

Bridging the Gap Between Mitigation and Adaptation

Dominic Ramos
Economist and Research Analyst



DNA Economics
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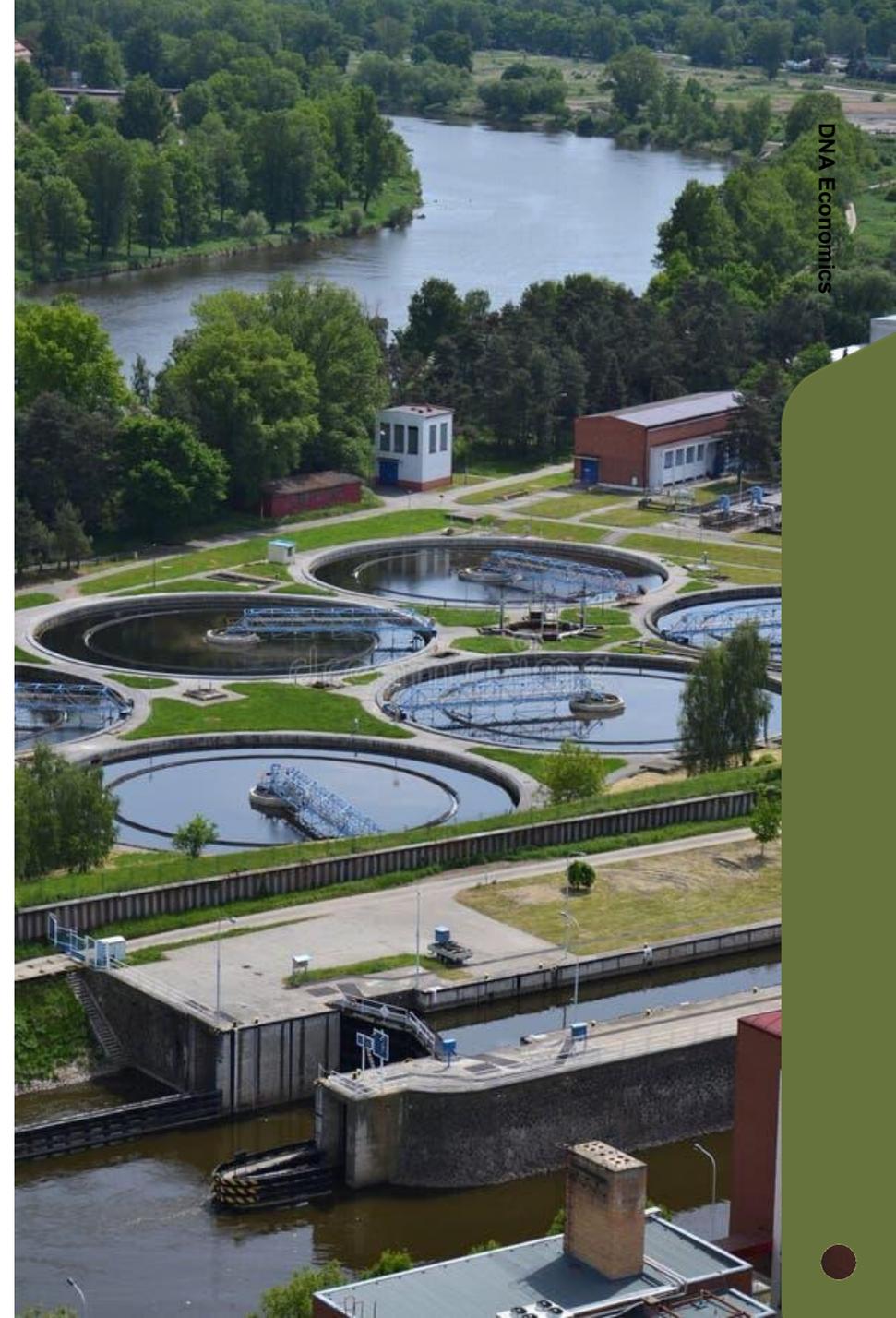


Agenda

- ✓ Financing The Right Future
- ✓ COP30 Belém: Shifting the Centre of Gravity Toward Adaptation
- ✓ The Structural Reality: Why Adaptation Does Not Scale like Mitigation in South Africa
- ✓ When Mitigation and Adaptation Priorities Diverge
- ✓ Mobilising Scalable Capital for Climate Resilience
- ✓ Rebalancing Climate Investment: From Net Zero to Resilience
- ✓ Investment in Resilience and Decarbonisation
- ✓ The Investment Gap between Resilience and Decarbonisation
- ✓ Balancing Government and Private Investment
- ✓ Municipal and Adaptation Funding Risks
- ✓ Scaling Investment Frameworks for Nature-Based Adaptation

Financing The Right Future

- Why does mitigation (net-zero, decarbonisation) attract more capital than adaptation/resilience?
- Are we solving the emissions problem while leaving broader nature-based systems exposed?
- Are current climate finance frameworks aligned with real risk?
- What would it mean to treat adaptation/resilience as investable?



COP30 Belém: Shifting the Centre of Gravity Toward Adaptation



Finance Rebalancing

Commitment to **triple adaptation finance**, narrowing the historic dominance of mitigation funding.



Private Capital Inclusion

Explicit integration of **private sector mobilisation** into adaptation finance architecture — not just mitigation markets.



GRIP & Structured Delivery Pathways

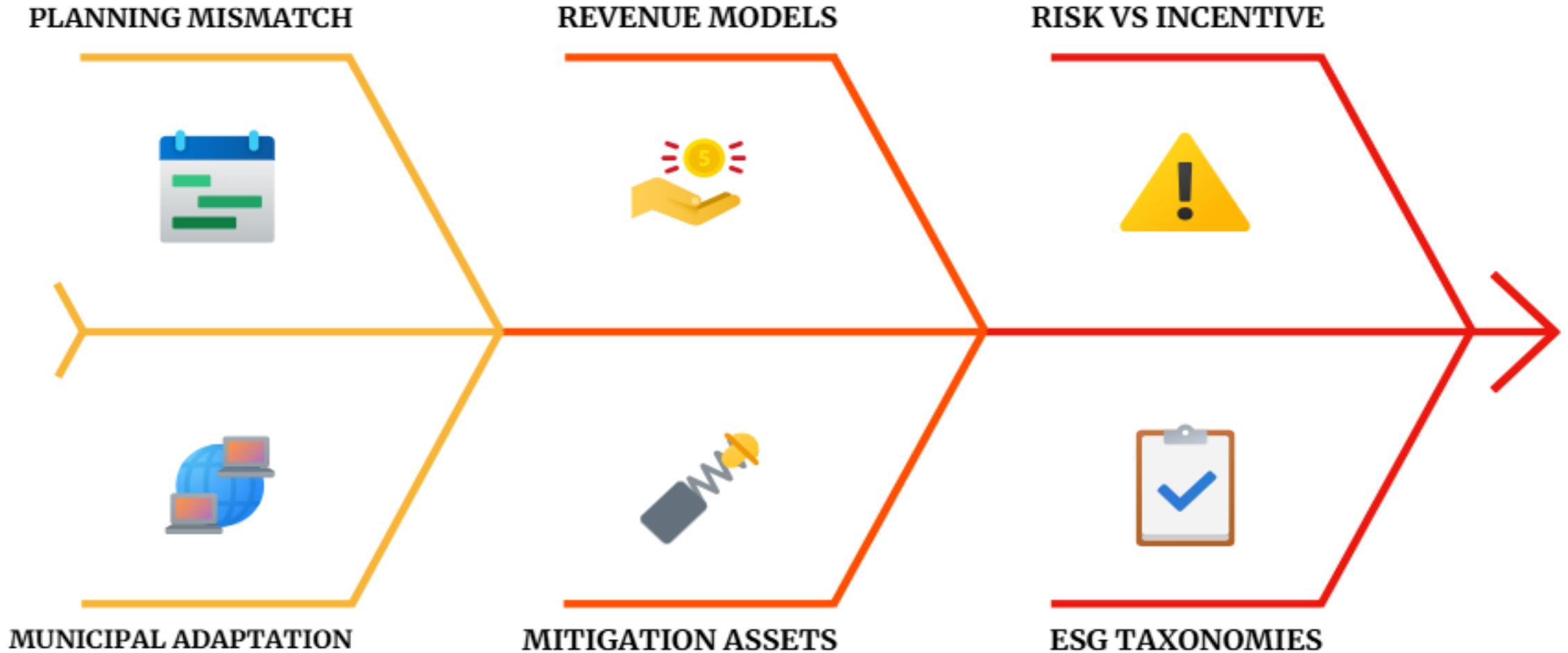
The Baku-to-Belém (GRIP) roadmap embeds adaptation within the **USD 1.3T annual finance framework to 2035**, linking resilience to national implementation plans.



From Projects to Resilience Systems

Adoption of global adaptation indicators shifts focus from isolated projects toward measurable, system-wide resilience frameworks.

The Structural Reality: Why Adaptation Does Not Scale like Mitigation in South Africa



When Mitigation and Adaptation Priorities Diverge

Municipal, provincial, national governments and market actors operate with different incentives and frameworks, resulting in parallel debates in separate spheres,

Investor Priorities

- ESG compliance and scoring
- Net-Zero targets and emissions reduction
- Asset and Fiscal Resilience
- Operational transitions

Public Sector Priorities

- Adaptation and social support
- Urban Planning and Community Resilience
- Nature restoration and protection

Mobilising Scalable Capital for Climate Resilience



Cities and Municipalities

Flooding protection
Heat Resilience
Transport Resilience



Private Investment

ESG Compliance
Emissions Reduction
Energy transition





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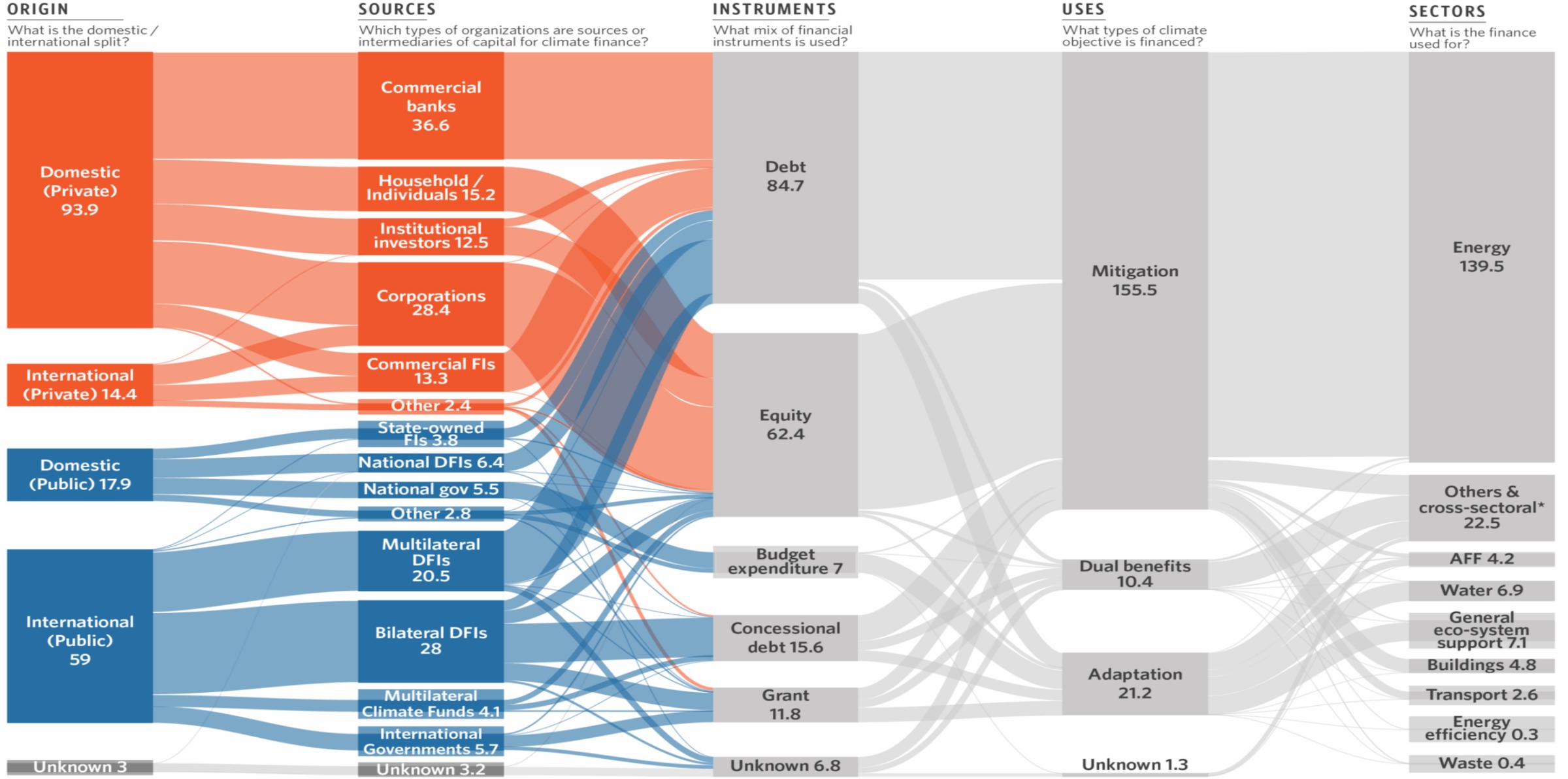
Rebalancing Climate Investment: From Net Zero to Resilience



LANDSCAPE OF CLIMATE FINANCE IN SOUTH AFRICA, 2022-2023

ZAR billion

188.3 BILLION ZAR

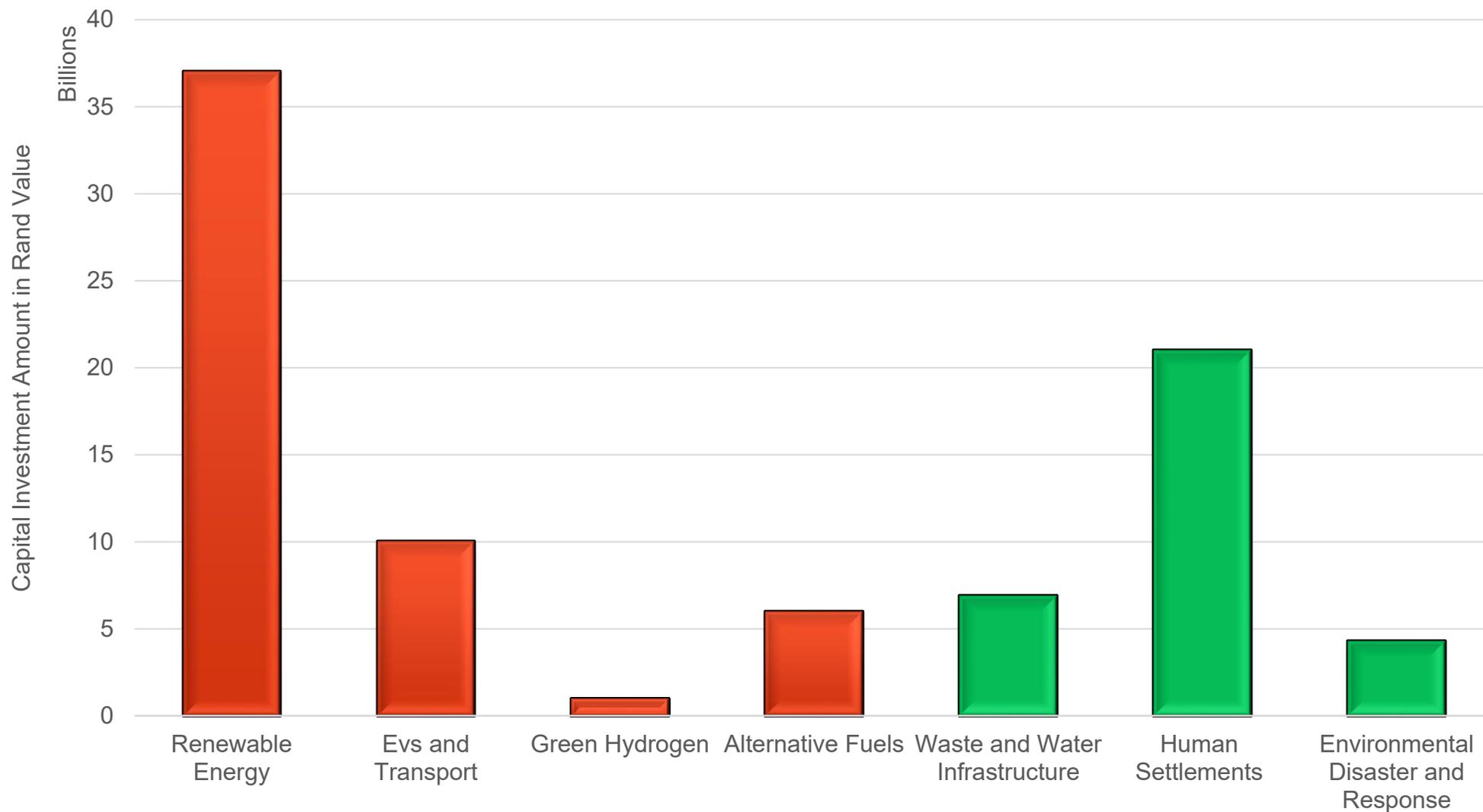


PRIVATE **PUBLIC**

*"Other" private sources include Funds and Third Sector Organisation.
 "Other" public sources include Public Funds, SOE and Provincial Government.

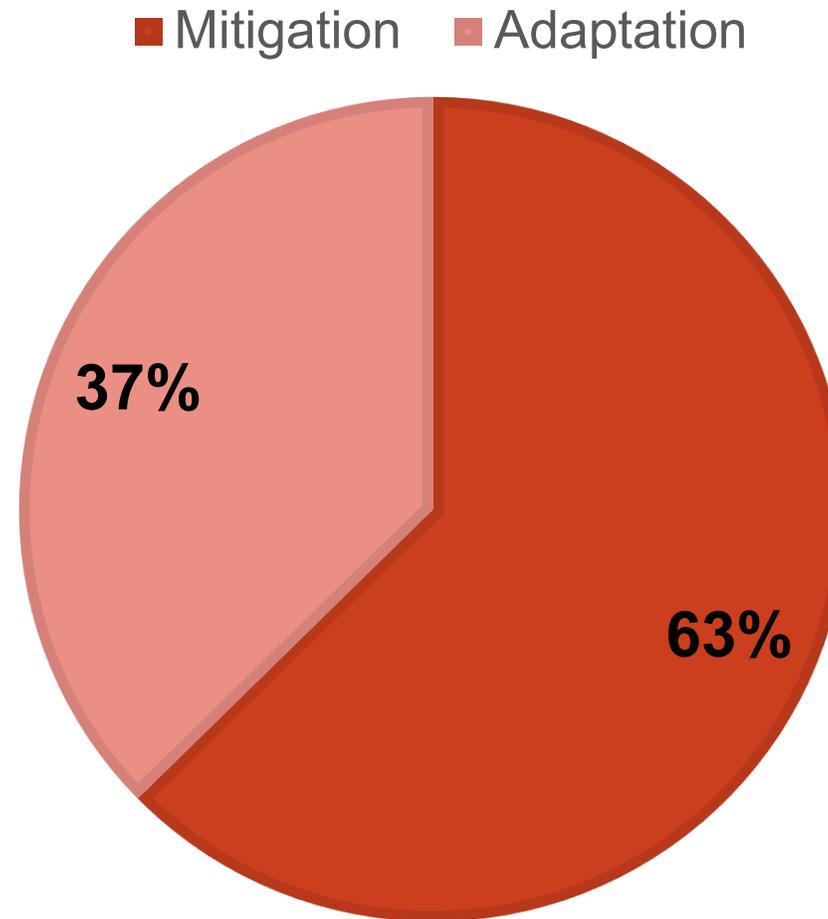
*Includes projects and investments that cannot be attributed to a single sector, such as multi-sector programmes, cross-cutting technical assistance, policy and regulatory support, capacity building, and enabling environment activities.

Investment in Resilience and Decarbonisation



The Investment Gap between Resilience and Decarbonisation

- Mitigation investment peaked at R155 billion in 2023.
- 56% of mitigation finance comes from domestic private investors, 39% from international funders, and 5% from government sources.
- Adaptation investment peaked at R37 billion in 2025, up from R21 billion in 2023.
- Adaptation finance is 80% publicly funded (municipal, provincial, national), with 12% from multilateral/DFI/ODA sources and 8% from the private sector.



Beyond procurement, the investment gap persists because nature-based adaptation is viewed as a public sector responsibility, with DFIs and ODA better positioned than private investors to mobilise capital.

Municipal and Adaptation Funding Risks



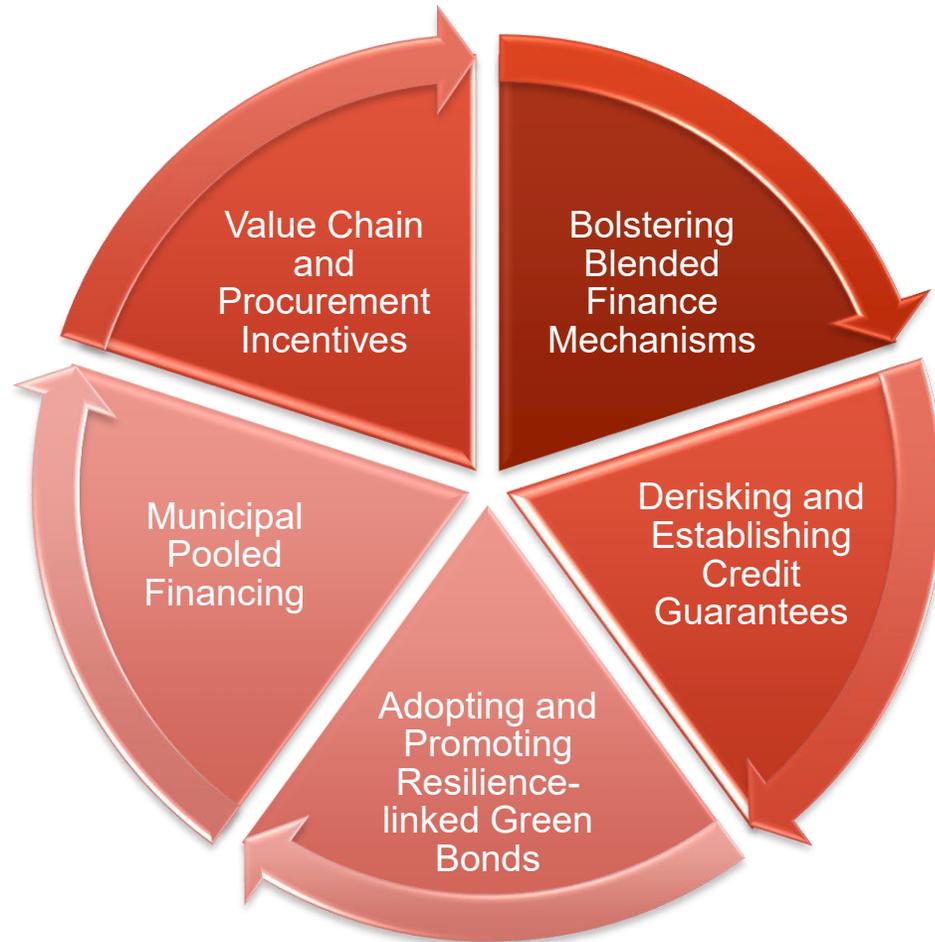


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Bridging the Gap between Adaptation and Mitigation



Scaling Investment Frameworks for Nature-Based Adaptation



- **From Projects to Platforms**
 - Aggregating nature-based projects into investable pipelines increases scale and reduces transaction costs.
- **From Grants to Layered Capital**
 - Concessional finance absorbs early risk, enabling larger volumes of private investment to follow.
- **From Isolated Borrowers to Shared Credit Strength**
 - Pooling and credit enhancement lowers financing costs and bolsters market access
- **From Cost Framing to Value Framing**
 - Pricing avoided losses and ecosystem services strengthens the investment case.

Thank you



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Hillcrest Office Park, Lourie Place, 2nd Floor, 179 Lunnon Road, Hillcrest, Pretoria, South Africa, 0081

+27 (0)12 362 0024

Directors Z Brey, E Masilela, Y Ramkolowan, MS Stern. Registration N°. 2001/023453/07