptation is no longer a future challenge but a present necessity. Yet adaptation finance remains both insufficient in scale and inequitable in distribution.

The Climate Adaptation Finance Index (CAFI) 2026 assesses whether international adaptation finance reaches developing countries in proportion to their climate risks. Covering 129 recipient countries and based on a risk-adjusted per-capita methodology, CAFI provides a unique measure of the distributive justice of adaptation finance. Its central finding is clear: despite growing adaptation finance volumes, countries facing the highest climate risks continue to receive the least risk-adequate support.

The CAFI 2026 covers the period 2017–2023. The OECD publishes its data on climate adaptation finance with a delay of two to three years. The CAFI is based on the most recent data available at the time of its compilation.

Key Messages

Adaptation finance remains structurally misallocated.

More than 70 per cent of all countries covered by the index are classified as severely or extremely underfunded relative to their climate risks. The average CAFI score declined slightly from 0.59 to 0.58, indicating that adaptation finance is not becoming more risk-responsive over time.

The countries most in need remain systematically left behind.

Afghanistan, Chad, South Sudan, Somalia, Niger, Mali and Yemen once again rank among the most underfunded countries. These countries combine very high climate risks with poverty, fragility, violent conflict, and limited adaptive capacity. Four consecutive editions of CAFI suggest that this pattern is structural rather than temporary.

Climate risk, poverty and fragility remain major barriers to access.

Countries with the highest climate risks consistently receive the least risk-adequate adaptation finance. Similar patterns are found for fragile and conflict affected regions and states, low-income countries and Least Developed Countries (LDCs), indicating that vulnerability often functions

as a disadvantage rather than a priority criterion within the current finance architecture.

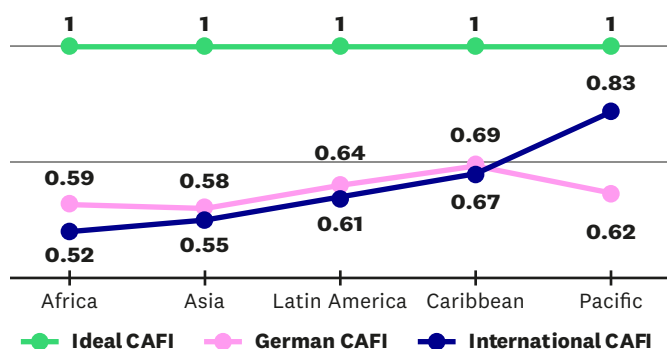
Progress towards the Glasgow adaptation finance commitment is slowing.

The Paris Agreement established the political goal of increasing climate finance to USD 100 billion annually by 2025. This goal was reaffirmed at COP26 in Glasgow. Although adaptation finance increased significantly between 2019 and 2022, growth has stalled in recent years. Current trajectories suggest that the commitment to double adaptation finance by 2025 compared to 2019 levels is unlikely to be fully achieved. A definitive statement on whether this commitment has been met will not be possible until 2027 when the OECD is expected to publish the relevant data.

Climate justice is increasingly undermined by the growing role of loans.

For the first time, CAFI documents a long-term shift from grants to loans. Loans now exceed grants in adaptation finance, despite the fact that many adaptation investments generate little or no direct financial return. This trend risks increasing debt burdens in countries that contributed least to climate change.

Figure 1: The CAFI 2026 by world regions



Main Findings

The global distribution of adaptation finance continues to display a profound mismatch between climate risk and financial support. More than 6.3 billion people live in countries classified as severely or extremely underfunded. In contrast, only a very small share of the population covered by the index lives in countries receiving adaptation finance that can be considered risk-adequate.

The report identifies fragility and conflict as one of the strongest predictors of underfunding. Countries affected by conflict and institutional weakness consistently perform worse than more stable countries, despite often facing the most severe climate impacts. Similar patterns are observed for low-income countries and LDCs. The findings suggest that existing allocation mechanisms continue to favour countries with stronger institutions and greater implementation capacities rather than those with the greatest adaptation needs.

Small Island Developing States (SIDS) remain a notable exception. Pacific and Caribbean Island states generally perform better than other country groups and continue to receive comparatively high levels of adaptation finance per capita. However, this should not be mistaken for sufficient support. Many SIDS face existential threats from sea-level rise and other slow-onset climate impacts that are only partially captured by existing risk indicators.

Regionally, Africa remains the epicentre of adaptation finance underfunding, followed by Asia. The Pacific continues to perform best overall, although recent data suggest a gradual deterioration in support levels.

Germany remains the world's largest bilateral adaptation finance donor and performs slightly better than the donor community as a whole in terms of risk responsiveness. However, German adaptation finance also remains far from risk adequate. The majority of recipient countries continue to be severely or extremely underfunded, while support for many Pacific and Caribbean island states remains comparatively weak.

Beyond allocation patterns, CAFI 2026 identifies several important trends. Adaptation finance is becoming more diversified across sectors, with particularly strong growth in health-related investments. Gender-responsive adaptation finance has increased substantially, reflecting growing recognition of the links between climate vulnerability and social inequality. At the same time, genuinely gender-transformative approaches remain rare. The report also finds that financing related to loss and damage remains fragmented, difficult to track and insufficiently reflected in international reporting systems.

Conclusions and Policy Recommendations

The findings of CAFI 2026 point to a fundamental challenge: adaptation finance is not only insufficient in volume, but also systematically failing to reach many of the countries most exposed to climate risks. Increasing adaptation finance remains essential. However, larger funding volumes

alone will not automatically translate into greater resilience or climate justice unless allocation systems become more responsive to climate risk, poverty, conflict and fragility. Three overarching priorities emerge from the analysis:

Make adaptation finance risk-responsive.

International adaptation finance should be allocated more systematically according to climate risk, vulnerability and adaptive capacity. Countries facing the most severe combinations of climate risk, poverty, conflict and fragility must receive priority access to adaptation resources.

Put climate justice at the centre of adaptation finance.

Adaptation finance for highly vulnerable countries should increasingly be provided through grants rather than loans. Donors and international financial institutions should ensure that adaptation finance strengthens resilience without exacerbating debt burdens.

Deliver on existing commitments and scale up ambition.

Developed countries should fulfil and exceed their financial commitments. At the time of publication of this study, it is not yet known whether developed countries have met the commitment made in Glasgow to at least double adaptation funding by 2025 compared with 2019, due to delays in the submission of the relevant data; however, this is considered unlikely, which highlights the continuing lack of predictable, long-term funding channels capable of meeting the rapidly growing need. Glasgow commitment to at least double adaptation finance by 2025 compared to 2019, while creating predictable, long-term funding pathways that reflect rapidly growing needs. Achieving the Paris Agreement requires adaptation finance that is both larger in scale and fairer in distribution.

Developing countries have set the right benchmark by calling for a tripling of adaptation finance by 2030, building on the intended doubling by 2025. This implies a target of around USD 120 billion in international adaptation finance by 2030. By 2035, funding should rise further to USD 150 billion, assuming that half of the climate finance pledged under the NCQG is allocated to adaptation. These figures define the minimum growth pathway implied by existing commitments. Rather than continuing disputes over target figures, which further erode trust in donor countries across the Global South and weaken rules-based multilateralism, all efforts should now focus on delivery. Even these amounts may fall short, as all assessments indicate a substantially larger financing gap.

How the Index is Structured and What it Indicates

The Climate Adaptation Finance Index (CAFI) measures whether developing countries receive a fair share of internationally provided climate adaptation finance. Within the CAFI framework, a country's "fair share" is defined as the share of global adaptation finance it would receive if funding were allocated strictly according to climate risk exposure. Population size is also included, making CAFI a per capita indicator.

CAFI therefore assesses the distributive justice of international adaptation finance, but not whether total adaptation finance is sufficient overall. Questions of overall adequacy are addressed by other assessments, including the annual United Nations Environment Programme Adaptation Gap Report.

The distinctive value of CAFI lies in its ability to evaluate the risk-adjusted fairness of adaptation finance allocation across 129 recipient countries and to compare broader patterns between country groups. As the index is now published for the fourth consecutive year, its trend analysis is becoming increasingly robust.

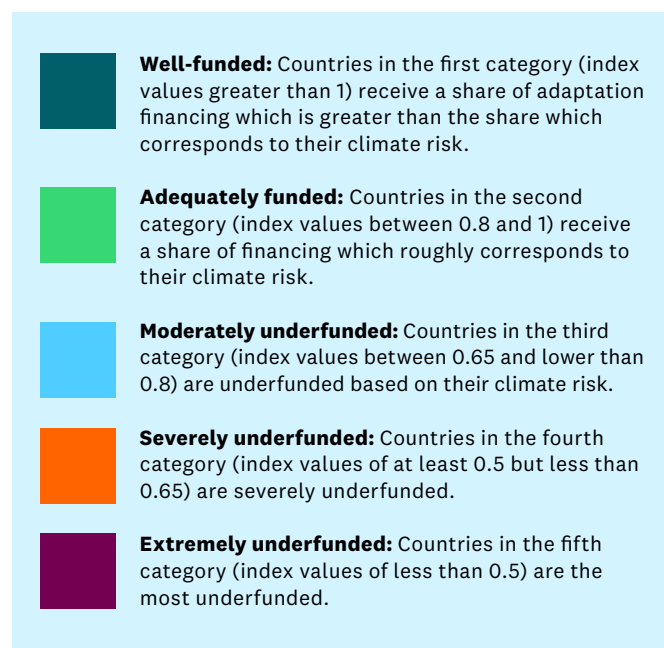
To reduce distortions caused by annual fluctuations — especially in smaller recipient countries — CAFI uses rolling seven-year periods based on the latest Organisation for Economic Co-operation and Development (OECD) climate finance data. The OECD publishes its data on climate adaptation finance with a three-year delay. The CAFI is based on the most recent data available at the respective time. That is why CAFI 2026 covers the period 2017–2023 (CAFI 2025: 2016–2022).

CAFI is a two-factor index ranging from 0 to 2, with 1 representing a fully risk-adjusted allocation of available adaptation finance. Values above 1 indicate comparatively favourable funding levels, while values below 1 indicate underfunding relative to climate risk exposure.

The index distinguishes between several funding categories: values below 0.5 indicate extreme underfunding; 0.5–0.64 severe underfunding; 0.65–0.8 moderate underfunding; 0.81–1 adequate funding; and values above 1 comparatively good funding performance (Figure 2).

Importantly, CAFI values are relative measures. They assess whether adaptation finance corresponds proportionately to climate risk exposure, but they do not indicate whether funding levels are sufficient to cover the actual costs of climate adaptation.

Figure 2: The five categories of the Climate Adaptation Finance Index (CAFI)



The CAFI methodology is based on two internationally recognised and publicly accessible data sources. First, the index uses the Organization for Economic Co-operation and Development Assistance Committee (OECD-DAC) database, which tracks international climate finance flows between donor and recipient countries. Adaptation finance is identified through the OECD Rio Markers, which classify development finance contributions to the three Rio Conventions: the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), and the United Nations Convention to Combat Desertification (UNCCD). CAFI includes only financial flows tagged under the Rio Marker for climate adaptation. Second, country-specific climate risk is measured using the INFORM Risk Index, published by the Disaster Risk Management Knowledge Centre (DRMKC) of the European Commission in cooperation with the Inter-Agency Standing Committee (IASC). INFORM provides annually updated and publicly accessible risk assessments for countries worldwide.

A key strength of INFORM is its multidimensional approach. In addition to exposure to natural hazards, the index incorporates socio-economic vulnerability and national adaptive capacity, including institutional preparedness and infrastructure resilience. This enables a more comprehensive assessment of climate risk than hazard exposure alone (Figure 3).

Figure 3: Climate risk factors considered for the CAFI based on the INFORM Risk Index

Risk Components Covered by the INFORM Risk Index (Modified for CAFI)				
Dimensions				
Hazard and Exposure	Vulnerability		Lack of Coping Capacity	
Drought	Socio-economic	Vulnerable groups	Institutional	Infrastructure
River flood	Development and deprivation	Uprooted people	Disaster risk reduction	Communication
Coastal flood	Inequality	Other vulnerable groups	Governance	Physical infrastructure
Cyclone	Aid dependency			Access to the health system

Source: Inter-Agency Standing Committee and the European Commission. 2026. INFORM REPORT 2026.
At: <https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Results-and-data/moduleId/1782/id/453/controller/Admin/action/Results>

As illustrated in Figure 2, the INFORM Risk Index does not assess climate risk solely on the basis of exposure to natural hazards. In addition to exposure, it also considers socio-economic vulnerability and a country’s adaptive capacity. The latter includes both institutional capacities — such as governance quality and disaster risk reduction systems — and infrastructural capacities, including transport and communication infrastructure as well as the resilience of health systems.

This multidimensional approach provides a far more differentiated assessment of climate risk than a narrow focus on hazards such as storms, droughts, or floods alone. Countries with strong adaptive capacities are generally able to reduce losses and damages from extreme weather events significantly more effectively than highly vulnerable countries exposed to the same hazard.

To calculate the CAFI, the raw data for both core dimensions — climate adaptation finance and climate risk — were standardised to values between 0 and 1. The modified INFORM Risk Index values, originally ranging from 0 to 10, were divided by 10 to preserve proportionality while enabling comparability. Adaptation finance data were normalised by dividing each country’s funding value by the highest country value in the dataset, thereby generating a relative funding share for each recipient country.

The resulting CAFI values range from 0 to 2, with 1 representing the benchmark of a fully risk-adjusted and proportionate allocation of available adaptation finance. Values below 1 indicate relative underfunding in relation to climate

risk exposure, while values approaching 0 reflect increasingly severe funding gaps.

The mathematical formula for the index is as follows:
$$x_3 = 1 - x_1 + x_2$$

Where:
 x_1 is the risk variable in a range from 0 to 1,
 x_2 is the climate adaptation funding in a range from 0 to 1,
 x_3 is the index value in a range from 0 to 2.

Significance and Limitations of the Index

A key strength of the CAFI lies in its use of a standardised methodology across all countries, enabling direct comparison and interpretation of country-level results. This makes the index a useful tool for assessing the relative distributive fairness of international adaptation finance.

At the same time, the explanatory power of the CAFI is shaped by the methodological limitations of the underlying datasets. The index currently focuses on climate risks associated with extreme weather events and does not yet capture slow-onset processes such as sea-level rise, glacier melt, desertification, or long-term ecosystem degradation. In addition, the risk assessment is based on currently observable risks and does not incorporate projected future climate impacts.

What's New This Year

This year's edition places a particular focus on adaptation finance flows to the Pacific Island states. It also provides an updated assessment of progress made by individual donor countries toward their collective commitment to double adaptation finance, including an analysis of the gender responsiveness of these financial flows.

For the first time, the report also examines how the balance between grants and loans in adaptation finance is evolving and how adaptation finance is distributed across sectors such as agriculture, health, and infrastructure. In light of recent international policy debates, the report further analyses the extent to which adaptation finance is being directed toward addressing loss and damage.

Together, these additional analyses help explain why adaptation finance often fails to reach the countries facing the highest climate risks and which structural factors contribute to this outcome.



Climate adaptation in Peru: Javier Quispe Valle is digging drainage ditches on the mountainside to help rainwater seep into the ground more effectively. The project is supported by the partner organisation “Asociacion Arariwa”.

Index Results 2026

Risk-Adequate Adaptation Finance Remains Elusive

Figure 4: The 2026 world map of international adaptation finance

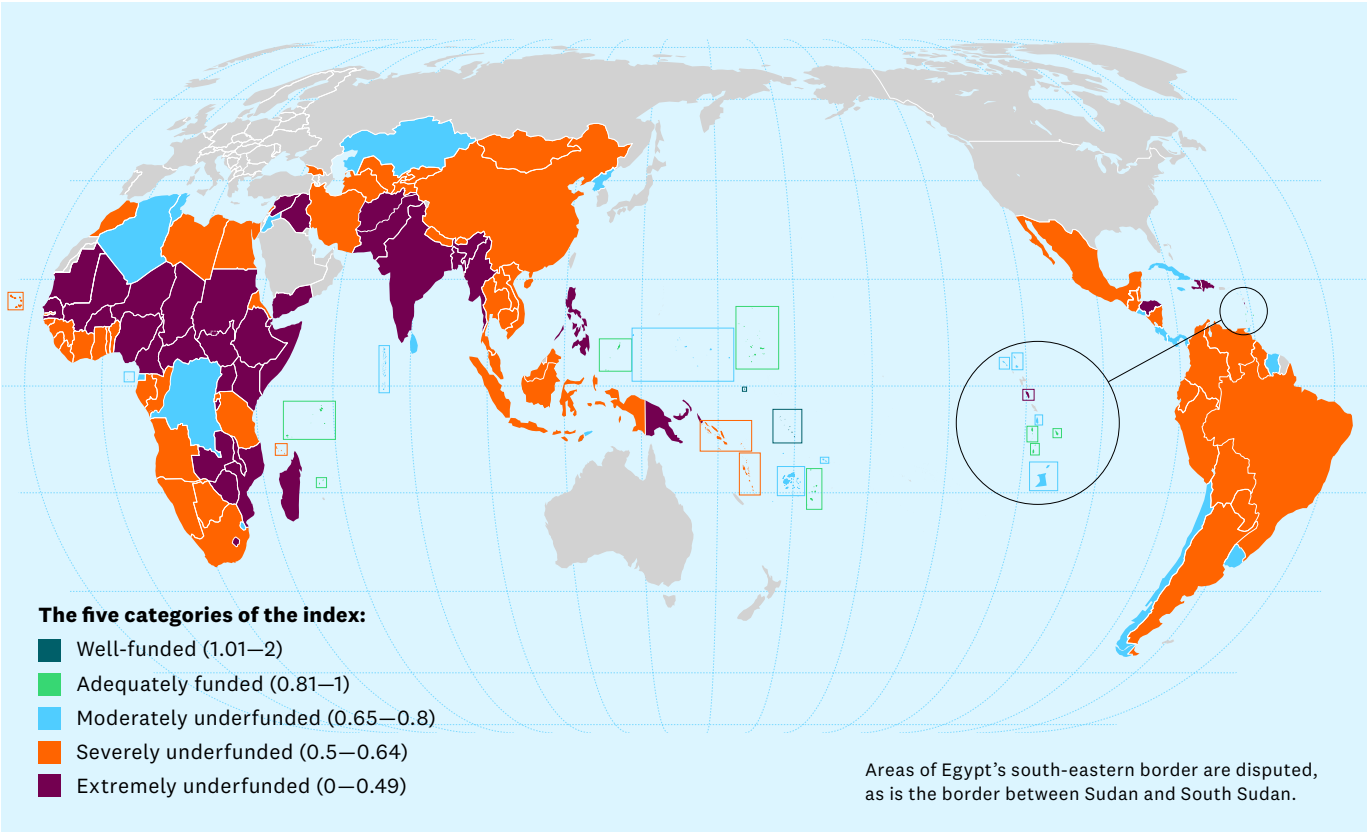
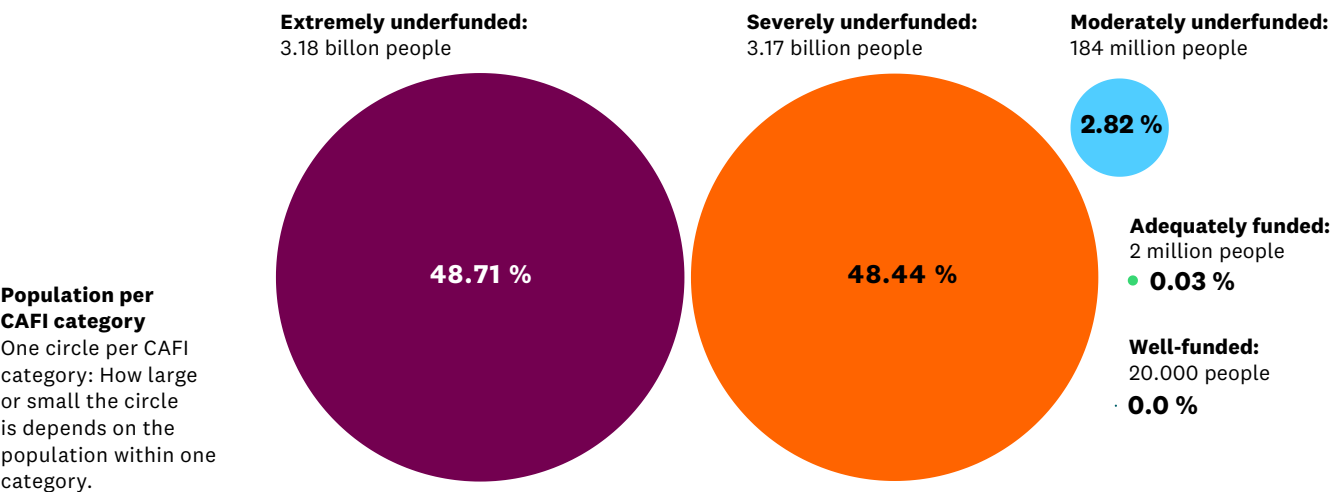


Figure 5: Population of developing countries by CAFI category



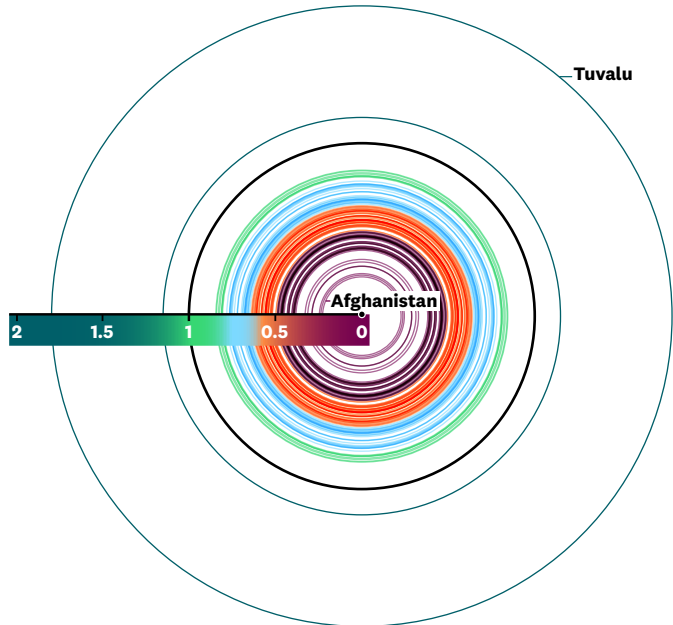
The ranking is based on the committed adaptation funding for the countries per capita in the period 2017–2023.

The global picture of adaptation finance remains dominated by severe and extreme underfunding. Figures 4 to 8 show that the distribution of adaptation finance has not become more risk-adequate. Instead, the results suggest that a pattern already visible in previous editions of the Climate Adaptation Finance Index is becoming increasingly entrenched.

In CAFI 2026, as shown in Figure 6, 37 countries fall into the category of extremely underfunded countries, compared with 36 in the previous year. A further 55 countries are classified as severely underfunded, up from 52 in CAFI 2025. Taken together, more than 70 per cent of all countries covered by the index receive adaptation finance at levels that are far below what would be justified by their climate risk profile. In contrast, the number of countries receiving risk-appropriate levels of adaptation finance remains exceptionally small. Only eight countries are classified as adequately funded and just two as well funded. At the same time, the average CAFI value declined slightly from 0.59 to around 0.58. This is not a dramatic change. Given the rolling seven-year methodology of the index, only gradual movements should be expected from one year to the next. Yet the direction of change remains important. The distribution of adaptation finance is not moving towards greater risk adequacy. If anything, it is moving slightly further away from it.

The scale of this imbalance becomes even more striking when viewed through the lens of population rather than countries. Figure 5 shows that more than 6.3 billion people live in countries classified as either extremely or severely underfunded. Together, these groups account for more than 97 per cent of the population covered by the index. By contrast, only a tiny fraction of the population lives in countries receiving adaptation finance that can be considered risk-appropriate. In statistical terms, adaptation finance continues to miss the vast majority of people living in climate-vulnerable countries.

Figure 6: Distribution of Climate Adaptation Financing (all donor countries)



The five categories of the index:

- Well-funded (1.01–2)
- Adequately funded (0.81–1)
- Moderately underfunded (0.65–0.8)
- Severely underfunded (0.5–0.64)
- Extremely underfunded (0–0.49)

The index value as a radius

One circle per country: How large or small the circle is depends on the index value. If the circle is small, there is a lack of money for adaptation to climate change. The black circle shows how large the circle should ideally be. It becomes clear how small the number of countries is that are well and adequately funded.

Figure 7: International Climate Adaptation Finance Index 2026. Ranking of recipient countries (per-capita-based index)

Well-funded			Index value
1	Tuvalu	L I	1.79
2	Nauru	I	1.15
Adequately funded			Index value
3	Palau	I	0.84
4	Saint Vincent	I	0.84
5	Seychelles	I	0.83
6	Tonga	I	0.82
7	Marshall Islands	I	0.81
8	Mauritius	I	0.81
9	Barbados	I	0.81
10	Grenada	I	0.81
Moderately underfunded			Index value
11	Costa Rica		0.78
12	North Korea	R	0.77
13	Samoa	I	0.76
14	Chile		0.76
15	Saint Lucia	I	0.76
16	Maldives	I	0.76
17	Panama		0.75
18	Jordan		0.75
19	Antigua and Barbuda	I	0.74
20	Cuba	I	0.72
21	Uruguay		0.72
22	Algeria	A	0.72
23	Eswatini	A	0.70
24	Timor-Leste	L I	0.69
25	Saint Kitts and Nevis	I	0.69
26	Sri Lanka		0.68
27	Trinidad and Tobago	I	0.68
28	Micronesia	I	0.68
29	Suriname	I	0.67
30	DR Congo	L A F	0.67
31	Kazakhstan		0.67
32	Jamaica	I	0.67
33	Tunisia	A	0.66
34	Sao Tome and Principe	L A I	0.66
35	EL Salvador		0.66
36	Fiji	I	0.65
37	Equatorial Guinea	A	0.65
Severely underfunded			Index value
38	Argentina		0.64
39	Cabo Verde	A I	0.63
40	Bhutan	L	0.63
41	Paraguay		0.63
42	Malaysia		0.62
43	Belize	I	0.62
44	Turkmenistan		0.62
45	Indonesia	F	0.62
46	Kyrgyzstan		0.61
47	Comoros	L A I	0.61
48	Ghana	A	0.61
49	Togo	L A F	0.61
50	Gabon	A	0.61
51	Laos	L	0.61
52	Benin	L A F	0.60
53	China		0.60
54	Thailand	F	0.59
55	Georgia		0.59
56	Libya	A F	0.58
57	Morocco	A	0.58
58	South Africa	A	0.58
59	Botswana	A	0.58
60	Mongolia		0.58
61	Vanuatu	I R	0.57
62	Ecuador		0.57
63	Uzbekistan		0.56
64	Vietnam		0.56
65	Guyana	I	0.56
66	Côte d'Ivoire	A	0.56
67	Nicaragua		0.56
68	Peru		0.56
69	Lebanon	F	0.56
70	Namibia	A	0.56
71	Tanzania	L A	0.56
72	Brazil		0.56
73	Colombia	F	0.55
74	Guinea	L A F	0.55
75	Solomon Islands	L I	0.55
76	Gambia	L A	0.55
77	Guinea-Bissau	L A	0.55
78	Rwanda	L A F	0.54
79	Congo	A F	0.54
80	Egypt	A	0.54
81	Mexico		0.54
82	Iran	F	0.54
83	Bolivia		0.53
84	Liberia	L A	0.53
85	Sierra Leone	L A	0.53
86	Cambodia	L	0.52
87	Eritrea	L A F	0.52
88	Venezuela	F	0.52
89	Guatemala		0.52
90	Nepal	L	0.52
91	Angola	L A R	0.50
92	Tajikistan	R	0.50
Extremely underfunded			Index value
93	Lesotho	L A R	0.49
94	Burundi	L A R F	0.49
95	Honduras	R	0.48
96	Philippines	R F	0.48
97	Cameroon	A R F	0.48
98	Dominica	I	0.47
99	Nigeria	A R F	0.47
100	Burkina Faso	L A R F	0.47
101	Dominican Republic	I	0.46
102	India	R F	0.46
103	Kenya	A R F	0.46
104	Djibouti	L A R	0.46
105	Senegal	L A R	0.46
106	Myanmar	L R F	0.46
107	Papua New Guinea	I R	0.46
108	Zambia	L A R	0.46
109	Sudan	L A R F	0.45
110	Malawi	L A R	0.43
111	Pakistan	R F	0.43
112	Syria	R F	0.42
113	Zimbabwe	A R F	0.42
114	Central African Republic	L A R F	0.42
115	Haiti	L I R F	0.40
116	Bangladesh	L	0.40
117	Ethiopia	L A R F	0.40
118	Madagascar	L A R	0.39
119	Iraq	R F	0.39
120	Mauritania	L A R	0.39
121	Uganda	L A R F	0.39
122	Mozambique	L A R F	0.38
123	Yemen	L R F	0.33
124	Mali	L A R F	0.31
125	Niger	L A R F	0.29
126	Somalia	L A R F	0.29
127	South Sudan	L A R F	0.25
128	Chad	L A R F	0.24
129	Afghanistan	L R F	0.23

- L** Least Developed Country (LDC)
- A** African State
- I** Small Island Development State (SIDS)
- R** Country with high to very high climate risk
- F** Country was assigned to the alert level in the Fragility Index in 2023 and/or categorised as conflict-affected country in 2023 by the Peace Research Institute Oslo

The five categories of the index:

- Well-funded (1.01–2)
- Adequately funded (0.81–1)
- Moderately underfunded (0.65–0.8)
- Severely underfunded (0.5–0.64)
- Extremely underfunded (0–0.49)

The ranking is based on the committed adaptation funding for the countries per capita in the period 2017–2023.



Kenya is among the countries that are extremely underfunded when it comes to climate adaptation financing. The Brot für die Welt partner organisation, Anglican Development Service, supports members of the Turkana ethnic group in adapting to climate change.

The most striking finding, however, is not the slight deterioration in average performance. It is the remarkable stability of the countries at the bottom of the ranking. Afghanistan, Chad, South Sudan, Somalia, Niger, Mali and Yemen remain the seven most underfunded countries in the index (see Figure 8). Not only has the composition of this group remained unchanged, but the average index value of these countries has deteriorated further. Given the fact that these countries have now remained among the lowest-ranked countries since the first CAFI edition, it seems that severe underfunding is becoming increasingly entrenched rather than gradually corrected.

This is particularly significant because these countries also belong to the group facing the highest climate risks. They combine extreme exposure to climate hazards with high levels of poverty, limited adaptive capacity and severe fragility or conflict. The persistence of this pattern suggests that adaptation finance is not merely unevenly distributed. It points to a deeper structural problem: countries facing the highest climate risks continue to receive the least risk-adequate adaptation finance.

At the other end of the ranking, Small Island Developing States continue to dominate the group of best-performing countries. Tuvalu and Nauru are the only countries classified as well funded, while several other Pacific and Caribbean island states appear in the adequately funded category. This pattern has been visible since the first edition of the CAFI and reflects the comparatively strong focus of adaptation finance on small island states.

At first glance, this appears encouraging. However, these results should be interpreted carefully. High CAFI scores do not imply that adaptation needs have been met. Many island states face existential risks associated with sea-level rise, coastal erosion, saltwater intrusion and other slow-onset climate impacts that are only partially reflected in conventional risk indicators. In addition, relatively small financing flows can produce high per capita values in countries with very small populations.

Figure 8 nevertheless shows that important shifts continue to occur within the ranking. Tuvalu recorded the strongest improvement of all countries covered by the index. Significant improvements can also be observed for the Democratic Republic of the Congo. While these improvements demonstrate that change is possible, they remain exceptions rather than evidence of a broader shift towards more risk-adequate adaptation finance. At the same time, countries such as Dominica, Nauru, the Marshall Islands, Vanuatu, Samoa and Tonga experienced notable declines. These changes illustrate that adaptation finance remains heavily influenced by project cycles and individual funding decisions rather than by a systematic allocation mechanism linked to climate risk.

The overall conclusion is therefore clear. The central challenge of adaptation finance is no longer only its insufficient volume. Equally important is the question of whether available resources reach the countries that need them most. The evidence presented here suggests that they do not. Despite years of political commitments to prioritise vulnerable countries, the countries facing the highest climate risks continue to be concentrated at the bottom of the index.

This finding should be understood as a warning signal. If adaptation finance is not becoming more risk-adequate over time, increasing volumes alone will not automatically lead to greater climate justice or resilience. The key question is therefore not only how much adaptation finance is provided, but whether the international system has developed an allocation logic capable of systematically prioritising climate risk and vulnerability.

Figure 8: Performance of recipient countries of international climate adaptation finance compared to the previous year (per-capita-based index)

Well-funded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
1	▲ Tuvalu	1.79	0.99	0.80
2	▼ Nauru	1.15	1.53	-0.38
Adequately funded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
3	▲ Palau	0.84	0.90	-0.06
4	▲ Saint Vincent	0.84	0.92	-0.08
5	▲ Seychelles	0.83	0.82	0.01
6	▼ Tonga	0.82	0.93	-0.11
7	▼ Marshall Islands	0.81	0.96	-0.15
8	▲ Mauritius	0.81	0.82	-0.01
9	▲ Barbados	0.81	0.81	0.00
10	▼ Grenada	0.81	0.88	-0.07
Moderately underfunded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
11	▲ Costa Rica	0.78	0.81	-0.03
12	▲ North Korea	0.77	0.46	0.31
13	▼ Samoa	0.76	0.87	-0.11
14	▲ Chile	0.76	0.77	-0.01
15	▲ Saint Lucia	0.76	0.77	-0.01
16	▼ Maldives	0.76	0.78	-0.02
17	▼ Panama	0.75	0.77	-0.02
18	▲ Jordan	0.75	0.76	-0.01
19	▼ Antigua and Barbuda	0.74	0.78	-0.04
20	▲ Cuba	0.72	0.73	-0.01
21	► Uruguay	0.72	0.74	-0.02
22	▲ Algeria	0.72	0.72	0.00
23	▲ Eswatini	0.70	0.71	-0.01
24	▲ Timor-Leste	0.69	0.70	-0.01
25	▲ Saint Kitts and Nevis	0.69	0.68	0.01
26	▲ Sri Lanka	0.68	0.68	0.00
27	► Trinidad and Tobago	0.68	0.69	-0.01
28	▼ Micronesia	0.68	0.77	-0.09
29	▼ Suriname	0.67	0.69	-0.02
30	▲ DR Congo	0.67	0.54	0.13
31	▲ Kazakhstan	0.67	0.68	-0.01
32	▲ Jamaica	0.67	0.66	0.01
33	▼ Tunisia	0.66	0.68	-0.02
34	▼ Sao Tome and Principe	0.66	0.68	-0.02
35	► El Salvador	0.66	0.67	-0.01
36	▼ Fiji	0.65	0.68	-0.03
37	▲ Equatorial Guinea	0.65	0.65	0.00
Severely underfunded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
38	▲ Argentina	0.64	0.65	-0.01
39	▲ Cabo Verde	0.63	0.65	-0.02
40	► Bhutan	0.63	0.65	-0.02
41	▲ Paraguay	0.63	0.64	-0.01
42	▲ Malaysia	0.62	0.63	-0.01
43	▲ Belize	0.62	0.63	-0.01
44	▲ Turkmenistan	0.62	0.61	0.01
45	▲ Indonesia	0.62	0.62	0.00
46	▲ Kyrgyzstan	0.61	0.61	0.00
47	▼ Comoros	0.61	0.64	-0.03
48	▲ Ghana	0.61	0.61	0.00
49	▲ Togo	0.61	0.60	0.01
50	▼ Gabon	0.61	0.61	0.00
51	► Laos	0.61	0.61	0.00
52	▲ Benin	0.60	0.60	0.00
53	▲ China	0.60	0.58	0.02
54	▲ Thailand	0.59	0.59	0.00
55	▼ Georgia	0.59	0.60	-0.01
56	▲ Libya	0.58	0.58	0.00
57	▲ Morocco	0.58	0.58	0.00
58	▼ South Africa	0.58	0.59	-0.01
59	▼ Botswana	0.58	0.58	0.00
60	▲ Mongolia	0.58	0.57	0.01
61	▼ Vanuatu	0.57	0.68	-0.11
62	▼ Ecuador	0.57	0.58	-0.01
63	▲ Uzbekistan	0.56	0.56	0.00
64	▲ Vietnam	0.56	0.56	0.00
65	▼ Guyana	0.56	0.58	-0.02
66	▲ Côte d'Ivoire	0.56	0.56	0.00
67	▲ Nicaragua	0.56	0.57	-0.01
68	▼ Peru	0.56	0.57	-0.01
69	▼ Lebanon	0.56	0.57	-0.01
70	▼ Namibia	0.56	0.57	-0.01
71	▲ Tanzania	0.56	0.56	0.00
72	▼ Brazil	0.56	0.56	0.00
73	▼ Colombia	0.55	0.56	-0.01
74	▲ Guinea	0.55	0.55	0.00
75	▼ Solomon Islands	0.55	0.59	-0.04
76	▼ Gambia	0.55	0.56	-0.01
77	▲ Guinea-Bissau	0.55	0.55	0.00
78	► Rwanda	0.54	0.55	-0.01
79	▲ Congo	0.54	0.52	0.02
80	▲ Egypt	0.54	0.54	0.00
81	▲ Mexico	0.54	0.54	0.00
82	▼ Iran	0.54	0.55	-0.01
83	▼ Bolivia	0.53	0.55	-0.02
84	▲ Liberia	0.53	0.53	0.00
85	▲ Sierra Leone	0.53	0.53	0.00
86	▼ Cambodia	0.52	0.53	-0.01
87	▲ Eritrea	0.52	0.52	0.00
88	▼ Venezuela	0.52	0.54	-0.02
89	▲ Guatemala	0.52	0.51	0.01
90	► Nepal	0.52	0.51	0.01
91	▲ Angola	0.50	0.50	0.00
92	▼ Tajikistan	0.50	0.50	0.00
Extremely underfunded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
93	▼ Lesotho	0.49	0.49	0.00
94	▼ Burundi	0.49	0.49	0.00
95	▲ Honduras	0.48	0.49	-0.01
96	▲ Philippines	0.48	0.48	0.00
97	▼ Cameroon	0.48	0.49	-0.01
98	▼ Dominica	0.47	0.90	-0.43
99	▲ Nigeria	0.47	0.47	0.00
100	▼ Burkina Faso	0.47	0.48	-0.01
101	▼ Dominican Republic	0.46	0.66	-0.20
102	▲ India	0.46	0.46	0.00
103	▲ Kenya	0.46	0.46	0.00
104	▲ Djibouti	0.46	0.44	0.02
105	▼ Senegal	0.46	0.46	0.00
106	▼ Myanmar	0.46	0.46	0.00
107	▲ Papua New Guinea	0.46	0.45	0.01
108	▼ Zambia	0.46	0.46	0.00
109	▼ Sudan	0.45	0.46	-0.01
110	▲ Malawi	0.43	0.43	0.00
111	▲ Pakistan	0.43	0.43	0.00
112	▼ Syria	0.42	0.43	-0.01
113	▲ Zimbabwe	0.42	0.42	0.00
114	▼ Central African Republic	0.42	0.44	-0.02
115	► Haiti	0.40	0.42	-0.02
116	▲ Bangladesh	0.40	0.41	-0.01
117	▲ Ethiopia	0.40	0.40	0.00
118	▲ Madagascar	0.39	0.40	-0.01
119	▲ Iraq	0.39	0.38	0.01
120	▼ Mauritania	0.39	0.42	-0.03
121	► Uganda	0.39	0.39	0.00
122	▼ Mozambique	0.38	0.41	-0.03
123	► Yemen	0.33	0.33	0.00
124	► Mali	0.31	0.32	-0.01
125	► Niger	0.29	0.30	-0.01
126	► Somalia	0.29	0.29	0.00
127	► South Sudan	0.25	0.25	0.00
128	► Chad	0.24	0.25	-0.01
129	► Afghanistan	0.23	0.23	0.00

- ▲ Improved rank
- Unchanged rank
- ▼ Lower rank

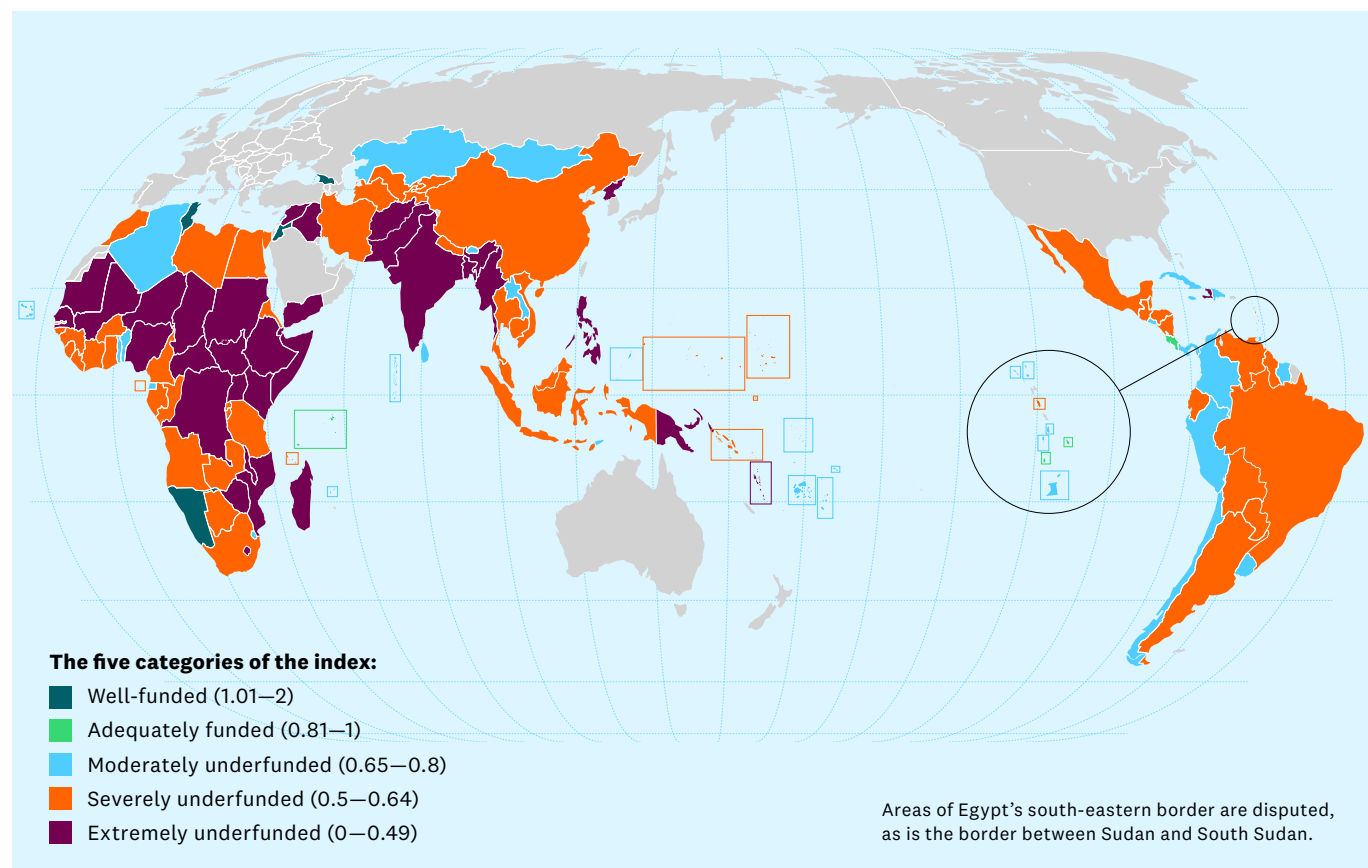
- Top 6 biggest fallers in the index
- Top 6 biggest climbers in the index

The ranking is based on the committed adaptation funding for the countries in absolute numbers in the period 2017–2023.

German Adaptation Finance 2026

Slightly More Risk-Responsive, Still Insufficient

Figure 9: The 2026 world map of Germany's contribution to adaptation finance



Germany remains the world's largest provider of adaptation finance and continues to play a pivotal role in the international adaptation finance landscape. This role has become even more important in the current political context. Adaptation finance has lost momentum globally, fiscal pressure is increasing in many donor countries, and the withdrawal of the United States from international climate finance commitments creates additional uncertainty. Against this backdrop, Germany is not only a major donor in absolute terms. It is also a systemically important actor for the future credibility of international adaptation finance.

The CAFI 2026 confirms a finding already visible in previous editions: German adaptation finance is somewhat more risk-responsive than adaptation finance provided by the donor community as a whole. However, this relative advantage remains modest. Germany performs better than the

international average, but not well enough to change the overall conclusion. German adaptation finance also remains far from risk-adequate.

Figure 9 shows that the global map of Germany's adaptation finance still looks broadly similar to the map of international adaptation finance. Dark red and orange tones continue to dominate. The overall German CAFI average stands at 0.61, compared with 0.58 for international adaptation finance. This means that Germany performs slightly better than the donor community as a whole, but the difference is small. Germany provides large volumes of adaptation finance, but high volumes do not automatically translate into risk-adequate allocation. Germany therefore illustrates an important lesson: increasing adaptation finance volumes and improving allocation patterns are related, but not identical objectives.

Compared with the previous edition, the German CAFI has not improved. The average German index value declined from 0.62 to 0.61. This change should not be overstated. Yet the direction of change still matters.

The distribution across CAFI categories confirms this nuanced picture. In the German index, 33 countries are classified as extremely underfunded and 53 as severely underfunded. Together, 86 out of 129 countries fall into the two worst categories. This is better than the international index, where 92 countries are extremely or severely underfunded. Germany therefore performs somewhat better in terms of category distribution. At the same time, 86 countries still represent two thirds of all countries covered by the index.

The number of countries receiving risk-appropriate German support is also small. Four countries are classified as well funded and four as adequately funded. This is fewer than in the previous edition, when five countries were well funded and five adequately funded. In other words, Germany's relative advantage compared with the donor community as a whole should not be confused with progress over time. In 2026, the number of countries receiving risk-appropriate German adaptation finance has declined.



Flooded land on the island of Tarawa, Kiribati. This Pacific state could have disappeared into the ocean in 50 years' time.

Figure 10: Germany's Climate Adaptation Finance Index 2025. Ranking of recipient countries (per-capita-based index)

Well-funded		Index value
1	Jordan	1.59
2	Namibia	1.54
3	Georgia	1.25
4	Tunisia	1.12
Adequately funded		Index value
5	Costa Rica	0.92
6	Grenada	0.89
7	Seychelles	0.82
8	Barbados	0.81
Moderately underfunded		Index value
9	Tuvalu	0.79
10	Mauritius	0.78
11	Chile	0.76
12	Panama	0.74
13	Saint Vincent	0.74
14	Bhutan	0.74
15	Maldives	0.74
16	Tonga	0.73
17	Saint Lucia	0.73
18	Algeria	0.72
19	Palau	0.72
20	Cuba	0.72
21	Uruguay	0.76
22	Timor-Leste	0.72
23	Samoa	0.70
24	Antigua and Barbuda	0.70
25	Colombia	0.70
26	EL Salvador	0.69
27	Eswatini	0.69
28	Laos	0.69
29	Mongolia	0.69
30	Saint Kitts and Nevis	0.69
31	Trinidad and Tobago	0.68
32	Sri Lanka	0.68
33	Kazakhstan	0.67
34	Lebanon	0.67
35	Dominican Republic	0.67
36	Peru	0.66
37	Suriname	0.66
38	Fiji	0.66
39	Benin	0.66
40	Togo	0.66
41	Jamaica	0.66
42	Cabo Verde	0.65
43	Equatorial Guinea	0.65
Severely underfunded		Index value
44	Paraguay	0.64
45	Ghana	0.64
46	Argentina	0.64
47	Morocco	0.64
48	Sao Tome and Principe	0.63
49	Dominica	0.63
50	Malaysia	0.62
51	Indonesia	0.62
52	Ecuador	0.62
53	Bolivia	0.62
54	Turkmenistan	0.62
55	Kyrgyzstan	0.61
56	Rwanda	0.61
57	Gabon	0.60
58	Liberia	0.60
59	China	0.60
60	South Africa	0.60
61	Belize	0.60
62	Thailand	0.59
63	Comoros	0.59
64	Libya	0.59
65	Nicaragua	0.59
66	Micronesia	0.58
67	Marshall Islands	0.58
68	Côte d'Ivoire	0.58
69	Botswana	0.57
70	Brazil	0.57
71	Vietnam	0.57
72	Nauru	0.56
73	Tanzania	0.56
74	Mexico	0.56
75	Uzbekistan	0.56
76	Burkina Faso	0.55
77	Guinea	0.55
78	Egypt	0.55
79	Zambia	0.55
80	Cambodia	0.55
81	Gambia	0.54
82	Sierra Leone	0.54
83	Guinea-Bissau	0.54
84	Iran	0.54
85	Eritrea	0.54
86	Congo	0.54
87	Guatemala	0.53
88	Guyana	0.53
89	Cameroon	0.52
90	Venezuela	0.52
91	Honduras	0.52
92	Nepal	0.52
93	Solomon Islands	0.51
94	Tajikistan	0.51
95	Burundi	0.51
96	Angola	0.50
Extremely underfunded		Index value
97	Kenya	0.49
98	DR Congo	0.49
99	Lesotho	0.49
100	Philippines	0.48
101	Vanuatu	0.48
102	Senegal	0.48
103	India	0.47
104	Sudan	0.47
105	Djibouti	0.47
106	Myanmar	0.47
107	Nigeria	0.47
108	North Korea	0.46
109	Central African Republic	0.46
110	Papua New Guinea	0.45
111	Madagascar	0.45
112	Syria	0.44
113	Malawi	0.44
114	Zimbabwe	0.44
115	Pakistan	0.43
116	Iraq	0.43
117	Uganda	0.43
118	Ethiopia	0.43
119	Mali	0.43
120	Haiti	0.43
121	Mozambique	0.42
122	Bangladesh	0.41
123	Mauritania	0.40
124	Niger	0.39
125	Somalia	0.36
126	Yemen	0.35
127	South Sudan	0.34
128	Chad	0.28
129	Afghanistan	0.27

- L** Least Developed Country (LDC)
- A** African State
- I** Small Island Development State (SIDS)
- R** Country with high to very high climate risk
- F** Country was assigned to the alert level in the Fragility Index in 2023 and/or categorised as conflict-affected country in 2023 by the Peace Research Institute Oslo

The five categories of the index:

- Well-funded (1.01–2)
- Adequately funded (0.81–1)
- Moderately underfunded (0.65–0.8)
- Severely underfunded (0.5–0.64)
- Extremely underfunded (0–0.49)

The ranking is based on the committed adaptation funding for the countries per capita in the period 2017–2023.

Figure 10 shows that the countries at the bottom of Germany's adaptation finance index remain largely the same as in the international ranking. This similarity between the German and international indices is important. It shows that Germany has not yet succeeded in overcoming the structural exclusion of the countries facing the most severe combinations of climate and development risks.

There are, however, differences in degree. Germany's index values for several of the most underfunded countries are slightly higher than the international values. South Sudan, Niger, Mali, Somalia and Burkina Faso, for example, are still severely disadvantaged in the German index, but they perform somewhat better than in the international index. This indicates that German adaptation finance is somewhat more responsive to highly vulnerable countries than the overall donor system. Yet the improvement is not sufficient to move most of these countries out of the lowest funding categories.

At the top of the German index, the picture differs much more strongly from the international ranking. Jordan remains the best-funded country in relation to its climate risk, followed by Namibia, Georgia and Tunisia. These four countries are classified as well funded. Costa Rica, Grenada, Seychelles and Barbados are classified as adequately funded. This group differs significantly from the international top group, which is dominated much more strongly by Small Island Developing States.

This composition reveals an important feature of German adaptation finance. Germany does not simply replicate the global allocation pattern. Its best-funded countries include several mainland states, among them Namibia, Jordan, Georgia and Tunisia. Some of these countries are long-standing partners of German development cooperation or have broader geopolitical and regional significance. The pattern suggests that long-standing bilateral partnerships, implementation capacities, regional and geopolitical priorities, migration policy and other strategic aspects continue to influence adaptation finance allocation alongside climate vulnerability considerations.

The opposite pattern is easier to identify. Germany performs considerably worse than the donor community as a whole for many SIDS, especially in the Pacific and the Caribbean. Tuvalu, Nauru, the Marshall Islands, Palau, Vanuatu, Tonga, Micronesia, Samoa, Dominica and Saint Vincent and the Grenadines all receive less risk-adequate adaptation finance from Germany than from the international donor community overall. This is one of the most robust structural differences between Germany and the overall donor landscape.

The finding matters because SIDS face specific adaptation challenges that are only partly captured by conventional risk indicators, as already discussed above. Germany's comparatively weaker performance in the Pacific and parts of the Caribbean therefore represents a real gap in its adaptation finance profile. The fact that many SIDS are better placed in the international index reflects the stronger role of other donors, including regional actors and countries with closer historical, political or geographic ties to small island states.

Figure 11: Performance of recipient countries of Germany's climate adaptation finance compared to the previous year (per-capita-based index)

Well-funded					Severely underfunded					Extremely underfunded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change	Rank 2026	Country	CAFI 2026	CAFI 2025	Change	Rank 2026	Country	CAFI 2026	CAFI 2025	Change
1	▶ Jordan	1.59	1.69	-0.10	44	▼ Paraguay	0.64	0.65	-0.01	97	▲ Kenya	0.49	0.50	-0.01
2	▶ Namibia	1.54	1.55	-0.01	45	▲ Ghana	0.64	0.64	0.00	98	▼ DR Congo	0.49	0.95	-0.46
3	▶ Georgia	1.25	1.38	-0.13	46	▼ Argentina	0.64	0.65	-0.01	99	▲ Lesotho	0.49	0.48	0.01
4	▶ Tunisia	1.12	1.28	-0.16	47	▼ Morocco	0.64	0.65	-0.01	100	▲ Philippines	0.48	0.48	0.00
					48	▲ Sao Tome and Principe	0.63	0.63	0.00	101	▲ Vanuatu	0.48	0.48	0.00
					49	▲ Dominica	0.63	0.63	0.00	102	▲ Senegal	0.48	0.45	0.03
					50	▲ Malaysia	0.62	0.63	-0.01	103	▲ India	0.47	0.47	0.00
					51	▲ Indonesia	0.62	0.62	0.00	104	▼ Sudan	0.47	0.48	-0.01
					52	▼ Ecuador	0.62	0.64	-0.02	105	▲ Djibouti	0.47	0.44	0.03
					53	▼ Bolivia	0.62	0.65	-0.03	106	▶ Myanmar	0.47	0.47	0.00
					54	▲ Turkmenistan	0.62	0.61	0.01	107	▼ Nigeria	0.47	0.47	0.00
					55	▲ Kyrgyzstan	0.61	0.61	0.00	108	▶ North Korea	0.46	0.46	0.00
					56	▲ Rwanda	0.61	0.60	0.01	109	▼ Central African Republic	0.46	0.47	-0.01
					57	▲ Gabon	0.60	0.60	0.00	110	▲ Papua New Guinea	0.45	0.44	0.01
					58	▼ Liberia	0.60	0.62	-0.02	111	▶ Madagascar	0.45	0.45	0.00
					59	▲ China	0.60	0.58	0.02	112	▲ Syria	0.44	0.45	-0.01
					60	▼ South Africa	0.60	0.61	-0.01	113	▲ Malawi	0.44	0.44	0.00
					61	▲ Belize	0.60	0.59	0.01	114	▶ Zimbabwe	0.44	0.44	0.00
					62	▲ Thailand	0.59	0.59	0.00	115	▲ Pakistan	0.44	0.44	0.00
					63	▼ Comoros	0.59	0.60	-0.01	116	▲ Iraq	0.43	0.43	0.00
					64	▲ Libya	0.59	0.59	0.00	117	▲ Uganda	0.43	0.43	0.00
					65	▼ Nicaragua	0.59	0.60	-0.01	118	▼ Ethiopia	0.43	0.44	-0.01
					66	▼ Micronesia	0.58	0.59	-0.01	119	▼ Mali	0.43	0.45	-0.02
					67	▶ Marshall Islands	0.58	0.58	0.00	120	▼ Haiti	0.43	0.44	-0.01
					68	▲ Côte d'Ivoire	0.58	0.58	0.00	121	▼ Mozambique	0.42	0.45	-0.03
					69	▲ Botswana	0.57	0.57	0.00	122	▲ Bangladesh	0.41	0.43	-0.02
					70	▼ Brazil	0.57	0.58	-0.01	123	▼ Mauritania	0.40	0.55	-0.15
					71	▲ Vietnam	0.57	0.56	0.01	124	▶ Niger	0.39	0.41	-0.02
					72	▲ Nauru	0.56	0.53	0.03	125	▶ Somalia	0.36	0.37	-0.01
					73	▲ Tanzania	0.56	0.57	-0.01	126	▲ Yemen	0.35	0.35	0.00
					74	▲ Mexico	0.56	0.56	0.00	127	▼ South Sudan	0.34	0.35	-0.01
					75	▲ Uzbekistan	0.56	0.55	0.01	128	▲ Chad	0.28	0.30	-0.02
					76	▼ Burkina Faso	0.55	0.58	-0.03	129	▼ Afghanistan	0.27	0.31	-0.04
					77	▲ Guinea	0.55	0.55	0.00					
					78	▶ Egypt	0.55	0.55	0.00					
					79	▲ Zambia	0.55	0.55	0.00					
					80	▼ Cambodia	0.55	0.56	-0.01					
					81	▲ Gambia	0.54	0.55	-0.01					
					82	▼ Sierra Leone	0.54	0.57	-0.03					
					83	▲ Guinea-Bissau	0.54	0.54	0.00					
					84	▼ Iran	0.54	0.55	-0.01					
					85	▲ Eritrea	0.54	0.54	0.00					
					86	▲ Congo	0.54	0.52	0.02					
					87	▲ Guatemala	0.53	0.53	0.00					
					88	▲ Guyana	0.53	0.53	0.00					
					89	▼ Cameroon	0.52	0.54	-0.02					
					90	▼ Venezuela	0.52	0.54	-0.02					
					91	▼ Honduras	0.52	0.54	-0.02					
					92	▲ Nepal	0.52	0.51	0.01					
					93	▲ Solomon Islands	0.51	0.51	0.00					
					94	▲ Tajikistan	0.51	0.51	0.00					
					95	▼ Burundi	0.51	0.52	-0.01					
					96	▲ Angola	0.50	0.50	0.00					

Adequately funded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
5	▲ Costa Rica	0.92	0.96	-0.04
6	▼ Grenada	0.89	1.09	-0.20
7	▲ Seychelles	0.82	0.81	0.01
8	▲ Barbados	0.81	0.81	0.00

Moderately underfunded				
Rank 2026	Country	CAFI 2026	CAFI 2025	Change
9	▲ Tuvalu	0.79	0.80	-0.01
10	▲ Mauritius	0.78	0.79	-0.01
11	▲ Chile	0.76	0.77	-0.01
12	▲ Panama	0.74	0.75	-0.01
13	▲ Saint Vincent	0.74	0.74	0.00
14	▼ Bhutan	0.74	0.76	-0.02
15	▲ Maldives	0.74	0.74	0.00
16	▲ Tonga	0.73	0.74	-0.01
17	▲ Saint Lucia	0.73	0.72	0.01
18	▲ Algeria	0.72	0.73	-0.01
19	▲ Palau	0.72	0.72	0.00
20	▼ Cuba	0.72	0.73	-0.01
21	▼ Uruguay	0.72	0.73	-0.01
22	▲ Timor-Leste	0.71	0.71	0.00
23	▲ Samoa	0.70	0.71	-0.01
24	▲ Antigua and Barbuda	0.70	0.70	0.00
25	▲ Colombia	0.70	0.70	0.00
26	▼ EL Salvador	0.69	0.70	-0.01
27	▲ Eswatini	0.69	0.69	0.00
28	▲ Laos	0.69	0.68	0.01
29	▲ Mongolia	0.69	0.68	0.01
30	▲ Saint Kitts and Nevis	0.69	0.68	0.01
31	▼ Trinidad and Tobago	0.68	0.69	-0.01
32	▲ Sri Lanka	0.68	0.67	0.01
33	▶ Kazakhstan	0.67	0.68	-0.01
34	▲ Lebanon	0.67	0.63	0.04
35	▲ Dominican Republic	0.67	0.65	0.02
36	▲ Peru	0.66	0.66	0.00
37	▼ Suriname	0.66	0.67	-0.01
38	▼ Fiji	0.66	0.66	-0.01
39	▼ Benin	0.66	0.67	-0.01
40	▲ Togo	0.66	0.64	0.02
41	▲ Jamaica	0.66	0.65	0.01
42	▼ Cabo Verde	0.65	0.66	-0.01
43	▲ Equatorial Guinea	0.65	0.65	0.00

- ▲ Improved rank
- ▶ Unchanged rank
- ▼ Lower rank

- Top 6 biggest fallers in the index
- Top 6 biggest climbers in the index

The ranking is based on the committed adaptation funding for the countries in absolute numbers in the period 2017–2023.

Figure 12: Comparison of German and international adaptation finance contributions for the Global South

Category	Germany's CAFI 2026: Number of countries per category (in brackets: change to previous year)	International CAFI 2026: Number of countries per category (in brackets: change to previous year)	Number of the same states per category
Extremely underfunded	33 (+3)	37 (+1)	31
Severely underfunded	53 (0)	55 (+3)	42
Moderately underfunded	35 (-1)	27 (-1)	21
Adequately funded	4 (-1)	8 (-4)	3
Well-funded	4 (-1)	2 (+1)	0

Figure 11 shows that Germany's ranking also remains sensitive to individual project cycles. The Democratic Republic of the Congo is the most striking case. In the previous edition, it appeared among the best-funded countries in Germany's index. In CAFI 2026, it falls dramatically and is now classified as extremely underfunded. This sharp decline illustrates how strongly index values can shift when large individual projects enter or leave the seven-year reference period. It also shows that seemingly strong performance in a single year or period may not reflect stable, long-term support.

Other countries also experienced notable deterioration in Germany's index. Mauritania fell sharply. Mozambique, Mali, Sierra Leone and Burkina Faso also lost ground. At the same time, some countries improved. Lebanon, Djibouti, Nauru, Senegal, China, Togo and Rwanda recorded increases in their German CAFI values. These improvements deserve recognition. However, most of them are not large enough to alter the overall distribution pattern.

Preliminary regional patterns indicate that Germany has strengthened its adaptation finance engagement in Africa and Asia, while Latin America and the Caribbean account for a somewhat smaller share of its adaptation finance portfolio than in previous CAFI editions. The regional chapters later in this report explore these trends in greater detail.

Figure 12 provides the clearest summary of the relationship between German and international adaptation finance. Germany performs better than the international donor community in 86 countries and worse in 40 countries. The average difference is positive but modest. This confirms the central conclusion: Germany is somewhat more risk-responsive than the global donor average, but the difference remains too small to fundamentally change the picture.

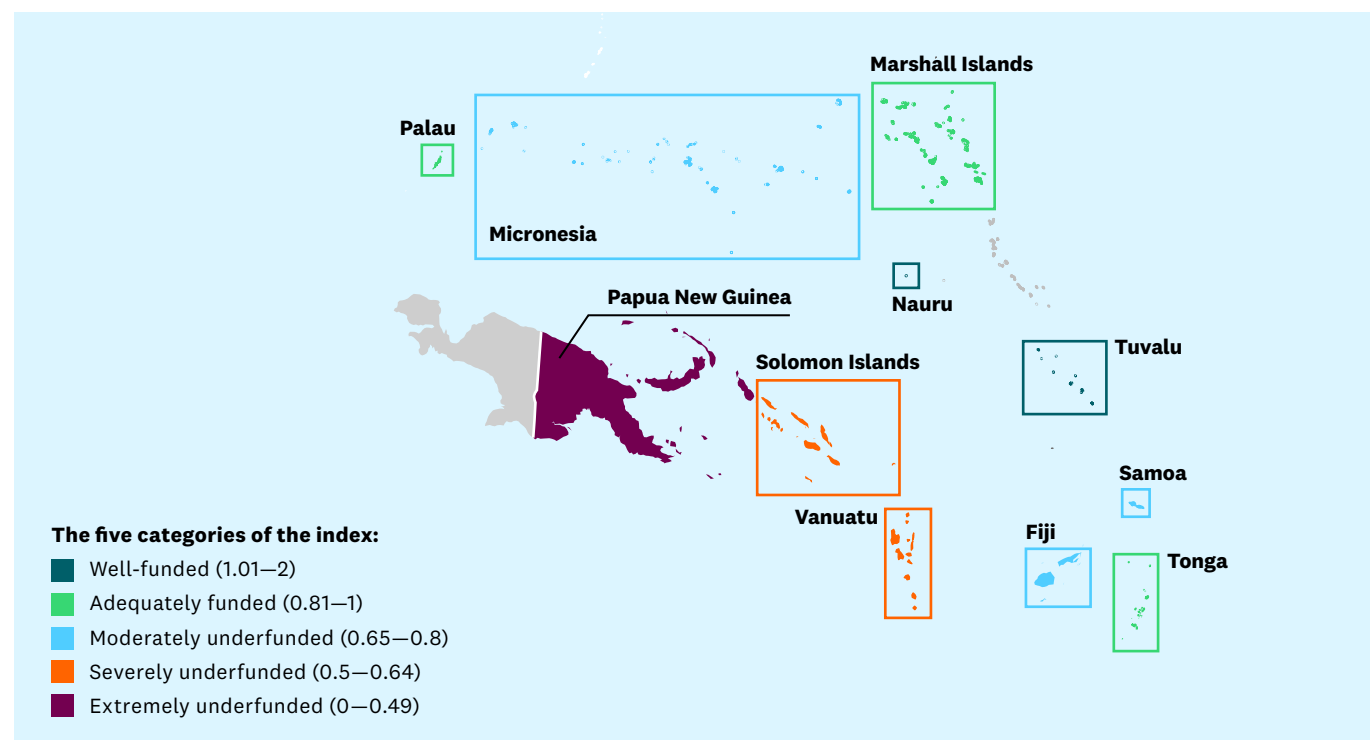
This finding is particularly relevant in the current climate finance debate. Germany's leading role creates responsibility. If Germany wants to maintain credibility as a major adaptation finance donor, it should not only defend the overall volume of its adaptation finance under budgetary pressure. It should also improve the allocation logic of this finance.

Three implications follow. First, Germany should preserve its leadership role in adaptation finance and avoid budget cuts that would further weaken international trust. Second, it should strengthen vulnerability-oriented and risk-based allocation criteria, especially for countries facing multiple vulnerabilities. Third, it should address the structural gaps in its portfolio, particularly the comparatively weak support for Pacific and Caribbean Small Island Developing States, while maintaining and deepening its stronger engagement in Africa and Asia.

Germany demonstrates that a somewhat more risk-responsive allocation of adaptation finance is possible. But the CAFI 2026 also shows that this is not enough. The German contribution remains embedded in a wider system that still fails to prioritise the countries facing the highest climate risks consistently. The challenge for the coming years is therefore to combine financial leadership with a clearer, more systematic commitment to risk adequacy.

Adaptation Financing Needs in the Pacific

Figure 13: Index results for the Pacific region



Pacific Small Island Developing States (SIDS) continue to receive some of the highest levels of adaptation finance per capita worldwide. Although the Pacific is the smallest region in this comparative analysis in terms of both population and number of countries, it records the highest regional CAFI score, at 0.83.

However, this comparatively strong performance should not obscure the region’s exceptional vulnerability to climate change. Pacific island states face a unique combination of risks, including sea-level rise, tropical cyclones, saltwater intrusion, ecosystem degradation and geographic isolation. Many of these challenges are driven by slow-onset climate processes that remain insufficiently captured by conventional climate risk indicators. This highlights the continued need for simplified access procedures, grant-based financing and stronger regional funding mechanisms.

At the same time, there are signs of a gradual erosion of international support. While the Pacific remains the only region classified as adequately financed overall, its regional index score has declined by 0.02 points compared with 2025 and by a further 0.02 points compared with 2024. The trend is reflected in country-level results: the Marshall Islands, Nauru, Samoa and Tonga — four of the region’s eleven states — rank among the six largest declines recorded in this year’s index.

Despite these setbacks, all four countries continue to achieve relatively strong scores. Yet this picture does not apply across the region. Papua New Guinea remains classified as “extremely underfunded”, while the Solomon Islands and Vanuatu are now categorised as “severely underfunded”. Indeed, index scores have deteriorated in almost all Pacific countries.

One notable exception is Tuvalu, which improved its score by 0.8 points — the largest increase recorded by any country in this year’s index — and remains classified as well funded. As a result, the Pacific not only represents the world’s smallest region, but also the one with the greatest variation in adaptation finance adequacy among its member states.

Between 2017 and 2023, Pacific island states received a total of USD 4.94 billion in adaptation finance. Compared with the previous reporting period (2016–2022), this represents an increase of 8 per cent. While positive, this growth rate is only about half the global average increase in adaptation finance. Overall, the Pacific receives just 2 per cent of total international adaptation funding — the smallest regional share worldwide.

Germany’s contribution to adaptation finance follows a similar pattern. Only 0.6 per cent of Germany’s adaptation finance was directed to Pacific island states. Nevertheless, German support to the region increased significantly compared with the previous period, rising by approximately USD 9 million to around USD 101 million. Much of this increase was concentrated in Papua New Guinea. Even so, the data suggest that the Pacific is receiving greater attention within Germany’s international adaptation finance portfolio than in previous years.

The country profiles below highlight where adaptation finance remains particularly inadequate and assess the extent to which German adaptation support is aligned with climate risk and financing needs.

Country-level per capita index results for German adaptation finance in CAFI 2026

- Extremely underfunded Pacific countries:** Papua New Guinea, Vanuatu.
- Severely underfunded:** Solomon Islands, Nauru, Marshall Islands, Micronesia.
- Moderately underfunded:** Fiji, Samoa, Palau, Tonga, Tuvalu.
- Adequately funded:** none.
- Well-funded:** none.

Not Just Vulnerable, But Leaders and Knowledge Holders

Frances Namoumou is Program Manager and Ecumenical Animator for Ecological Stewardship and Climate Justice at the Pacific Conference of Churches (PCC) based in Suva, Fiji. She has more than two decades of experience in climate change, displacement and disaster management.

What are the main challenges for climate adaptation in the Pacific region, especially with regard to the groups most at risk?

Super Typhoon Sinlaku struck the Northern Mariana Islands in mid-April. When I went there in mid-May for a committee meeting, some communities had already been without electricity for five weeks. And while I was in Tuvalu, electricity was disrupted for three days across different parts of Funafuti, affecting people's daily lives and access to essential services. For logistical or organisational reasons, relocation projects often take longer or become more expensive than in other parts of the world.

These examples reveal several continuing challenges. Climate finance that reaches communities is often very limited. The small grants most accessible to communities are often only 3,000 euro to 6,000 euro. This must cover materials, transport, planning, technical design and implementation. Communities also contribute free labour, local knowledge, tools, food and support for volunteers, but this is seldom properly valued. From our experience with the Pacific Islands Feminist Alliance for Climate Justice, reaching outer islands alone may require 25,000 euro or more because of transport, fuel and logistics.

Access to funding remains difficult. Funding opportunities often require registration certificates, bank account details, financial records and several layers of verification. Meeting these requirements already costs time and money, and many community groups do not have dedicated staff or systems.

There are also limits in institutional and technical capacity. Many adaptation projects require specialised technical knowledge, for example for seawalls, rainwater-harvesting systems, water tanks and other infrastructure. Relocation is even more complex. It is not simply about building houses. It involves land, livelihoods, culture, identity, wellbeing and people's connection to place.

Furthermore, data are often inadequate and fragmented. Information is not always shared or available in a form that communities and local organisations can use. Data may also fail to show how impacts differ for women, young people, persons with disabilities, older persons and remote communities. Without reliable and properly disaggregated information, some needs remain invisible.

Pre-existing inequalities lead to unequal access to support when a disaster occurs. Women, persons with disabilities, older people and low-income households may face additional physical, financial and social barriers. These barriers become even more serious during and after climate extreme events.

What role do cultural and land issues play?

Adaptation and relocation cannot be treated only as technical or infrastructure projects. Land in the Pacific is connected to identity, spirituality, culture, livelihoods, ancestral history and belonging. Relocation may involve customary land ownership, community consent, gravesites, fishing grounds



Frances Namoumou

and relationships between host and relocating communities. If these issues are not handled carefully, an adaptation project intended to protect people can create new tensions, inequalities and losses.

Adaptation should be community-led: Too many adaptation projects are designed before communities are properly engaged. Especially women, young people, persons with disabilities and other affected groups may be consulted only after the main decisions have already been made. Communities must be recognised as leaders and knowledge holders, not simply as beneficiaries or providers of free labour. Their traditional and Indigenous knowledge, lived experiences and priorities should shape the design, implementation and evaluation of adaptation projects.

For me, the central challenge is that the people facing the greatest climate risks often have the least access to finance, services and decision-making. Adaptation must therefore be locally led, adequately financed and flexible enough to respect Pacific realities and ways of working.

The global political situation has deteriorated significantly over the past 18 months, and the Paris Agreement is under more pressure than ever before. How do you assess the implications for your work?

Our work is now more difficult, but also more urgent. Growing conflicts, militarisation and geopolitical competition are taking attention and resources away from climate action, while Pacific communities continue to experience worsening climate impacts. The pressure on the Paris Agreement also makes us question whether major emitters will genuinely honour their commitments on emissions reduction, climate finance, adaptation and loss and damage.

For us at PCC, this means we must strengthen our prophetic voice, support Pacific leadership, build stronger alliances and continue walking alongside frontline communities. It also means connecting climate justice with peace, human security, economic justice and demilitarisation.

We are increasingly concerned that “climate security” is being captured by traditional security actors and discussed through the lens of borders, surveillance and national interests. For PCC, climate security means something very concrete: clean and safe drinking water, food security, safe homes, healthy ecosystems, secure livelihoods and the ability of our people to remain connected to their land, ocean, culture and identity.

Through the Pacific Women Mediators Network, women peacebuilders have helped us define an Ocean of Peace for our region: decolonised, demilitarised, denuclearised and decarbonised, with resources invested in people and the planet rather than weapons and warfare. The response to climate insecurity cannot be more militarisation.

COP31 is being referred to as a “Pacific COP”. What does this mean, and what are your expectations?

Having the Pre-COP engagements in Fiji and Tuvalu is an important opportunity for people to come into the Pacific and really understand our context. When Pacific Island countries and small atoll states speak about urgency, we are talking about the survival of our communities and identities.

For me, to genuinely call COP31 a Pacific COP, Pacific people must be at the front, centre and throughout its planning, discussions and decision-making. It cannot simply mean using Pacific stories, cultures and images while important decisions continue to be made somewhere else. Pacific governments and civil society must be able to influence the agenda and outcomes. We must be recognised not only as vulnerable communities, but as political actors, leaders and knowledge holders.

This is why the engagements in Fiji and Tuvalu are just as important as COP31 itself in Turkey. People coming into our region should listen directly to those who are living with the climate crisis. What they hear and see must be taken into the negotiations and reflected in the decisions made at COP31.

A Pacific COP must also give serious attention to climate and the ocean, especially with growing interest in deep-sea mining and other forms of extraction. Our ocean cannot become the next sacrifice zone.

We expect COP31 to deliver stronger commitments to rapidly phase out fossil fuels and support a fair and just transition. We also need adequate and accessible finance for adaptation and loss and damage, protection for communities facing displacement, and recognition of Pacific approaches to ecological guardianship and human security.

In the end, a genuine Pacific COP should be judged by whether Pacific people genuinely influenced the decisions and whether those decisions improve the lives, dignity and future of our communities. We are not small, isolated island states scattered in a large ocean. We are connected, diverse and purposeful large ocean states, with knowledge, leadership and solutions to offer the world.

Overall, Pacific island states perform relatively well in terms of access to adaptation finance compared with other world regions. However, when looking at the performance of individual countries, the range of results within the Pacific is wider than anywhere else in the world. How do you interpret these findings?

These findings show that the Pacific’s relatively positive regional performance does not tell the whole story. Regional averages can hide major inequalities between countries. Some Pacific states have stronger institutions, technical capacities, accreditation arrangements and donor relationships. Smaller, remote or less-resourced countries may struggle to meet the same funding requirements, even when their climate vulnerability is extremely high.

We also need to look beyond how much finance enters a country and ask whether it actually reaches the communities most affected. National-level funding does not automatically mean that women, young people, persons with disabilities, outer-island communities and those facing displacement can access the funding or influence how it is used. Climate finance must therefore be more accessible, flexible, transparent and locally led. Otherwise, positive regional figures may still leave the people most at risk behind.

Strong Kinship, Resilient Communities

Community-led climate relocation in Fiji

When a Fijian village is asked to leave the shoreline where its ancestors are buried, the question is never only where the new houses will stand. It is a question about the “vanua” — the inseparable bond between land, people, kinship and identity at the heart of iTaukei culture, the culture of the indigenous Fijian population. In Fiji the “vanua” is not simply real estate; it is the living web that connects a clan to its ground, its graves, its fishing waters and its name. To move a village is therefore to move a whole social and spiritual order, not merely a set of buildings. That is what makes climate-driven relocation in the Pacific so much more than an engineering problem and why it has to be handled with exceptional care.

When adaptation means moving

Rising seas, saltwater intrusion, coastal erosion and more violent storms are steadily making some settlements unliveable. Wells turn brackish, gardens fail as salt reaches the soil, and floodwaters return year after year. “Our current situation is facing soil erosion. There is the urgent need to relocate for our safety and that of our future generation. We don’t know where to relocate to”, explained Viniana Marama, a youth leader from Waikalou village, the present challenges. For a growing number of communities the usual measures such as seawalls, raised floors, mangrove belts, are no longer enough, and the last resort becomes a considered choice: to move. Fiji knows this better than almost anywhere. It has identified dozens of villages that may need to relocate, and in 2014 Vunidogoloa became the first community in the country and among the first in the world, to move because of climate change. Because most land in Fiji is held communally by “mataqali”, the landowning clans, rather than bought and sold, the decisive questions are not ones money alone can answer: Whose land can a community move to, and will the kin there receive them? How are livelihoods, ceremonies and cohesion kept intact once the familiar coastline is gone? Two complementary strands of work, one building a new village today, the other preparing communities for tomorrow, are showing how those questions can be answered well.



Community Dialogue for youth at Waikalou Community

Preparing communities before the crisis

Rather than measuring vulnerability alone, it asks which communities are ready and equipped to lead their own relocation, assessing the strength of local leadership, histories of mobility and traditional knowledge, the health of kinship networks, and the relationships between a relocating community and the kin who might receive it. These issues must be addressed, so that relocation projects can succeed.

Communities across Fiji were assessed through participatory and gender-responsive fieldwork, providing an updated understanding of their circumstances, needs and priorities. The process placed particular emphasis on community participation, ensuring that findings and profiles reflected the perspectives and experiences of the communities themselves.

Following this participatory process, the community Waikalou was selected by consensus to pilot the approach. The process was grounded in free, prior and informed consent, with accessible information provided to ensure that community members and resource owners could participate in decisions affecting them. Traditional leadership structures and inclusive community dialogues played an important role, creating space for women, youth and other community members to contribute their perspectives. Aritema Moavakalolo, women’s leader in Waikalou, pointed out that men and women have different roles in the event of a disaster: “Our role as women during disaster is to move our children to safer places, and also making sure that our belongings

are safe. Women have the responsibility of making sure there is water, food, beddings and other necessities at the evacuation center. Mens responsibility is to make sure that the buildings are secure.” These different roles result in different perspectives on the site of a future relocation. “If there comes a time, we have to be relocated, the most important thing that women need is water and a source of food. A road is also important because it gives the children access to their schools.”

From villages to national policy and regional standards

These lessons are not staying in the villages. Drawn from real relocation experience, they have fed directly into Fiji’s evolving policy: contributions to an addendum to the national Standard Operating Procedures for relocation on safeguarding children and kinship, and into Fiji’s updated climate pledge under the Paris Agreement, including the national target to relocate highly vulnerable communities. The work has been presented repeatedly to Fiji’s Displacement and Relocation Taskforce, a body spanning some thirty government agencies responsible for every stage of a move.

The regional harvest is just as tangible. Building on more than two years of shared practice between Fijian and Tongan civil society, eleven national NGO umbrella bodies from across the Pacific (from Tonga, Samoa and Vanuatu to the Solomon Islands, Palau, the Marshall Islands and Micronesia) launched a set of Minimum Standards on Community-Led Adaptation and Climate-Induced Relocation in Honiara in 2025. These standards, seeded in part by Fiji’s experience, call for inclusive land-use planning, genuine community agency in decision-making, independent advocates to safeguard community interests, and regular psychosocial and inclusion support tailored to Pacific realities. What began as one village’s move has become a reference point for a whole region.

What it means for Fiji, the region and the wider debate

For Fiji, this work is filling a persistent implementation gap, ensuring that scarce adaptation resources and attention reach remote communities, and that national policy is shaped by what actually happens on the ground. For the wider Pacific, where low-lying neighbours such as the Solomon Islands, Tonga, Papua New Guinea, Tuvalu and Kiribati face comparable or sharper pressures, a culturally grounded, community-led model offers exactly the kind of template that can be adapted to different customs and legal systems. And for the global conversation on climate mobility, the Fijian experience offers tangible evidence for a proposition that is often doubted: that planned relocation need not mean the loss of identity. Done well, and led by those affected, it can protect land, culture and community together.

A shift in perspective

Perhaps the most important contribution is a shift in how relocation is understood. It is too often framed as failure, as the point at which adaptation has run out. The Fijian experience reframes it as a legitimate, and even proactive, adaptation strategy that can be planned with dignity rather than forced by disaster. That reframing carries a clear message for the debate this Index seeks to inform. Investing early in community-led, culturally anchored relocation is not only more humane but also more effective and more durable than paying to respond after homes, gardens and graves have already been lost. Finance that arrives before the crisis buys far more resilience per euro than emergency spending after the fact. In safeguarding the “vanua”, Fiji’s communities are showing what climate justice, and well-directed adaptation finance, can look like in practice.

“Our current situation is facing soil erosion. There is the urgent need to relocate for our safety and that of our future generation.”

Viniana Marama, youth leader from Waikalou village

Adaptation Finance: From Pledge to Performance

At COP26 in Glasgow in 2021, developed countries committed to at least double adaptation finance for developing countries by 2025 compared to 2019 levels. The pledge was intended to address growing concerns that adaptation finance had failed to keep pace with escalating climate risks and the rapidly increasing costs of adaptation in developing countries. However, the available evidence suggests that progress towards this goal has largely stalled. As the OECD data is only published with a delay, CAFI 2027 will be the first to determine whether this figure has been achieved. That is why we refer to the 2025 target in the future tense in this context, even though the year 2025 is already in the past.

However, this target soon proved too low to keep pace with rapidly growing adaptation needs. Developing countries therefore set a further benchmark by calling for adaptation finance to be tripled by 2030, building on the intended doubling by 2025. This would imply a target of around USD 120 billion in international adaptation finance by 2030. By 2035, funding should increase further to USD 150 billion, assuming that half of the climate finance pledged under the NCQG is allocated to adaptation. Even then, these figures would define only the lower bound of the funding pathway required to meet existing commitments. Yet, as our analysis shows, it remains uncertain whether even the minimum target agreed for 2025 will be met.

According to data reported by members of the OECD-DAC, bilateral grant-based adaptation finance reached approximately USD 35 billion in 2023. This represents a slight decline compared with 2022 and remains far below the level that would be required to achieve the Glasgow commitment by 2025. While adaptation finance expanded considerably between 2019 and 2022, recent data indicate that this growth has lost momentum at precisely the moment when accelerated progress would be needed.

Looking at individual donors reveals a highly uneven picture (see Figure 14). Germany remained the largest provider of adaptation finance, followed by Japan, France and the United States. Several donors recorded remarkable growth in annual adaptation finance between 2019 and 2023. The Republic of Korea increased its adaptation finance commitments by 633 per cent, followed by Japan (+413 per cent) and the United States (+410 per cent). Canada more than doubled its commitment (+120 per cent), while the Netherlands achieved growth of 100 per cent.

At the same time, some important donor countries moved in the opposite direction. The European Union institutions reported adaptation finance levels slightly below those of 2019. Sweden's adaptation finance commitments declined by 17 per cent, while the United Kingdom recorded a striking reduction of 60 per cent. Germany, despite maintaining its

position as the largest donor, increased annual adaptation finance by only 22 per cent over the same period. These contrasting trends demonstrate that recent growth in adaptation finance has been driven primarily by a relatively small number of donors rather than by a broad-based expansion across the donor community.

This development raises questions about the likelihood of achieving the Glasgow target. To fulfil the commitment, adaptation finance would need to accelerate substantially during the final years before the deadline. Yet the latest figures point in the opposite direction. Rather than continuing to increase, total bilateral adaptation finance appears to have plateaued and may even have entered a phase of stagnation. While final conclusions should be drawn with caution, the current trajectory suggests that the international community is not on track to deliver the level of scaling-up envisaged in Glasgow.

The slowdown is particularly concerning because adaptation needs continue to rise rapidly. According to the [UNEP Adaptation Gap Report “Running On Empty”](#) from 2025, developing countries face annual adaptation financing needs in a range between USD 310 billion and USD 365 billion by 2035. The Glasgow commitment was never intended to close this gap entirely; rather, it represented a minimum political signal that adaptation finance would finally receive greater attention. If even this very minimum target proves difficult to achieve, questions inevitably arise regarding the credibility of broader climate finance commitments.

Moreover, the challenge is not only one of volume but also of allocation. As demonstrated throughout this report, adaptation finance remains distributed in a highly inequitable manner.

The broader political context further complicates the outlook. Fiscal pressures in many OECD countries are increasing competition for public resources, while development budgets are coming under pressure in several donor countries. At the same time, international attention is shifting towards implementation of the New Collective Quantified Goal (NCQG) agreed at COP29 in Baku of USD 300 billion mobilised per year by 2035, with traditional donors taking the lead. Assuming that half of the NCQG's annual target is allocated to adaptation, international adaptation finance would reach approximately USD 150 billion by 2035.

Figure 14: Performance trends in adaptation finance by donor countries 2019–2023

Rank	Country	2019–2023 commitments (USD billion)	2023 commitments (USD billion)	2019 commitments (USD billion)	Change in adaptation finance commitments, 2019–2023 (%)
1	Germany	28.3	5.6	4.6	+ 22 %
2	Japan	24.3	4.1	0.8	+ 413 %
3	European Union	22.7	4.4	4.6	- 4 %
4	France	22.5	4.9	2.7	+ 81 %
5	United States	11.9	5.1	1.0	+ 410 %
6	Netherlands	7.6	2.4	1.2	+ 100 %
7	South Korea	5.7	2.2	0.3	+ 633 %
8	Australia	4.3	1.1	0.6	+ 83 %
9	United Kingdom	4.3	0.6	1.5	- 60 %
10	Canada	2.8	1.1	0.5	+ 120 %
11	Sweden	2.7	0.5	0.6	- 17 %
12	Switzerland	2.6	0.5	0.3	+ 67 %

Grant-Based Adaptation Finance Under Pressure

A central principle of international climate justice is that those least responsible for climate change should not be forced to incur additional debt in order to adapt to its impacts. This principle is particularly relevant for adaptation finance. Unlike many mitigation investments, adaptation measures often do not generate direct financial returns that would allow investments to be repaid through future revenue streams. Coastal protection infrastructure, climate-resilient health systems, early warning systems, drought preparedness measures or ecosystem restoration typically produce substantial social and economic benefits but rarely generate a bankable business case. For this reason, developing countries and civil society organisations have repeatedly called for adaptation finance to be provided primarily in the form of grants rather than loans.

The latest data suggest that the international climate finance architecture is moving in the opposite direction. Between 2016 and 2023, grants accounted for USD 160.2 billion of adaptation finance, while loans reached USD 177.9 billion (see Figure 15). Loans therefore exceeded grants over

the entire period. Venture and equity capital played only a marginal role, accounting for just USD 2.3 billion.

More importantly, the relative importance of grants has declined over time. In 2016, grants represented 57.8 per cent of all adaptation finance. By 2023, their share had fallen to just 45.1 per cent. Over the same period, loans increased from USD 9.2 billion to USD 33.9 billion annually, while grants grew from USD 12.6 billion to USD 28.6 billion. In absolute terms, grants have increased, but loans have grown much faster and now represent the dominant financial instrument in adaptation finance.

This trend is particularly concerning in light of the growing debt burdens faced by many climate-vulnerable countries. A large share of the countries identified by the Climate Adaptation Finance Index as severely or extremely underfunded are also characterised by high levels of poverty, fragility and fiscal stress. Asking these countries to finance adaptation primarily through loans risks creating a contradiction at the heart of international climate policy: countries that contributed least to climate change may be required to take on additional debt in order to cope with its consequences.

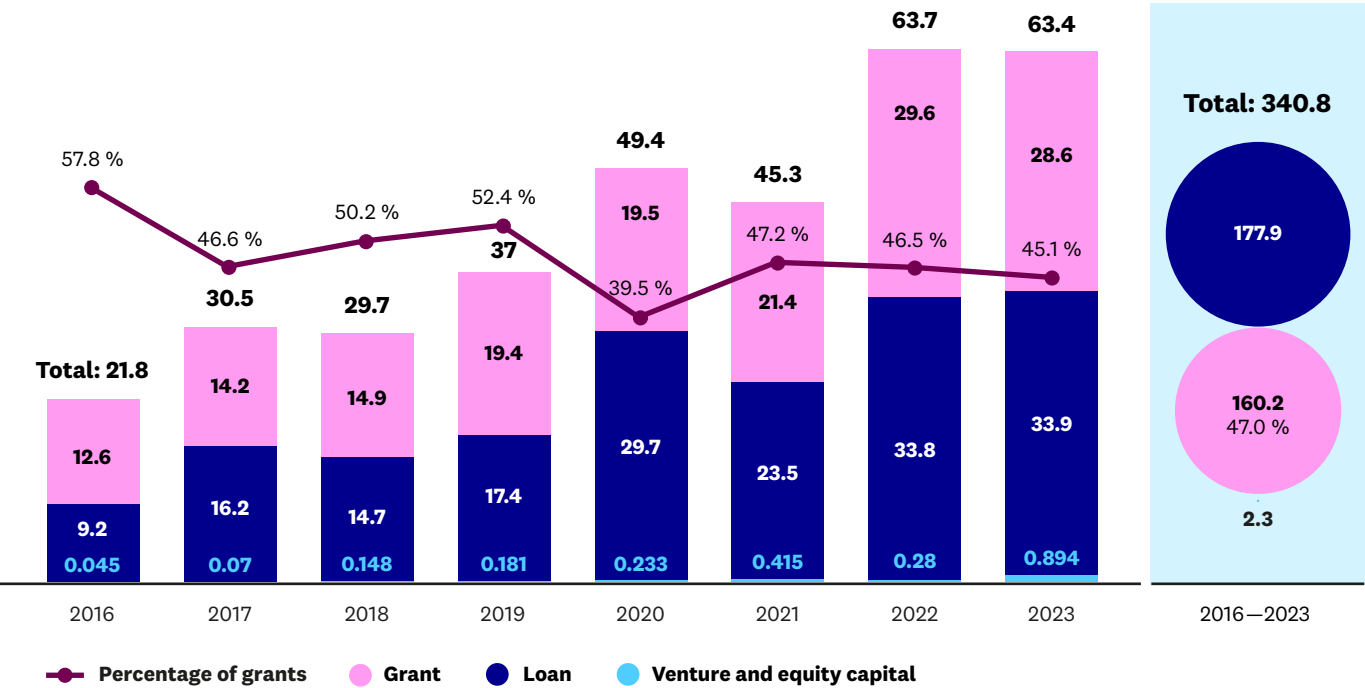
The increasing reliance on loans also raises questions regarding the quality of adaptation finance. While concessional loans may be appropriate for some investments with identifiable revenue streams, many adaptation measures generate public goods whose benefits cannot easily be monetised. This applies particularly to investments in disaster risk reduction, climate-resilient public services, ecosystem protection and community-based adaptation. In such cases, grants are often the most effective and equitable financing instrument.

The issue has become increasingly prominent in international climate negotiations. Developing countries have repeatedly stressed that adaptation finance should be new and additional, highly concessional and, wherever possible, grant-based. Similar concerns have been raised in discussions surrounding the New Collective Quantified Goal (NCQG), where the quality and accessibility of climate finance have emerged alongside questions of overall volume. The debate is therefore no longer only about mobilising more adaptation finance, but also about ensuring that the finance provided does not exacerbate existing vulnerabilities.

The findings presented in this report suggest that this concern is well founded. While adaptation finance has grown significantly over the past decade, the composition of that finance has changed in a direction that is difficult to reconcile with the specific characteristics of adaptation investments and the realities faced by many vulnerable countries. The declining share of grants therefore represents more than a technical financing trend. It is an indicator of whether adaptation finance is being delivered in a manner consistent with the principles of climate justice, vulnerability orientation and the polluter-pays principle.

As adaptation needs continue to rise and public budgets come under increasing pressure, preserving and expanding the grant component of adaptation finance should become a central priority for donor countries, multilateral climate funds and development finance institutions alike. Otherwise, there is a risk that adaptation finance will increasingly help countries adapt to climate change while simultaneously deepening their financial vulnerability.

Figure 15: The declining trend in the share of grants in climate finance in 2016–2023, in USD billion



Where Adaptation Finance Goes — and What It Misses

Adaptation finance is not only a question of how much money is provided, but also where it is invested. Climate risks affect almost every sector of society and the economy, from food systems and water security to health, education, infrastructure, ecosystems and social protection. The sectoral distribution of adaptation finance therefore provides important insights into whether international support reflects the changing nature of climate risks.

Between 2017 and 2023, a total of USD 237.7 billion in adaptation finance was allocated across the sectors covered in this analysis. This represents a significant increase compared with USD 155.7 billion in the period 2014–2020. The two largest sectors remained agriculture, forestry and fishing, and water. Together, they accounted for USD 101.6 billion between 2017 and 2023, or 43 per cent of total adaptation finance.

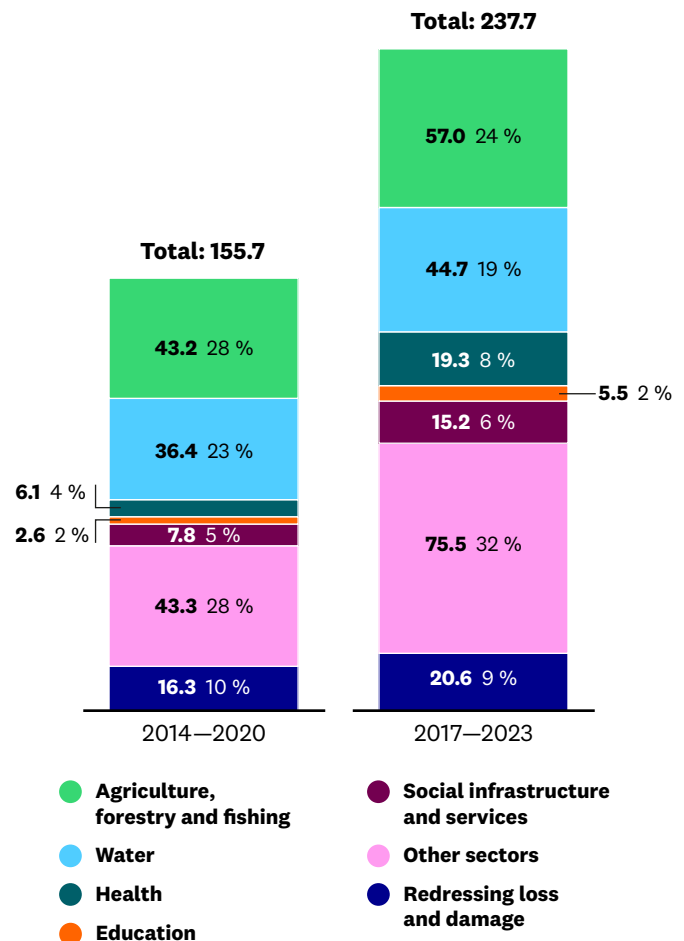
This focus is understandable. Agriculture, forestry and fishing are highly exposed to climate impacts and central to food security, rural livelihoods and ecosystem resilience. Water, too, is at the heart of adaptation. Droughts, floods, changing rainfall patterns, glacier melt and saltwater intrusion all make water management one of the most urgent adaptation challenges.

However, the data also show a gradual shift. The share of agriculture, forestry and fishing declined from 28 per cent in 2014–2020 to 24 per cent in 2017–2023. The share of water fell from 23 per cent to 19 per cent. In absolute terms, both sectors continued to receive more finance than before. Yet their relative weight within total adaptation finance decreased.

At the same time, adaptation finance became more diversified. The category of “other sectors” increased from USD 43.3 billion to USD 75.5 billion and rose from 28 per cent to 32 per cent of adaptation finance. Social infrastructure and services also increased, from USD 7.8 billion to USD 15.2 billion. This suggests that adaptation is increasingly being treated not only as an environmental issue, but as a broader development challenge.

The most notable increase occurred in the health sector. Adaptation finance for health rose from USD 6.1 billion in 2014–2020 to USD 19.3 billion in 2017–2023. This is more than a threefold increase. As a share of total adaptation finance, health rose from 4 per cent to around 8 per cent. This development is highly relevant. The IPCC has shown that climate change is already affecting human health through heat stress, changing disease patterns, food and water insecurity, displacement and extreme weather events.

Figure 16: Adaptation finance by sectors, in USD billion



The stronger role of health in adaptation finance therefore reflects a growing recognition that climate resilience must include public health systems.

Education remained a small sector, increasing from USD 2.6 billion to USD 5.5 billion but still accounting for only around 2 per cent of total adaptation finance. This is striking because education is central to long-term adaptive capacity. Schools, vocational training systems and public awareness programmes can help communities understand risks, use early warning information and adopt more resilient livelihood strategies. The low share of education suggests that adaptation finance still focuses more strongly on physical and sectoral investments than on human capacity.

The category “redressing loss and damage” increased from USD 16.3 billion to USD 20.6 billion. However, its share declined slightly from 10 per cent to 9 per cent. This is important because the boundaries between adaptation and loss and damage are becoming more politically relevant. Where adaptation fails, comes too late or reaches its limits, losses and damages increase. The relatively small and declining share of finance linked to redressing loss and damage indicates that support is not yet keeping pace with the realities faced by countries already experiencing severe climate impacts.

Overall, the sectoral picture reveals both progress and concern. On the positive side, adaptation finance has grown and become more diversified. Health, social infrastructure and cross-sectoral investments are receiving greater attention. This is consistent with the current understanding of adaptation as a systemic challenge that cuts across sectors and institutions.

At the same time, the distribution still raises questions. Food systems and water remain central, but their declining shares should be watched carefully, given the scale of climate risks in both sectors. Education remains clearly underrepresented. Loss and damage-related finance is still limited. And the rapid growth of “other sectors” may indicate useful mainstreaming, but it also makes it harder to assess whether finance is reaching the most urgent adaptation priorities.

The findings point to a broader challenge. Adaptation finance needs to become not only larger and more grant-based, but also more strategically allocated. It must support immediate protection against climate hazards, strengthen essential public services and build long-term adaptive capacity. A risk-responsive adaptation finance system should not concentrate narrowly on a few sectors, but neither should it become so diffuse that priorities are blurred.

As climate risks intensify, the key question is whether adaptation finance is being directed to the systems that determine people’s resilience: food, water, health, ecosystems, infrastructure, education and social protection. The data show movement in this direction, but not yet at the scale or clarity required. Future adaptation finance must therefore be assessed not only by volume, but also by whether it supports the sectors that matter most for climate-resilient development.

Counting Loss and Damage in Adaptation Finance: A Necessary Proxy

Loss and damage finance should, in principle, be treated as a distinct pillar of international climate finance. It responds to climate impacts that can no longer be avoided through mitigation or sufficiently reduced through adaptation. This distinction has become increasingly important in climate policy, particularly since the establishment and operationalisation of the Fund for Responding to Loss and Damage.

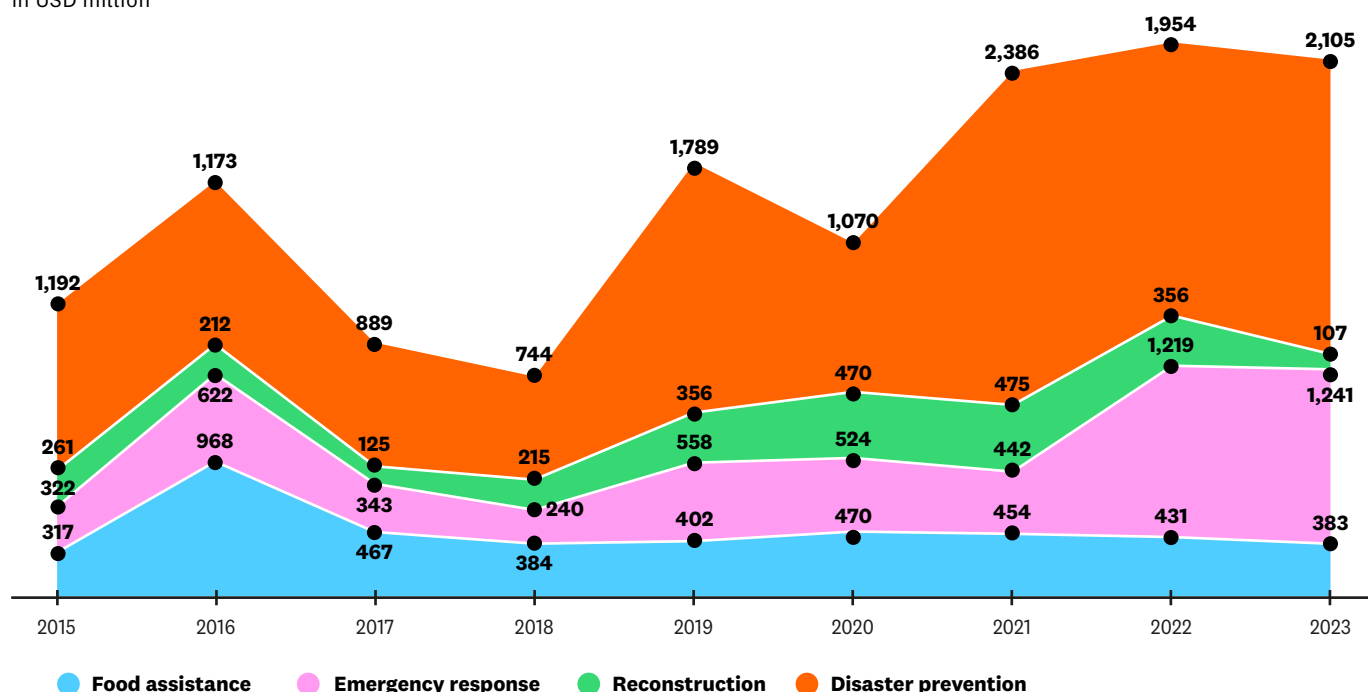
However, this political distinction is not yet reflected in the way climate finance is systematically reported. The OECD-DAC Rio Markers distinguish between mitigation and adaptation, but they do not provide a separate marker for loss and damage. As a result, loss and damage-related finance remains difficult to identify in international climate finance statistics. For the purposes of this study, we therefore use a proxy approach: four OECD-DAC subsectors — food assistance, emergency response, reconstruction and disaster prevention — are grouped together as finance related to addressing loss and damage. This is not a standardised methodology. It is a study-specific approximation designed to make visible a financing reality that is otherwise largely hidden in the data.

Between 2015 and 2023, the volume of finance captured by this proxy fluctuated considerably. It increased from around USD 2.1 billion in 2015 to USD 3.8 billion in 2023. The overall trend is upward, but not stable. The data show annual peaks and declines rather than a steady expansion of support.

The composition of this finance is particularly revealing. Disaster prevention is by far the largest category. Across the whole period, it accounted for more than half of the total. In 2023 alone, disaster prevention reached USD 2.1 billion, compared with USD 1.2 billion for emergency response, USD 383 million for food assistance and only USD 107 million for reconstruction. This suggests that much of the finance captured under this proxy still has a preventive or risk-reduction character rather than a strong focus on addressing losses and damages after they occur.

This is not necessarily negative. Disaster prevention can reduce future losses and is an essential part of climate risk management. However, it also shows the limits of subsuming loss and damage under adaptation finance. Prevention can reduce risks, but it cannot address all impacts once they materialise. The IPCC has made clear that losses and damages already occur even where adaptation is taking place, and that they are not comprehensively addressed by existing financial, governance and institutional arrangements.

Figure 17: The share of loss and damage in adaptation finance, in USD million



Emergency response has grown strongly in recent years. It more than doubled between 2021 and 2022 and remained high in 2023. This points to the increasing relevance of rapid support following climate-related disasters. At the same time, reconstruction finance remains small and highly volatile. It fell sharply to only USD 107 million in 2023, the lowest value in the entire period. This is concerning because reconstruction is essential for restoring livelihoods, infrastructure and public services after climate-related disasters. If reconstruction finance remains weak, affected countries may be forced to divert scarce domestic resources or take on additional debt.

Food assistance also remains limited and relatively stable after earlier fluctuations. This matters because food insecurity is one of the clearest pathways through which climate impacts translate into human suffering, especially in drought- and conflict-affected contexts. The limited scale of food assistance within this proxy suggests that climate-related humanitarian needs are still not adequately reflected in adaptation finance reporting.

The findings therefore point to a fundamental policy gap. Some finance relevant to loss and damage is already visible within adaptation-related data, but it is fragmented, unstable and conceptually blurred. It includes prevention, emergency response, food assistance and reconstruction, but does not yet amount to a coherent financing system

for addressing loss and damage. Nor does it adequately reflect non-economic losses, such as loss of culture, territory, health, biodiversity, identity and social cohesion.

The political conclusion is clear: loss and damage finance should not remain hidden within adaptation finance. A separate and transparent reporting category is needed, including within OECD-DAC systems. Until such a category exists, studies such as the CAFI can only work with proxies. These proxies are useful, but they cannot replace a dedicated finance architecture.

Three recommendations follow from the data. First, loss and damage finance should be reported separately from adaptation finance, while maintaining clear links to disaster risk reduction, humanitarian response and recovery. Second, support for reconstruction and recovery should be significantly increased, as current levels appear far too low compared with the scale of climate-related damage. Third, the Fund for Responding to Loss and Damage should prioritise grant-based, rapidly accessible and vulnerability-oriented support, especially for countries and communities with high climate risk, limited fiscal space and repeated disaster impacts.

Until international reporting catches up with political reality, loss and damage will remain partly invisible in climate finance statistics. Making it visible is a first step towards making it adequate.

Gender and Adaptation Finance

Mainstreamed, but not Transformative

Gender justice is increasingly recognised as a prerequisite for effective climate adaptation. The IPCC's Sixth Assessment Report highlights that climate risks are often shaped by existing social injustices and that women and girls frequently face disproportionate impacts from climate change due to unequal access to resources, decision-making processes, education, land and financial services. However, women are at the frontlines and oftentimes the first to resist false solutions or dangerous distractions that harm the communities and the environment. At the same time, evidence shows that gender-responsive adaptation measures can strengthen resilience, improve adaptation outcomes and increase the effectiveness of climate investments.

This understanding has gradually found its way into international climate policy. Under the UNFCCC, Parties have repeatedly reaffirmed the importance of gender-responsive climate action through the Lima Work Programme on Gender and the Gender Action Plan (GAP). At COP30, governments reiterated their commitment to gender-responsive climate policies and launched discussions on the future evolution of the Gender Action Plan beyond its current mandate. These negotiations are expected to continue at COP31, where Parties will face growing pressure to move from pro-

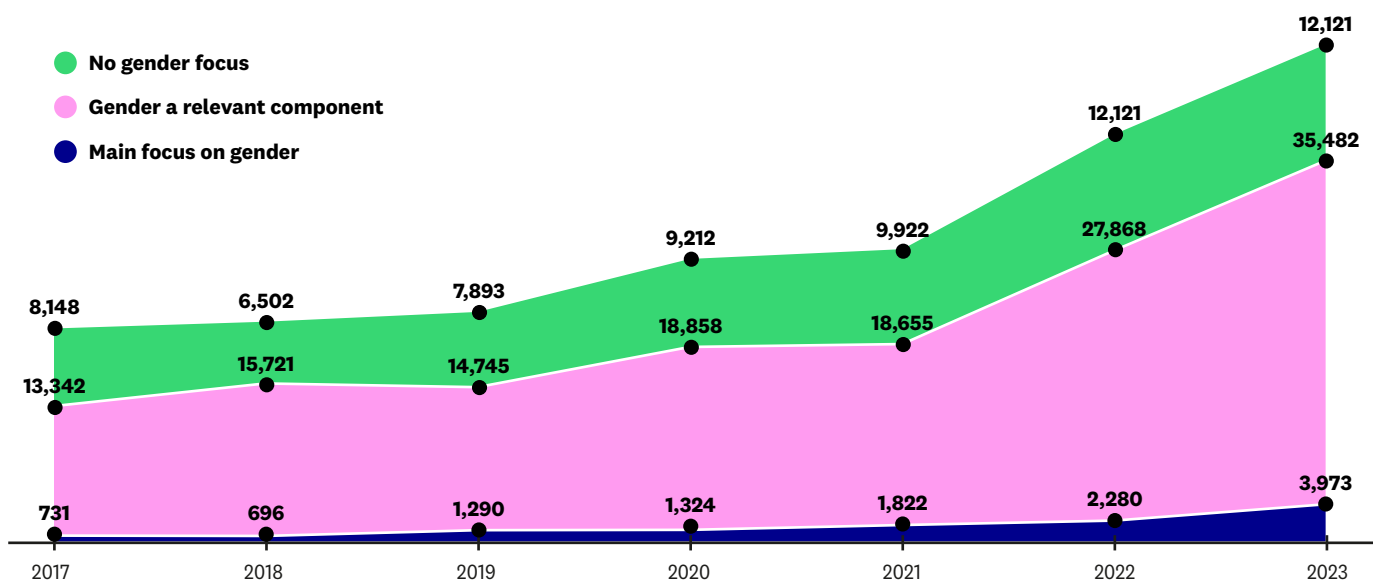
cedural commitments towards stronger implementation and accountability mechanisms.

The latest adaptation finance data suggest that gender considerations are becoming increasingly integrated into adaptation projects. Between 2017 and 2023, adaptation finance with gender as a principal objective increased from USD 731 million to almost USD 4.0 billion. This represents more than a fivefold increase. Adaptation finance where gender is included as a significant component also expanded strongly, rising from USD 13.3 billion in 2017 to USD 35.5 billion in 2023.

As a result, most adaptation finance now incorporates gender considerations to some degree. In 2023, adaptation finance with either a principal or significant gender objective amounted to almost USD 39.5 billion. By contrast, adaptation finance without any identifiable gender focus remained broadly stable at around USD 12.1 billion. This means that the growth of adaptation finance in recent years has been driven disproportionately by projects that explicitly integrate gender dimensions. However, these figures do not indicate the depth, quality or actual impact of gender integration within the projects concerned.

Nevertheless, these quantitative shifts point to a significant shift in donor practice. Gender is no longer treated as a niche issue within adaptation finance but has become part of the mainstream approach adopted by many donor agencies and climate finance institutions. This development is

Figure 18: The role of gender in adaptation finance, in USD million



consistent with broader efforts to improve the inclusiveness, effectiveness and social sustainability of climate action. However, the data also reveal important limitations. Despite strong growth, finance with gender as the principal objective remains relatively small. In 2023, projects where gender constituted the main focus accounted for only around one-tenth of all gender-responsive adaptation finance. Most funding continues to be directed towards projects in which gender is one among several objectives rather than the central objective. Seen in a broader perspective, women's rights organisations and women-led organisations receive only 0.13 per cent of overall ODA and just 0.45 per cent of ODA specifically targeting gender equality. This points to a persistent disconnect: those actors best placed to define what gender-just adaptation requires remain marginal in the allocation of international finance. This raises a familiar question in international climate finance: does mainstreaming automatically translate into transformative change?

The distinction matters because gender-responsive adaptation and gender-transformative adaptation are not the same. Mainstreaming gender considerations can improve project design and reduce exclusion. Yet transformative approaches seek to address the structural inequalities that often drive climate vulnerability in the first place, including unequal access to land, finance, education, political representation and decision-making power. Current reporting systems do not allow a systematic assessment of whether adaptation finance is merely gender-sensitive or genuinely gender-transformative. Moreover, gender markers alone cannot rule out the possibility that some interventions may reproduce existing gender roles or inequalities in practice, which is often times the case as experience shows.

The findings therefore suggest both progress and unfinished business. Donors have made advances in integrating gender considerations into adaptation finance, and this trend should be welcomed. At the same time, the rapid growth of gender-tagged finance should not be interpreted automatically as evidence of gender justice or transformative change on the ground. Experience from adaptation practice suggests that only a limited share of projects is likely to address the structural inequalities that underpin gendered vulnerability. Yet such systemic change is essential if gen-

der-responsive adaptation finance is to translate into meaningful and lasting improvements on the ground.

Four priorities emerge from this analysis. First, donors should continue to expand gender-responsive adaptation finance and ensure that recent gains are not reversed under growing fiscal pressures. Second, greater attention should be given to the quality of gender integration, including measurable outcomes related to women's empowerment, participation and decision-making. Third, more support should be directed to women's rights organisations and women-led organisations, which are often best placed to define what gender-just adaptation requires and to ensure that it responds to lived realities on the ground. Fourth, the ongoing negotiations on the future Gender Action Plan should place stronger emphasis on accountability, monitoring and learning, so that gender mainstreaming can better support more transformative approaches.

As climate risks continue to intensify, gender equality should not be seen as a secondary objective of adaptation finance. It is increasingly recognised as a condition for effective, equitable and sustainable climate resilience. The challenge for the coming years is therefore how this integration can translate into lasting reductions in vulnerability and inequality.



Women are not just particularly affected by climate change; they are also agents of change. Olivia Nakaweza from the Agency for Cooperation in Research and Development is leading a workshop on climate action in Rwampara, Uganda.

Deep Dives

Climate Risk and Adaptation Finance: A Structural Mismatch

The central objective of international adaptation finance is straightforward: countries facing the highest climate risks — not to be confused with the greatest vulnerability in a general sense — should receive priority access to financial support. This principle is firmly embedded in the Paris Agreement and has been reiterated repeatedly in UNFCCC decisions and climate finance commitments. Adaptation finance is intended to strengthen resilience where climate impacts are most severe and where domestic capacities to respond are most limited.

The Climate Adaptation Finance Index (CAFI) provides an opportunity to assess whether this objective is being achieved in practice. By relating adaptation finance inflows to country-specific climate risk and population size, the index allows a systematic evaluation of whether available resources are distributed in a risk-adequate manner.

The results reveal a striking contradiction. Rather than showing a positive relationship between climate risk and risk-adequate financing, the CAFI indicates the opposite. Countries facing the highest climate risks consistently receive the least risk-adequate share of available adaptation finance.

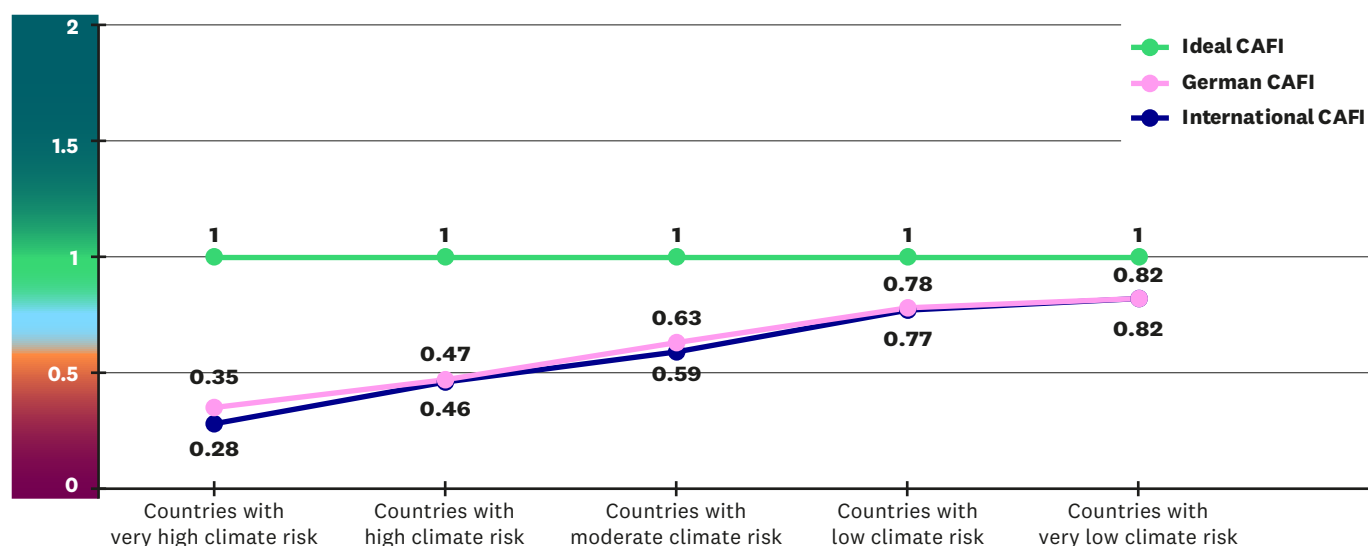
Figure 19 illustrates this relationship. As climate risk increases, CAFI values tend to decline. Countries with comparatively low or moderate climate risks generally achieve higher CAFI scores, while countries with the highest risk levels cluster in the lower part of the distribution. The overall pattern suggests a structural mismatch between climate vulnerability and adaptation finance allocation.

This finding is particularly important because it challenges a common assumption in international climate policy. Adaptation finance has often been justified politically on the grounds that it should support the most vulnerable countries first. If this principle were systematically reflected in allocation decisions, one would expect CAFI values to remain stable or even improve with increasing climate risk. The data show the opposite tendency.

Equally noteworthy is the persistence of this pattern. The CAFI has now been published for four consecutive years, allowing trends to become increasingly visible. While annual changes occur within the ranking, the overall relationship between climate risk and adaptation finance allocation remains remarkably stable. Countries with the highest climate risks have consistently occupied the lower end of the ranking throughout successive editions of the index.

This stability suggests that the observed mismatch is not merely the result of short-term fluctuations in project portfolios or temporary funding decisions. Instead, it points towards a more deeply embedded characteristic of the current adaptation finance architecture. The challenge therefore appears to be structural rather than cyclical.

Figure 19: CAFI 2026 of countries in relation to their climate risks



At the same time, climate risk alone does not fully explain differences in adaptation finance allocation. Several other factors may influence countries' ability to access climate finance or donors' decisions regarding allocation priorities. Preliminary analysis suggests that variables such as poverty, fragility, conflict, institutional capacity, geographic location and vulnerability status may all play an important role in shaping funding outcomes.

These factors are closely interconnected. Countries with high climate risks often face additional development challenges that may reinforce one another and affect access to finance. Understanding these interactions is therefore essential for identifying the underlying drivers of the mismatch observed in Figure 19.

The following chapters explore these dimensions in greater detail. They examine whether fragile and conflict-affected countries and regions face systematic disadvantages, how adaptation finance differs across income groups, whether Least Developed Countries receive preferential treatment, and how allocation patterns vary between world regions and specific country groups such as Small Island Developing States.

The distinction between these factors is analytically important. Together, these analyses provide a more comprehensive picture of the strengths and weaknesses of the current adaptation finance system.

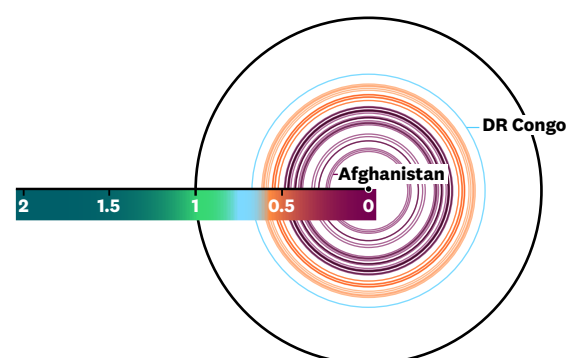
A finance architecture that does not consistently prioritise countries facing the highest climate risks, risks undermining one of the fundamental principles upon which international adaptation finance is based.

If adaptation finance is to fulfil its stated purpose, climate risk indicators should play a more prominent role in allocation decisions. Donors may therefore wish to complement existing allocation approaches with explicit vulnerability-weighting mechanisms that systematically prioritise countries facing the highest climate risks.

Fragility and Adaptation Finance: A Persistent Access Barrier

Figure 20 shows a remarkably strong relationship between fragility and access to adaptation finance. Countries classified as highly fragile consistently record substantially lower CAFI values than more stable countries. The pattern is so pronounced that fragility emerges as one of the strongest predictors of adaptation finance underfunding identified by the Climate Adaptation Finance Index.

Figure 20: Distribution of fragile and conflict-affected countries by CAFI category (all donor countries)



For the 2026 edition of the CAFI, the methodology was slightly expanded to better capture contemporary conflict realities. Previous editions relied primarily on the Fragile States Index (FSI), published annually by the Fund for Peace ([Fund for Peace. 2023. Fragile States Index Annual Report 2023. Washington D.C.: Fund for Peace](#)). This year, countries experiencing significant levels of violent conflict were additionally included, even where they did not fall into one of the three highest FSI alert categories. Conflict data were drawn from the Peace Research Institute Oslo (PRIO) conflict database and its annual conflict trends assessment ([Hegre, Håvard et al. 2024. Conflict Trends: A Global Overview, 1946–2023. Oslo: Peace Research Institute Oslo \(PRIO\)](#)). This adjustment reflects the reality that climate adaptation challenges are increasingly concentrated in countries affected by armed violence, irrespective of their formal fragility classification.

The resulting picture is striking. The countries occupying the bottom positions of the CAFI ranking are overwhelmingly fragile or conflict-affected states. Afghanistan, South Sudan, Somalia, Yemen, Mali, Sudan and Chad all combine high climate vulnerability with severe governance challenges, insecurity or ongoing conflict (see Figure 21). Despite facing some of the world's most severe climate adaptation needs, they receive adaptation finance at levels far below what would be justified by their risk profiles.

This pattern is not new. However, the CAFI now provides sufficient historical depth to identify an emerging trend. Across four consecutive editions of the index, fragile and conflict-affected countries have consistently remained among the most underfunded countries worldwide. The relationship shows little sign of improvement. If anything, the relative position of many fragile states has deteriorated further over time.

This persistence suggests that adaptation finance is encountering a structural barrier. Put simply, the countries most in need of adaptation finance are often the countries in which adaptation finance is hardest to deliver.



Death of coral is a consequence of climate change, as seen here in Kiribati.

Figure 21: A comparison of access to adaptation finance for the most fragile and conflict-affected countries

Country	Fragility and conflict level (2023)	International CAFI	German CAFI
Somalia	Very high alert	Extremely underfunded	Extremely underfunded
Afghanistan	Very high alert	Extremely underfunded	Extremely underfunded
Chad	High alert	Extremely underfunded	Extremely underfunded
South Sudan	High alert	Extremely underfunded	Extremely underfunded
Yemen	High alert	Extremely underfunded	Extremely underfunded
Ethiopia	High alert	Extremely underfunded	Extremely underfunded
Sudan	High alert	Extremely underfunded	Extremely underfunded
Central African Republic	High alert	Extremely underfunded	Extremely underfunded
DR Congo	High alert	Moderately underfunded	Extremely underfunded
Syria	High alert	Extremely underfunded	Extremely underfunded
Myanmar	High alert	Extremely underfunded	Extremely underfunded
Haiti	High alert	Extremely underfunded	Extremely underfunded
Guinea	Alert	Severely underfunded	Severely underfunded
Mali	Alert	Extremely underfunded	Extremely underfunded
Zimbabwe	Alert	Extremely underfunded	Extremely underfunded
Nigeria	Alert	Extremely underfunded	Extremely underfunded
Cameroon	Alert	Extremely underfunded	Severely underfunded
Eritrea	Alert	Severely underfunded	Severely underfunded
Burundi	Alert	Extremely underfunded	Severely underfunded
Niger	Alert	Extremely underfunded	Extremely underfunded
Libya	Alert	Severely underfunded	Severely underfunded
Mozambique	Alert	Extremely underfunded	Extremely underfunded
Iraq	Alert	Extremely underfunded	Extremely underfunded
Congo	Alert	Severely underfunded	Severely underfunded
Uganda	Alert	Extremely underfunded	Extremely underfunded
Venezuela	Alert	Severely underfunded	Severely underfunded
Lebanon	Alert	Severely underfunded	Moderately underfunded
Burkina Faso	Alert	Extremely underfunded	Severely underfunded
Kenya	Conflict-affected	Extremely underfunded	Extremely underfunded
India	Conflict-affected	Extremely underfunded	Extremely underfunded
Philippines	Conflict-affected	Extremely underfunded	Extremely underfunded
Rwanda	Conflict-affected	Severely underfunded	Severely underfunded
Benin	Conflict-affected	Severely underfunded	Moderately underfunded
Togo	Conflict-affected	Severely underfunded	Moderately underfunded
Iran	Conflict-affected	Severely underfunded	Severely underfunded
Thailand	Conflict-affected	Severely underfunded	Severely underfunded
Indonesia	Conflict-affected	Severely underfunded	Severely underfunded
Colombia	Conflict-affected	Severely underfunded	Moderately underfunded
Pakistan	Conflict-affected	Extremely underfunded	Extremely underfunded

Several factors contribute to this dilemma. Fragile states often face weak public institutions, limited administrative capacities, political instability and security constraints. Project preparation, fiduciary management, monitoring and evaluation can be significantly more difficult than in stable environments. Donors frequently face legitimate concerns regarding implementation risks, fiduciary accountability and the safety of personnel and partners.

From an operational perspective, these concerns are understandable. From a climate justice perspective, however, the resulting allocation pattern is highly problematic. Fragility and violent conflict do not reduce climate vulnerability. On the contrary, it often amplifies it. Weak governance structures, damaged infrastructure, displacement, food insecurity and limited state capacity reduce the ability of societies to prepare for, respond to and recover from climate shocks. As a result, climate risks and fragility frequently reinforce one another.

This creates what might be described as a fragility trap in adaptation finance. Countries facing the greatest adaptation challenges often encounter the greatest obstacles to accessing the resources needed to address them. The consequence is a systematic mismatch between adaptation needs and adaptation finance.

The implications extend beyond individual countries. According to recent estimates, a growing share of the world's poor and climate-vulnerable populations lives in fragile and conflict-affected settings. If adaptation finance cannot effectively reach these contexts, a substantial proportion of global adaptation needs will remain unmet regardless of how much overall adaptation finance increases.

This finding is particularly relevant for Germany and other major donor countries. Current adaptation finance systems were largely designed for stable development contexts. The evidence presented here suggests that these approaches are insufficient for countries affected by fragility and conflict. Increasing adaptation finance volumes alone will therefore not be enough. Equally important is the development of delivery mechanisms capable of operating effectively under fragile conditions, high insecurity and absence of legitimate and inclusive institutions.

Several policy implications emerge. First, donors should systematically increase their risk tolerance when operating in fragile contexts. A strategy that prioritises implementation certainty over vulnerability inevitably disadvantages countries facing the highest adaptation needs. Conflict-sensitivity and human rights-based approaches as standards increase the chance to generate sustainable outcomes of adaptation measures.

Second, adaptation finance should be linked more closely to Humanitarian–Development–Peace (HDP) Nexus approaches. In many fragile settings, climate resilience, humanitarian assistance and peacebuilding can no longer be treated as separate policy domains. The COP28-Declaration on Climate, Relief, Recovery, and Peace are a first step into the right direction and gives guidance for cross-sectoral climate action.

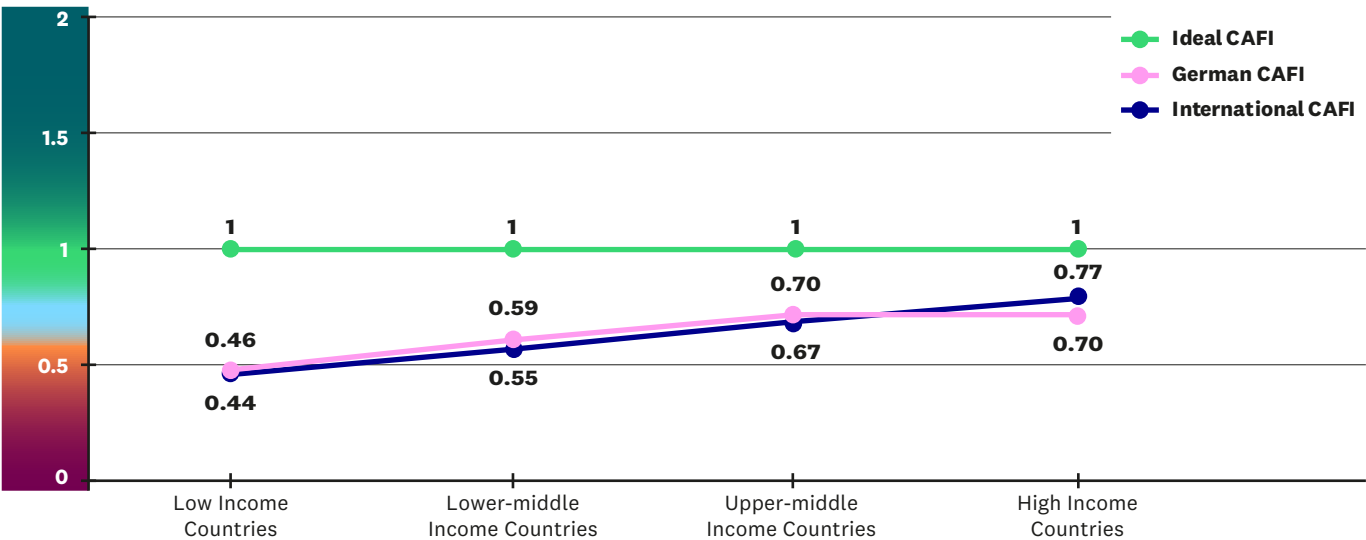
Third, greater use should be made of greater emphasis should be placed on inclusive processes and partnerships with local actors, particularly marginalised groups, Indigenous Peoples and community-based representatives. In fragile and highly volatile conflict contexts, multisectoral partnerships between climate actors, local civil society and peacebuilders can help navigate complex risks and improve outreach to those most difficult to reach.

Fourth, multilateral climate funds and bilateral donors should review access requirements and administrative procedures to ensure that countries and regions with limited institutional capacities as well as local entities in marginalised and hard to reach regions are not systematically excluded from adaptation finance opportunities.

The evidence from Figures 20 and 21 therefore points to a fundamental challenge for the future of international adaptation finance. If the objective is to prioritise the most vulnerable countries, fragile and conflict-affected states and regions cannot remain at the margins of adaptation finance. Without targeted efforts to overcome fragility-related access barriers, adaptation finance risks reinforcing existing inequalities rather than reducing them. Donors should therefore make conflict-sensitivity obligatory for all climate action and throughout the whole process of planning and implementation. Risk management approaches that enable engagement in fragile settings should be strengthened, rather than treating fragility primarily as a reason for disengagement.

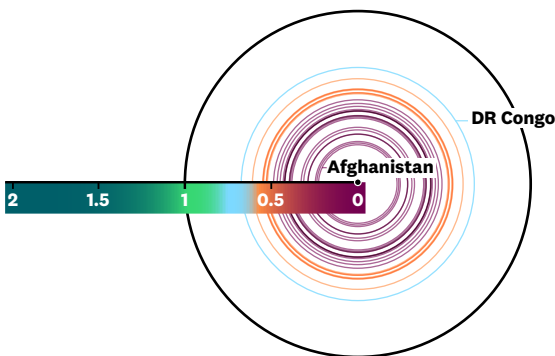
The Poverty Trap in Adaptation Finance

Figure 22: Access to adaptation finance for countries by income group



The previous chapters demonstrated that countries facing the highest climate risks and countries affected by fragility and conflict consistently receive the least risk-adequate adaptation finance. Poverty represents a third and closely related dimension of this pattern. Figure 22 and Figure 23 reveal a clear relationship between income levels and access to adaptation finance. The poorer a country is, the less likely it is to receive adaptation finance in proportion to the climate risks it faces.

Figure 23: Distribution of Low-Income Countries (LICs) by CAFI category (all donor countries)



This finding is particularly troubling because poverty lies at the heart of climate vulnerability. Low Income Countries (LICs) typically have fewer financial resources, weaker infrastructure, less extensive social protection systems and lower institutional capacities to respond to climate shocks. Climate-related disasters therefore tend to have far more severe consequences than in wealthier societies facing similar hazards.

One would expect international adaptation finance to compensate for these disadvantages by directing resources preferentially towards poorer countries. The CAFI results suggest otherwise.

Figures 22 and 23 show a strong and consistent relationship between income levels and adaptation finance allocation. Low Income Countries (LICs) perform worst among all income groups and remain firmly within the category of extreme underfunding. Lower-middle Income Countries (LMICs) perform somewhat better but still fall within the range of severe underfunding. Upper-middle Income Countries (UMICs), by contrast, achieve significantly higher CAFI values and receive comparatively more risk-adequate adaptation finance.

The pattern is clear: adaptation finance allocation becomes progressively more favourable as income levels increase. Countries with the least domestic capacity to finance adaptation themselves receive the least risk-adequate access to international adaptation finance.

This relationship has remained visible across successive editions of the Climate Adaptation Finance Index. While annual fluctuations occur, the overall pattern is remarkably stable. LICs continue to occupy a disproportionate share of the lower end of the ranking, while better-off developing countries achieve more favourable positions. As with climate risk and fragility, this persistence suggests a structural rather than temporary phenomenon.

The countries appearing repeatedly at the bottom of the CAFI ranking illustrate this dynamic. They combine extremely high climate risks with widespread poverty, weak adaptive capacities and limited fiscal space. Their ability to finance adaptation domestically is minimal, yet they remain among the most severely underfunded recipients of international adaptation finance.

The result is what can be described as a poverty trap in adaptation finance. Poverty increases climate vulnerability by limiting the resources available for adaptation, resilience-building and disaster preparedness. At the same time, poor countries face significant barriers in accessing international adaptation finance. Those with the greatest need therefore face the greatest obstacles to obtaining support.

Several factors contribute to this outcome. Poorer countries often lack the institutional capacities required to prepare funding proposals, manage complex projects and meet donor reporting requirements. Many are also affected by fragility, conflict or governance challenges, which further reduce access to finance. Poverty therefore rarely operates in isolation but interacts with other dimensions of vulnerability and disadvantage.

In addition, adaptation finance allocation often reflects implementation feasibility as much as adaptation needs. Donors understandably seek effective implementation, fiduciary accountability and measurable results. Yet these preferences may unintentionally favour countries with stronger institutions and administrative capacities, even when their climate vulnerabilities are less severe.

Taken together, these factors help explain why the poverty trap in adaptation finance persists. Countries with limited domestic resources frequently lack the capacities that facilitate access to international finance, while these same constraints increase their dependence on external support.

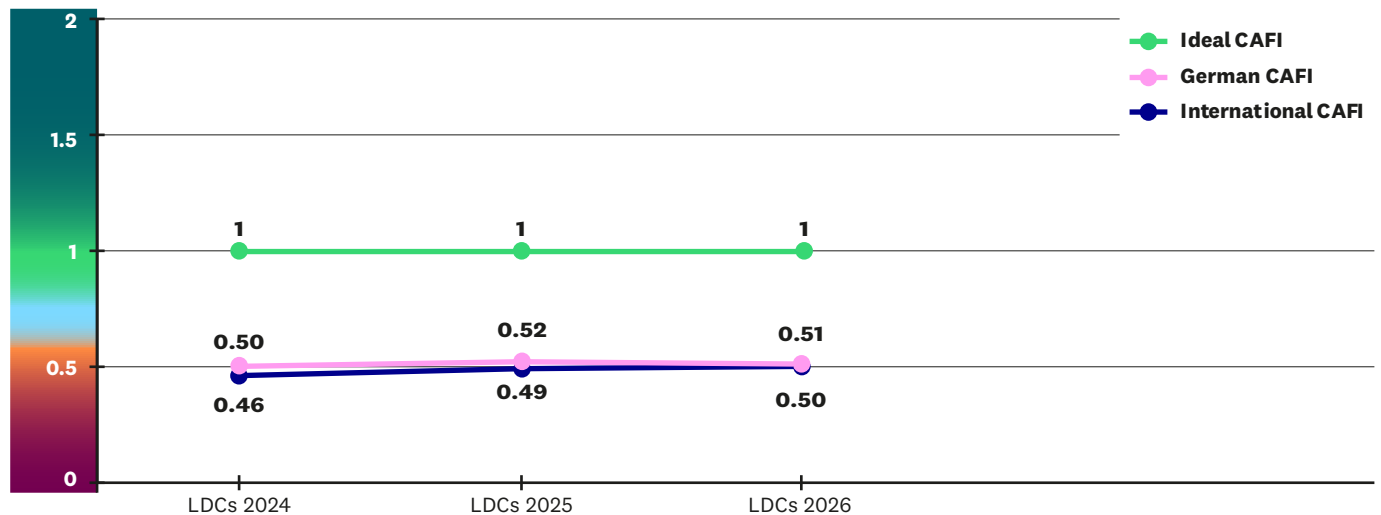
The consequence is a profound contradiction. Countries with the lowest capacity to finance adaptation from domestic resources frequently receive the least risk-adequate support from international sources. The principle of vulnerability-oriented adaptation finance is therefore undermined not only by climate risk and fragility, but also by poverty itself.

This finding has important implications for adaptation finance policy. If adaptation finance is intended to strengthen resilience among the most vulnerable populations, allocation decisions must place greater emphasis on structural disadvantage rather than implementation convenience alone.

Several policy responses deserve consideration. Donors should expand dedicated funding windows for LICs, simplify access requirements and strengthen readiness support to overcome institutional barriers. Adaptation finance should increasingly support local institutions and community-based organisations capable of operating effectively in low-capacity environments. Germany and other major donors should also target countries facing multiple and overlapping vulnerabilities, particularly where climate risk, poverty and fragility reinforce one another.

Least Developed Countries: Still Left Behind

Figure 24: Index results for Least Developed Countries (LDCs)



Least Developed Countries (LDCs) occupy a special position within the international climate regime. Since the adoption of the UNFCCC and repeatedly reaffirmed under the Paris Agreement, LDCs have been recognised as among the countries most vulnerable to climate change and therefore as priority recipients of international climate finance. This reflects the reality that many LDCs combine high climate risks with widespread poverty, limited adaptive capacity and severe development challenges.

The findings of the Climate Adaptation Finance Index raise important questions about the extent to which this commitment is being translated into practice.

In absolute terms, the international donor community allocated USD 89,4 billion to LDCs in the period 2017–2023, as compared to USD 76,8 billion in the previous period 2026–2022. Thus, international adaptation finance provided to LDCs grew by 16 per cent, which is slightly higher than the growth rate of total adaptation finance (+15 per cent). In the case of Germany, adaptation finance provided to LDCs grew by 8 per cent, now standing at USD 5,4 billion, as compared to the overall growth rate of 7 per cent in the period 2017–2023.

What do these figures tell us? As shown in Figure 24, adaptation finance for LDCs remains profoundly inadequate. The average international CAFI value for LDCs increased only marginally from 0.49 in CAFI 2025 to 0.50 in CAFI 2026. Germany continues to perform slightly better than the donor community as a whole, achieving a CAFI value of 0.51. However, Germany's own performance has declined compared with CAFI 2025, when it reached 0.53.

The persistence of this pattern is hardly surprising in light of the findings presented in the previous chapters. LDCs are disproportionately affected by the very factors that the CAFI identifies as the strongest predictors of underfunding: high climate risk, poverty and fragility. Many of the countries repeatedly appearing at the bottom of the CAFI ranking belong to the LDC group, including Afghanistan, Chad, South Sudan, Somalia, Yemen, Niger and Sudan. Their continued presence among the most underfunded countries suggests that the structural barriers discussed earlier translate directly into unequal outcomes for LDCs.

Figure 25: Distribution of Least Developed Countries (LDCs) by CAFI category (all donor countries)

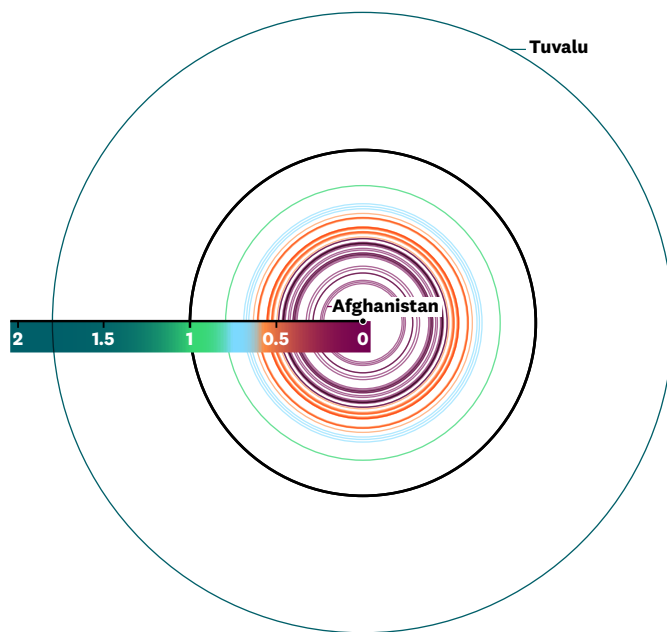


Figure 25 illustrates the distribution of individual LDCs across CAFI categories. The picture is dominated by extreme and severe underfunding. More than 90 per cent of all LDCs fall into these two categories. Only three countries achieve moderate underfunding, while a single LDC (Tuvalu) reaches the category of adequate funding. This distribution highlights the scale of the challenge facing the countries that international climate policy formally identifies as the highest priority recipients of adaptation support.

The trend over time points to limited progress, but not to structural change. Compared with previous editions of the CAFI, average LDC scores have improved slightly. However, the overall position of LDCs within the global adaptation finance architecture has remained largely unchanged. The modest increase from 0.49 to 0.50 suggests incremental progress rather than a meaningful shift towards vulnerability-oriented allocation. In other words, more adaptation finance is reaching LDCs, but not enough of the additional finance is being directed towards them to significantly improve their relative position.

Germany's performance presents a similarly mixed picture. German adaptation finance remains somewhat more risk-responsive towards LDCs than the international average. This demonstrates that a stronger vulnerability orientation is possible. At the same time, the narrowing gap between Germany and the international average illustrates the limits of incremental improvements within a system that continues to disadvantage the most vulnerable countries overall.

The policy implications are clear. If donor countries are serious about implementing the vulnerability principle repeatedly endorsed in UNFCCC decisions, future increases in adaptation finance should disproportionately benefit LDCs rather than being distributed broadly across recipient groups. Greater use of vulnerability-based allocation criteria, simplified access procedures and stronger support for countries facing multiple and overlapping vulnerabilities could help move adaptation finance closer to its stated objectives.

The evidence from CAFI 2026 therefore points to a sobering conclusion. LDCs remain at the centre of international climate finance rhetoric, but not yet at the centre of adaptation finance allocation. Four consecutive editions of the CAFI suggest that progress is occurring, but far too slowly to fundamentally alter the position of the countries that need support most. LDCs, in short, remain left behind.

Country-level per capita index results for international adaptation finance in CAFI 2026

Extremely underfunded LDCs: Afghanistan, Chad, South Sudan, Somalia, Niger, Mali, Yemen, Mozambique, Uganda, Mauritania, Madagascar, Ethiopia, Bangladesh, Haiti, Central African Republic, Malawi, Sudan, Zambia, Myanmar, Senegal, Djibouti, Burkina Faso, Burundi, Lesotho.

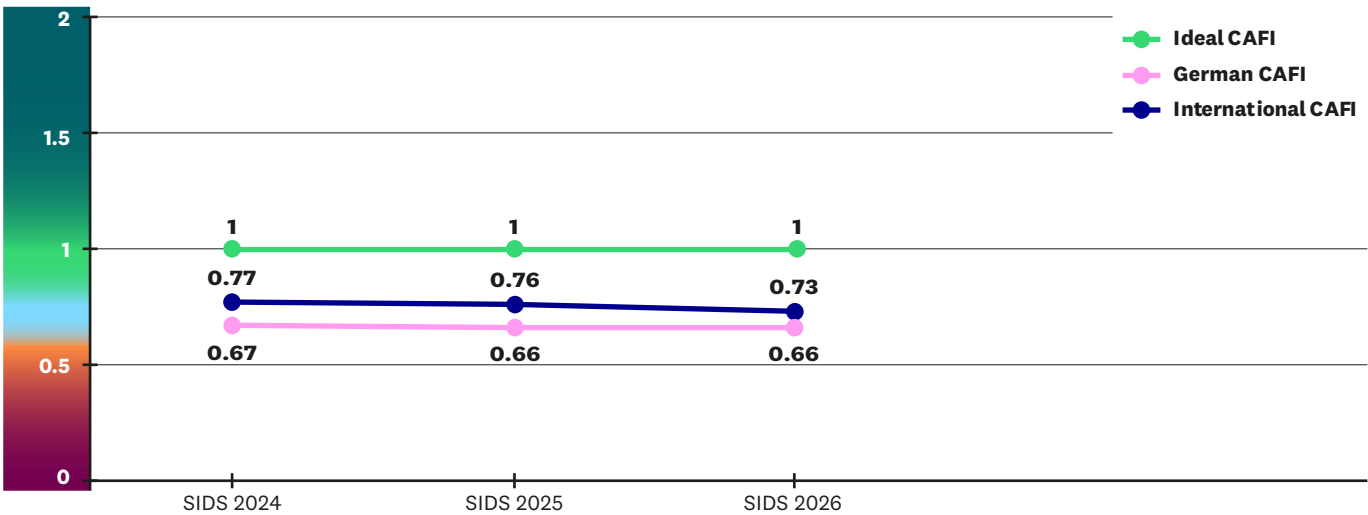
Severely underfunded LDCs: Angola, Bhutan, Nepal, Eritrea, Sierra Leone, Liberia, Cambodia, Rwanda, Guinea-Bissau, Guinea, Tanzania, Gambia, Benin, Togo, Laos, Guinea-Bissau, Solomon Islands, Comoros.

Moderately underfunded LDC: DR Congo, São Tomé and Príncipe, Timor-Leste.

Adequately funded LDC: Tuvalu.

Small Island Developing States: An Exception to the Rule

Figure 26: Index results for Small Island Developing States (SIDS)



The previous chapters revealed a consistent pattern across the global adaptation finance architecture. Countries facing the highest climate risks, countries affected by fragility and conflict, and countries characterised by widespread poverty all tend to receive less risk-adequate adaptation finance than would be justified by their vulnerability profiles. Small Island Developing States (SIDS) represent a notable exception to this rule.

For more than three decades, SIDS have occupied a special position within international climate negotiations. Their particular exposure to climate hazards has been widely recognised under the UNFCCC and repeatedly reaffirmed in subsequent decisions. As a result, SIDS have become one of the most visible and politically recognised groups of climate-vulnerable countries.

The CAFI 2026 results suggest that this political recognition has translated into comparatively favourable access to adaptation finance. As shown in Figures 26 and 27, SIDS achieve substantially higher CAFI values than most other vulnerable country groups. While LDCs remain severely underfunded and many low-income and fragile countries continue to experience profound financing gaps, SIDS as a group fall within the category of moderate underfunding.

This finding is particularly noteworthy because many SIDS combine high climate risks with limited economic diversification, narrow fiscal space and significant exposure to climate-related disasters. Based on the patterns observed in the previous chapters, one might therefore expect SIDS to face similar financing disadvantages as

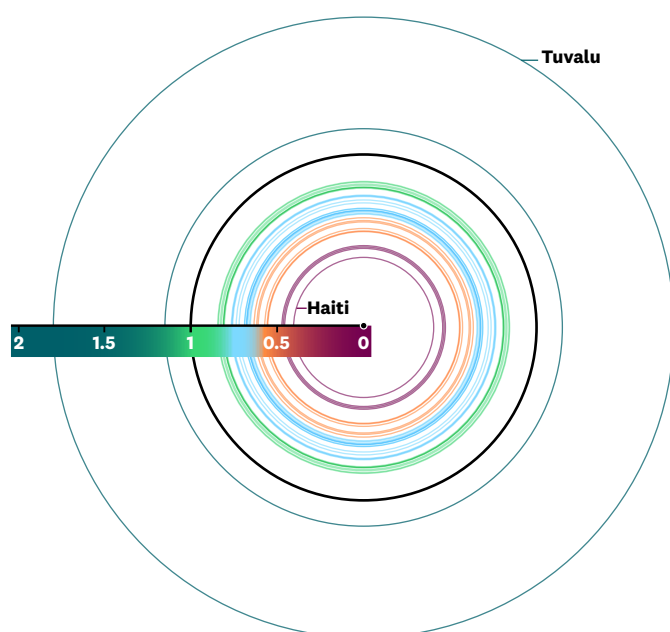
other highly vulnerable countries. The data suggest otherwise.

The relatively favourable position of SIDS appears to reflect sustained international recognition of their specific vulnerabilities. Over many years, SIDS have successfully established a strong political presence within international climate negotiations and climate finance debates. Dedicated funding windows, targeted adaptation programmes and donor prioritisation have contributed to improving their access to adaptation finance relative to other vulnerable country groups.

In absolute terms, the international donor community allocated USD 12,9 billion to SIDS in the period 2017–2023, as compared to USD 10,7 billion in the previous period 2016–2022. Thus, international adaptation finance provided to SIDS grew by 21 per cent, which is significantly higher than the growth rate of total adaptation finance (+15 per cent).

At the same time, the CAFI results should not be interpreted as evidence that adaptation needs in SIDS are being adequately met. As discussed in the chapter on Pacific Island States, many island nations face existential long-term threats that are only partially captured by existing climate risk indicators. Furthermore, small populations can result in relatively high per-capita financing values even where absolute funding volumes remain limited. A comparatively favourable CAFI score therefore does not imply that adaptation challenges have been resolved.

Figure 27: Distribution of Small Island Developing States (SIDS) by CAFI category (all donor countries)



The distinction between SIDS and Pacific SIDS is important in this regard. While Pacific Island states account for many of the strongest CAFI performances, the broader SIDS group includes countries with more diverse economic structures, geographic conditions and climate risks. Nevertheless, the overall pattern remains remarkably consistent: SIDS perform substantially better than other highly vulnerable country groups.

The results also highlight an important contrast with the findings for LDCs. A significant number of SIDS are simultaneously classified as LDCs. Yet even within this subgroup, adaptation finance outcomes tend to be more favourable than for LDCs as a whole. This suggests that SIDS status itself may confer advantages in access to adaptation finance that partially offset some of the structural disadvantages associated with poverty and vulnerability.

Germany broadly mirrors the international pattern. German adaptation finance also reaches SIDS more effectively than most other vulnerable country groups, although performance differences between Germany and the international average remain relatively limited. Germany's adaptation financing provided to SIDS grew in the reporting period by remarkable 130 per cent, now standing at USD 166 million, as compared to the overall growth rate of 7 per cent in the period 2017–2023. However, this high growth was based on a very low starting point. In absolute terms, SIDS con-

tinue to play a minor role as recipients of German adaptation funding.

The overall picture suggests that donor countries generally recognise the particular adaptation needs of SIDS and have translated this recognition into funding decisions more successfully than in the case of other vulnerable groups. Still, however, a significant number of SIDS remains extremely or severely underfunded

The policy lesson emerging from this analysis is both encouraging and challenging. The comparatively stronger performance of SIDS demonstrates that vulnerability-oriented adaptation finance is possible. At the same time, it highlights a central inconsistency within the current adaptation finance architecture. If donor countries are capable of systematically prioritising one highly vulnerable group, similar efforts should also be possible for other vulnerable country groups such as LDCs and fragile states.

The evidence from CAFI 2026 therefore points to a clear conclusion. Many SIDS remain an exception to the broader pattern of adaptation underfunding. Their experience demonstrates that sustained political recognition, international visibility and targeted funding mechanisms can improve access to adaptation finance. The challenge for the future is to extend these successes to all SIDS and all other vulnerable countries that continue to remain left behind.

Country-level per capita index results for international adaptation finance in CAFI 2026

Extremely underfunded SIDS: Dominica, Dominican Republic, Haiti, Papua New Guinea.

Severely underfunded SIDS: Cabo Verde, Guinea-Bissau, Guayana, Solomon Islands, Vanuatu, Belize, Comoros.

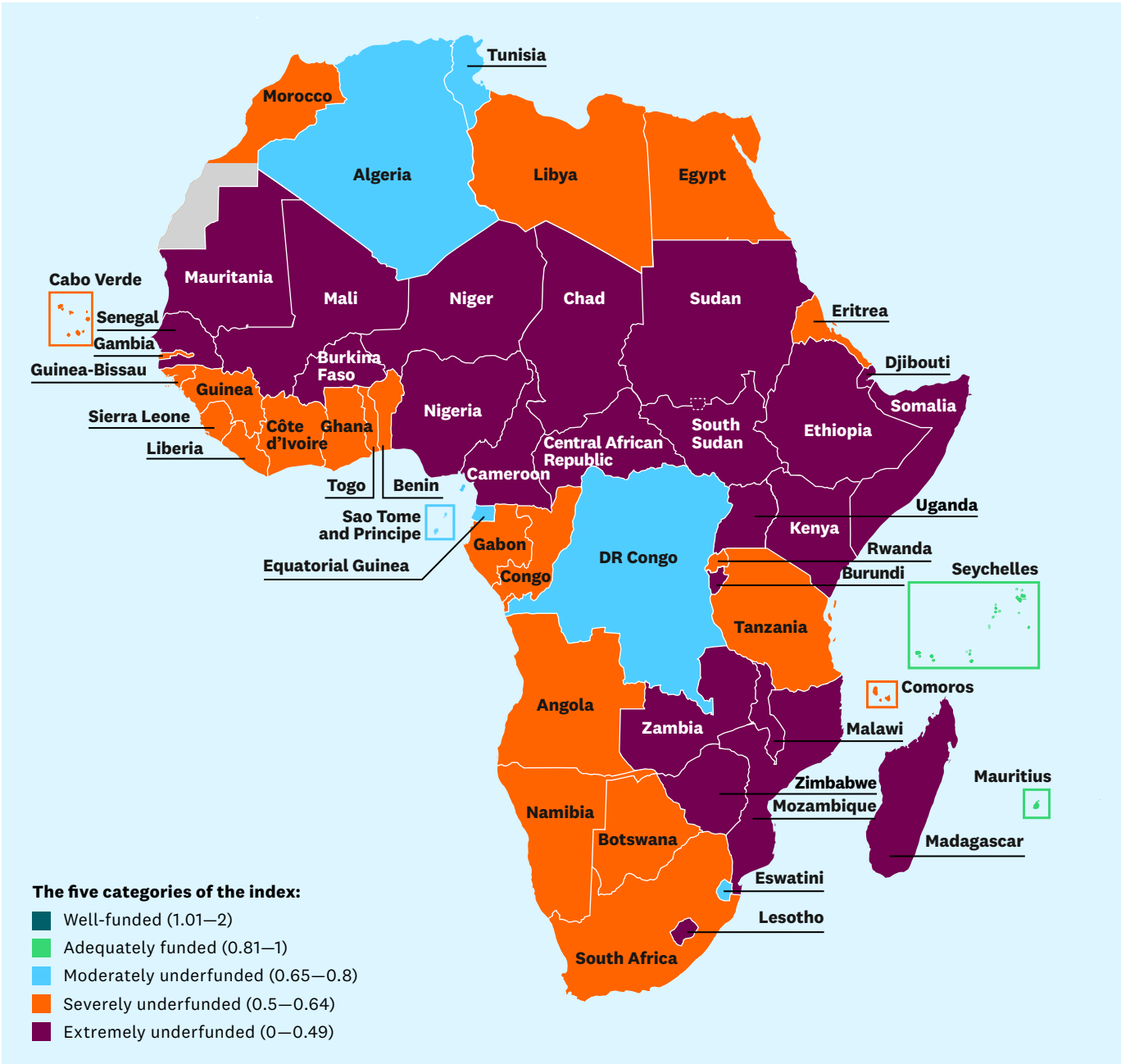
Moderately underfunded SIDS: Jamaica, Sao Tome and Principe, Fiji, Saint Kitts and Nevis, Trinidad and Tobago, Samoa, Suriname, Timor-Leste, Cuba, Micronesia, Saint Lucia, Antigua and Barbuda, Maldives.

Adequately funded SIDS: Barbados, Seychelles, Mauritius, Grenada, Palau, Saint Vincent and the Grenadines, Tonga, Marshall Islands.

Well-funded SIDS: Nauru, Tuvalu.

Africa: At the Epicentre of Adaptation Finance Underfunding

Figure 28: Index results for Africa



The previous chapters identified the factors most strongly associated with adaptation finance underfunding: high climate risk, fragility, poverty and LDC status. Nowhere do these factors overlap more strongly than in Africa. It is therefore unsurprising that Africa remains the most underfunded world region in the Climate Adaptation Finance Index.

Figure 28 shows that Africa continues to record the lowest average CAFI value of all world regions. Despite modest increases in adaptation finance volumes, the region remains firmly within the category of severe underfunding. While other regions have experienced limited improvements in risk-adjusted financing, Africa's relative position has changed little over successive editions of the CAFI.

This finding is particularly concerning because Africa is home to many of the countries facing the highest climate risks worldwide. At the same time, many African countries are characterised by widespread poverty, limited adaptive capacity and, in several cases, fragility or conflict. The factors identified in the previous chapters therefore converge geographically within a single region.

Figure 29: Distribution of African countries by CAFI category (all donor countries)

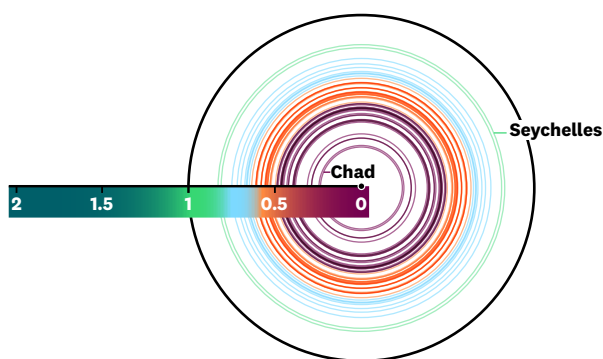


Figure 29 further illustrates the distribution of African countries across CAFI categories. The overwhelming majority fall into the categories of extreme or severe underfunding. Only a small number of countries achieve moderate underfunding, while risk-adequate financing remains the exception.

The trend over time provides little indication of a structural shift. Adaptation finance flowing to African countries increased substantially in absolute terms, rising from approximately USD 84.3 billion in CAFI 2025 to USD 97.2 billion in CAFI 2026. Yet this increase was not accompanied by a corresponding improvement in risk-adjusted allocation. On the contrary, Africa's average CAFI value declined slightly from 0.53 to 0.52. The data therefore suggest that higher funding volumes alone are not sufficient to improve distributional justice. While more adaptation finance is reaching

Africa, it is not reaching the continent in a way that significantly improves its position relative to climate risk.

Germany performs somewhat better than the international average in Africa. German adaptation finance to African countries increased from USD 8.3 billion in CAFI 2025 (2016–2022) to USD 9.0 billion in CAFI 2026 (2017–2023). However, this increase was likewise not sufficient to improve the overall risk adequacy of German adaptation finance in the region. Africa's average German CAFI value declined marginally from 0.60 to 0.59.

The implications are significant. Africa represents the clearest example of how multiple vulnerability factors can reinforce one another. High climate risks, widespread poverty, low adaptive capacity, fragility and LDC status frequently coincide, creating particularly acute adaptation needs. Yet adaptation finance allocation continues to fall short of these realities.

The evidence from CAFI 2026 therefore points to a sobering conclusion. Africa remains at the epicentre of adaptation finance underfunding. Four consecutive editions of the CAFI indicate that the region's structural disadvantage persists despite growing adaptation finance volumes. If international adaptation finance is to become genuinely vulnerability-oriented, no region requires greater attention than Africa.

Country-level per capita index results for German adaptation finance in CAFI 2026

Extremely underfunded African countries: Chad, South Sudan, Somalia, Niger, Uganda, Malawi, Ethiopia, Djibouti, Mauritania, Kenya, Zimbabwe, Mozambique, Madagascar, Senegal, Mali, Nigeria, Central African Republic, Sudan, Lesotho, DR Congo.

Severely underfunded: Morocco, Angola, Burundi, Congo, Guinea-Bissau, Eritrea, Cameroon, Gambia, Zambia, Guinea, Egypt, Tanzania, Sierra Leone, Botswana, Côte d'Ivoire, Burkina Faso, Libya, Rwanda, Gabon, Comoros, South Africa, Liberia, Sao Tome and Principe, Ghana.

Moderately underfunded: Equatorial Guinea, Cabo Verde, Benin, Togo, Eswatini, Algeria, Mauritius.

Adequately funded: Seychelles.

Well-funded: Tunisia, Namibia.

Asia: Growing Risks, Declining Priority

Figure 30: Index results for Asia

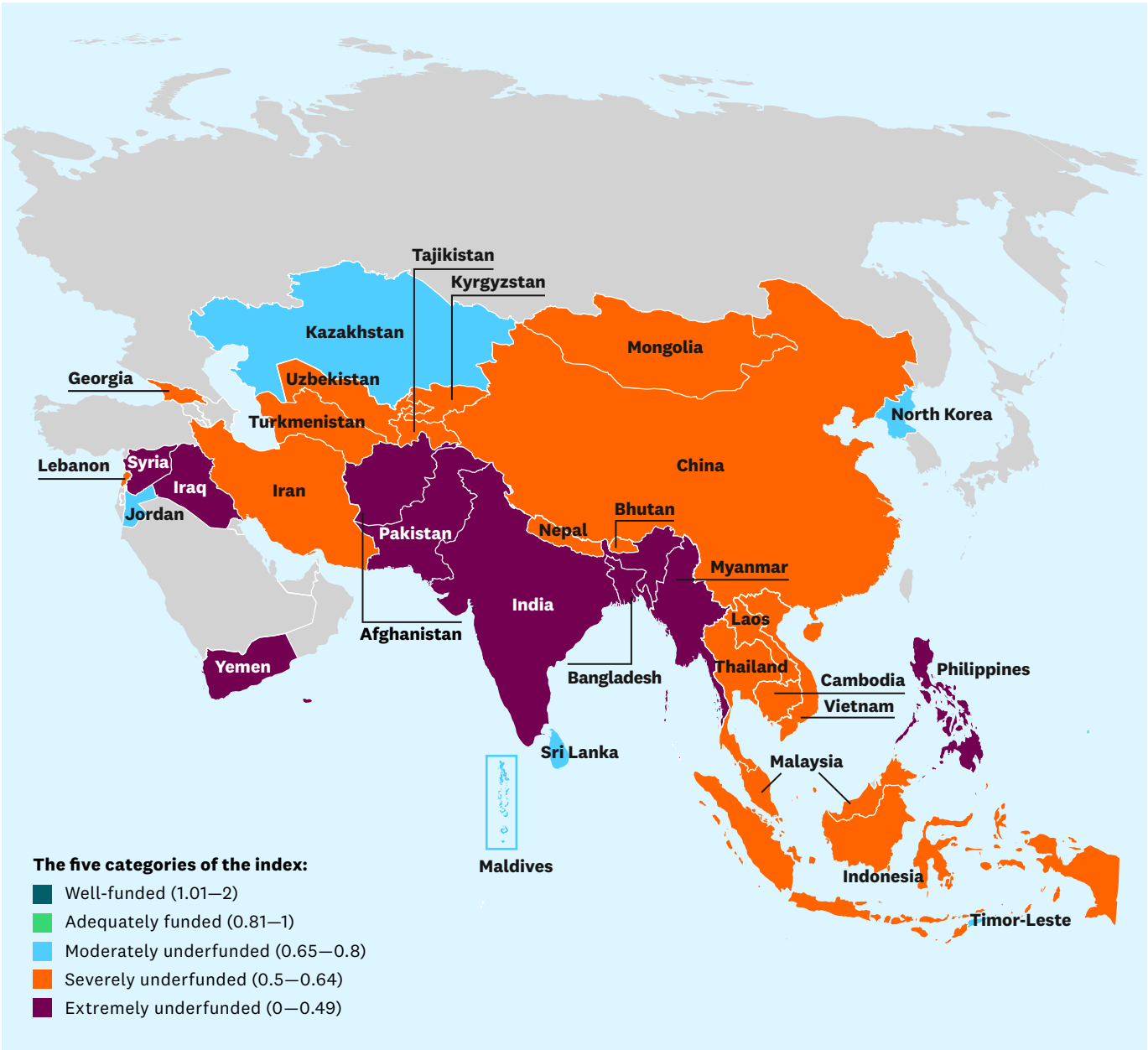


Figure 30 shows that Asia remains the second most underfunded region after Africa, with an average CAFI value of around 0.54. At the same time, the region faces some of the world's highest climate risks and contains several of the countries that rank among the most underfunded globally. Figure 30 further illustrates that most Asian countries, especially in South Asia, remain concentrated in the categories of severe and extreme underfunding.

Between 2017 and 2023, Asian countries received approximately USD 67 billion in international adaptation finance, compared with USD 60 billion in the previous reporting period. While this represents a substantial increase in absolute terms, it was not sufficient to improve the region's overall position. Adaptation finance has grown, but not at a pace that keeps up with increasing climate risks and adaptation needs.

Several countries illustrate the persistence of structural underfunding. Afghanistan remains the most underfunded country worldwide and has occupied a position at the very bottom of the CAFI ranking for four consecutive editions. Yemen, Bangladesh and Pakistan also remain trapped in the lowest funding categories despite facing high climate risks. Bangladesh is particularly striking: despite being one of the countries most exposed to climate-related flooding and sea-level rise, it continues to receive far less adaptation finance than would be justified by its risk profile.

The regional picture also reveals a strong overlap between climate risk, poverty and fragility, confirming the findings of the preceding chapters. Countries such as Afghanistan, Yemen and Myanmar continue to face major barriers to accessing adaptation finance because weak institutions, conflict and political instability reduce absorptive capacity and increase donor risk perceptions.

Germany's adaptation finance to Asia increased from USD 4.4 billion to USD 6.0 billion between the two reporting periods. This is a considerably stronger increase than the international average and suggests a growing strategic focus on the region. As a result, Germany performs somewhat better than the donor community as a whole. Nevertheless, Asia remains severely underfunded even when considering German finance only.

Taken together, Asia demonstrates that rising adaptation finance volumes alone are insufficient. Without a stronger focus on climate risk and vulnerability, the region's adaptation finance gap is likely to persist or even widen in the years ahead. The continued underfunding of several of the world's most climate-exposed countries, as especially Bangladesh and Pakistan, suggests that adaptation finance allocation should place greater emphasis on risk exposure and adaptive capacity rather than relying predominantly on existing implementation capacities.

Country-level per capita index results for German adaptation finance in CAFI 2026

Extremely underfunded Asian countries:

Afghanistan, Yemen, Bangladesh, Iraq, Pakistan, Syria, North Korea, India, Myanmar, Philippines.

Severely underfunded:

Nepal, Tajikistan, Iran, Uzbekistan, Cambodia, Vietnam, China, Thailand, Turkmenistan, Kyrgyzstan, Indonesia, Malaysia.

Moderately underfunded:

Lebanon, Sri Lanka, Kazakhstan, Mongolia, Laos, Timor-Leste, Maldives, Bhutan.

Adequately funded: none.

Well-funded: Georgia, Jordan.

Latin America: Stronger Performance, but Still Underfunded

Figure 31: Index results for Latin America



Figure 31 shows that Latin America occupies a comparatively favourable position within the CAFI. With an average CAFI value of around 0.65, the region performs better than Africa and Asia and is situated at the threshold between severe and moderate underfunding. Figure 31 nevertheless demonstrates that most countries still receive less adaptation finance than would be justified by their climate risks. Between 2017 and 2023, Latin American countries received approximately USD 37 billion in adaptation finance, compared with USD 32.3 billion during the previous reporting period. Climate risks remained broadly stable, helping the region maintain its comparatively stronger position.

The regional picture is highly differentiated. Costa Rica continues to stand out as one of the strongest-performing countries globally and remains consistently classified as adequately funded. By contrast, Honduras remains among the most underfunded countries in the region despite its high vulnerability to hurricanes, droughts and flooding. Guatemala, Nicaragua and Bolivia also continue to perform poorly relative to their climate risk levels.

Unlike Africa and parts of Asia, Latin America contains relatively few countries where extreme climate risk, widespread poverty and severe fragility overlap. This helps explain why the region performs better overall despite receiving considerably less adaptation finance in absolute terms than Asia.

A noteworthy finding concerns Germany's regional allocation. While international adaptation finance to Latin America increased, German adaptation finance declined from approximately USD 3.0 billion to USD 2.7 billion. This suggests a relative reorientation of German adaptation finance towards Africa and Asia, the two regions facing the largest adaptation finance deficits.

Latin America therefore represents a mixed picture. It demonstrates that more risk-responsive allocation is possible, but it also shows that even the best-performing continental region remains far from achieving truly risk-adequate adaptation finance. Nevertheless, the Latin American experience suggests that stronger institutional capacities and sustained donor engagement can improve adaptation finance outcomes. Lessons from these experiences may offer valuable insights for other regions facing persistent underfunding.

Country-level per capita index results for German adaptation finance in CAFI 2026

Extremely underfunded Latin American countries: none.

Severely underfunded: Argentina, Bolivia, Paraguay, Guayana, Guatemala, Honduras, Venezuela, Mexico, Brazil, Nicaragua, Ecuador.

Moderately underfunded: Peru, Suriname, Colombia, El Salvador, Uruguay, Panama, Chile.

Adequately funded: Costa Rica.

Well-funded: none.

The Caribbean: Vulnerability Recognised, but Not Fully Addressed

Figure 32: Index results for the Caribbean



Figure 32 shows that the Caribbean remains one of the strongest-performing regions in the CAFI, with an average score of around 0.73. This reflects the strong international recognition of the special vulnerabilities faced by SIDS. Figure 32 nevertheless reveals substantial variation between countries.

Between 2017 and 2023, Caribbean countries received approximately USD 5.4 billion in adaptation finance, compared with USD 3.8 billion in the previous reporting period. This increase of more than 40 per cent helped maintain the region's comparatively favourable position.

However, important differences persist. Haiti remains one of the most underfunded countries not only in the Caribbean but globally. Despite high exposure to hurricanes, flooding, poverty and fragility, its position has changed little over successive CAFI editions. Dominica and the Dominican Republic also experienced notable deterioration and now fall into the category of extreme underfunding.

By contrast, Barbados, Grenada and Saint Vincent and the Grenadines continue to perform comparatively well. Compared with the Pacific, however, the Caribbean highlights the limits of vulnerability-oriented finance. While both regions are dominated by SIDS, Caribbean countries generally receive less risk-adequate support than their Pacific counterparts. This reinforces the findings of the earlier SIDS chapter and suggests that vulnerability recognition remains unevenly translated into funding allocations.

Germany’s role in the Caribbean remains limited. German adaptation finance increased only marginally from USD 53 million to USD 54 million, while international adaptation finance expanded much more rapidly. As a result, the Caribbean’s relative importance within Germany’s adaptation finance portfolio declined.

The Caribbean therefore demonstrates both the strengths and limitations of current adaptation finance approaches. Vulnerability is recognised more strongly here than in most other regions, but substantial funding gaps remain, especially in countries where climate risks intersect with poverty and fragility

Country-level per capita index results for German adaptation finance in CAFI 2026

Extremely underfunded Caribbean countries: Haiti.

Severely underfunded: Belize, Dominica.

Moderately underfunded: Jamaica, Dominican Republic, Saint Kitts and Nevis, Trinidad and Tobago, Antigua and Barbuda, Saint Lucia, Cuba, Saint Vincent and the Grenadines.

Adequately funded: Barbados, Grenada.

Well-funded: none.

Conclusions and Policy Recommendations

Adaptation Finance at Crossroads

The Climate Adaptation Finance Index 2026 delivers a mixed message. On the one hand, adaptation finance has continued to grow over the past decade. Donor countries have mobilised substantial additional resources, adaptation has gained political visibility, and important progress has been made in integrating issues such as gender equality, health and climate resilience into adaptation finance portfolios.

On the other hand, the central finding of this report remains deeply concerning: adaptation finance is still not reaching the countries that need it most.

Four consecutive editions of the Climate Adaptation Finance Index now point to the same conclusion. Countries facing the highest climate risks continue to receive the least risk-adequate adaptation finance. The distribution of adaptation finance remains structurally misaligned with climate vulnerability.

This finding matters because adaptation finance is not an end in itself. Its purpose is to reduce climate risks, strengthen resilience and prevent future humanitarian, economic and ecological losses. If resources systematically fail to reach those countries where climate risks are greatest, adaptation finance cannot fully achieve its intended purpose.

The CAFI 2026 therefore suggests that adaptation finance faces a dual challenge: increasing the overall volume of finance while ensuring that available resources are allocated in line with climate risks and adaptation needs.

A Structural Mismatch Between Risk and Finance

The most important analytical finding of this year's report is that underfunding is not randomly distributed.

Across almost all chapters, a consistent pattern emerges. Countries characterised by multiple and overlapping vulnerabilities are those most likely to suffer from persistent underfunding. High climate risks alone already correlate strongly with underfunding. However, the risk of underfunding increases significantly when climate risks coincide with poverty, fragility, conflict, weak institutions and limited adaptive capacity.

This creates what may be described as a cumulative vulnerability effect: the greater the number of structural risk factors affecting a country, the lower its chances of receiving adaptation finance in proportion to its needs.

The countries appearing repeatedly at the bottom of the CAFI rankings illustrate this pattern particularly clearly. Afghanistan, Chad, South Sudan, Somalia, Yemen, Niger and Mali combine extreme climate vulnerability with poverty, fragility and governance challenges. Rather than receiving preferential support, these countries remain among the most severely underfunded recipients of adaptation finance worldwide.

The CAFI findings therefore point to a structural mismatch between risk and finance. The countries with the greatest need are often those facing the greatest barriers to accessing support.

The Emerging Geography of Adaptation Finance

The report also reveals a growing geographical divide. Pacific Small Island Developing States remain the strongest-performing group in the CAFI and demonstrate that vulnerability-oriented allocation is possible. Yet even here, important differences exist, and recent years have seen signs of stagnation and decline.

In contrast, large parts of Africa and Asia remain trapped in persistent underfunding despite containing many of the world's most climate-vulnerable populations. Least Developed Countries continue to be significantly underrepresented in adaptation finance relative to their climate risks, despite repeated political commitments under the UNFCCC and successive COP decisions.

The regional analysis therefore suggests that adaptation finance is not only shaped by climate vulnerability. Historical partnerships, implementation capacities, institutional readiness, donor priorities and geopolitical considerations also influence allocation decisions. While these factors are understandable from a project implementation perspective, they can unintentionally reinforce existing inequalities.

Identifying Countries at Risk of Persistent Underfunding

One of the most important findings of CAFI 2026 is summarised in Figure 33. The figure identifies countries where multiple risk factors overlap and where persistent underfunding therefore appears particularly likely. These countries combine several characteristics associated throughout this report with poor access to adaptation finance: high climate risk, poverty, fragility, conflict exposure, weak governance and limited adaptive capacity.

The analysis suggests that these countries deserve particular attention from donor governments, multilateral climate funds and development finance institutions. Without deliberate corrective action, many of them risk falling further behind as climate impacts intensify.

Figure 33: Warning — Countries with multiple high-risk factors

Country with CAFI position and change if any	Climate Adaptation Finance Index level	Climate risk	Debt burden	Income	Fragility alarm level	Income
Afghanistan (129)	extremely underfunded	very high	critical	LIC	high alert	LDC
Chad (128)	extremely underfunded	very high	critical	LIC	high alert	LDC
South Sudan (127)	extremely underfunded	very high	critical	LIC	high alert	LDC
Somalia (126)	extremely underfunded	very high	non-critical	LIC	very high alert	LDC
Niger (125)	extremely underfunded	very high	critical	LIC	alert	LDC
Mali (124)	extremely underfunded	very high	slightly critical	LIC	alert	LDC
Yemen (123)	extremely underfunded	very high	very critical	LIC	high alert	LDC
Mozambique (122, - 4)	extremely underfunded	high	very critical	LIC	alert	LDC
Uganda (121, - 1)	extremely underfunded	high	critical	LIC	alert	LDC
Ethiopia (118, - 2)	extremely underfunded	high	critical	LIC	high alert	LDC
Central African Republic (115, + 5)	extremely underfunded	high	critical	LIC	high alert	LDC
Sudan (110, + 5)	extremely underfunded	high	very critical	LIC	high alert	LDC
Burkina Faso (101)	extremely underfunded	high	slightly critical	LIC	alert	LDC
Burundi (95, + 2)	extremely underfunded	high	critical	LIC	alert	LDC

Figure 33 should therefore be understood as more than a statistical exercise. It provides an early-warning tool for identifying countries where adaptation finance is most urgently needed but where existing allocation mechanisms appear least capable of delivering it.

From Mobilisation to Allocation

The climate finance debate has long focused on mobilisation: how much finance should be provided and who should contribute.

The findings of CAFI 2026 do not diminish the importance of this debate. On the contrary, adaptation finance remains far below estimated needs, and current trajectories suggest that the Glasgow commitment to double adaptation finance by 2025 remains at risk.

However, the report demonstrates that mobilisation alone will not be sufficient.

Even substantial increases in adaptation finance will have limited impact if the countries facing the greatest climate risks continue to receive disproportionately small shares of available resources. Future climate finance discussions should therefore pay greater attention to allocation, accessibility and vulnerability orientation.

The question is no longer only whether adaptation finance grows. It is also whether it reaches those who need it most.



In a dry riverbed, people from Turkana, Kenya, are demanding: "We have to act now".

Policy Recommendations

1. From vulnerability rhetoric to vulnerability targets

Donors and climate funds should move beyond general commitments to prioritise vulnerable countries and adopt explicit vulnerability-oriented allocation targets. Climate risk, poverty and adaptive-capacity indicators should play a much stronger role in funding decisions to ensure that adaptation finance systematically reaches those facing the greatest climate risks and adaptation needs.

2. Establish dedicated financing windows for fragile and conflict-affected countries

The CAFI 2026 identifies fragility as one of the strongest barriers to accessing adaptation finance. Dedicated financing windows, simplified procedures and context-specific fiduciary requirements are needed to ensure that fragile and conflict-affected countries are not excluded from international adaptation support.

3. Break the adaptation finance poverty trap

Countries with the lowest institutional and financial capacities often face the greatest difficulties in accessing adaptation finance despite their high vulnerability. Expanded readiness support, simplified access procedures and long-term capacity development programmes are therefore essential to break the adaptation finance poverty trap.

4. Turn the political priority of LDCs into measurable results

Least Developed Countries have repeatedly been recognised as a priority group within the UNFCCC process, yet CAFI findings show little evidence that this political priority has translated into funding outcomes. Future progress should therefore be assessed not only through overall adaptation finance volumes but also through the share of finance reaching LDCs.

5. Learn from the SIDS success story

Small Island Developing States represent the clearest example of vulnerability-oriented adaptation finance allocation currently visible in the CAFI. The allocation approaches, access modalities and political prioritisation mechanisms that have benefited many SIDS should be systematically analysed and adapted for other highly vulnerable country groups.

6. Protect grant-based adaptation finance

The growing dominance of loans in adaptation finance risks increasing the financial vulnerability of countries that already face severe climate risks and limited fiscal space.

The poorest and most climate-vulnerable countries should therefore receive adaptation finance primarily in the form of grants rather than loans.

7. Develop early-warning mechanisms for persistent underfunding

Countries affected by multiple overlapping risk factors require particular attention because they face a heightened risk of persistent adaptation finance underfunding. Figure 33 provides a practical starting point for establishing watch lists and early-warning mechanisms that help identify countries most at risk of being left behind.

8. Germany: From largest donor to credible agenda setter

As the world's largest bilateral provider of adaptation finance, Germany is uniquely positioned to promote a stronger focus on risk adequacy within international climate finance debates. Yet this role cannot be taken for granted: budgetary retrenchment risks weakening the credibility and leverage on which Germany's leadership depends. Germany should therefore safeguard the financial basis of its climate finance commitments and use its influence within the UNFCCC process, climate finance negotiations and discussions on multilateral development bank reform to advance a more vulnerability-oriented adaptation finance agenda.

9. Close the adaptation finance gap

Developed countries should fulfil and exceed the Glasgow commitment to at least double adaptation finance by 2025 and, in line with developing countries' "triple the double" benchmark, use the NCQG to establish predictable funding pathways towards at least USD 120 billion by 2030 and USD 150 billion by 2035.

Even under tight federal budget constraints, Germany's example shows that there is more room for manoeuvre than current cuts suggest. The new EUR 500 billion special fund for infrastructure and climate neutrality demonstrates that fiscal space can be created when investments are treated as strategic priorities. For grant-based adaptation finance, a particularly credible pathway would be to mobilise additional public revenues through socially balanced reforms of environmentally harmful subsidies, stronger carbon pricing, and solidarity levies on high-emission luxury activities, including private aviation.

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Abbreviations

CAFI	Climate Adaptation Finance Index
CBD	Convention on Biological Diversity
COP	Conference of the Parties
CVF	Climate Vulnerable Forum
DAC	Development Assistance Committee
DR	Democratic Republic
DRMKC	Disaster Risk Management Knowledge Centre
EU	European Union
FRLD	Fund for Responding to Loss and Damage
FSI	Fragile States Index
GAP	Lima Work Programme on Gender and the Gender Action Plan
HDP	Human Development Program
HIC	High Income Country
IASC	Inter-Agency Standing Committee
INFORM	Index for Risk Management
IPCC	Intergovernmental Panel on Climate Change
LDC	Least Developed Country
LIC	Low Income Country
LMIC	Lower-middle Income Country
MDB	Multilateral Development Bank
NCQG	New Collective Quantified Goal
OECD	Organisation for Economic Co-operation and Development
OECD-DAC	OECD Development Assistance Committee
PRIO	Peace research Institute Oslo
SIDS	Small Island Developing States
UMIC	Upper-middle Income Country
UNCCD	United Nations Convention to Combat Desertification
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar

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