Adapting to climate change in South Africa

RESCUE OPERATIONS / 27 JUNE 2024

Climate change wreaks havoc: Major floods in KwaZulu-Natal and Eastern Cape

Warning for severe thunderstorms in the Eastern Cape

The South African Weather Service (SAWS) on Sunday issued an Orange Level 6.

3 days ago

SCIENCE | 8.01.2026

Tornado alert in South Africa

In recent years, insurers have cautioned that climate change was making strong winds and wind funnels, including tornadoes, more common in South Africa.

Godongwana increases disaster recovery funding for provinces, municipalities

The Citizen

Weather alert: Possible flooding and hail in five provinces

Find out what the latest weather forecast from the SA Weather Service means for your region on 10 February 2026.

2 days ago

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Farmer's Weekly

government to provide drought relief

When fires, floods and drought become the norm, delaying is no longer an option

The Cost of Catastrophe: Charting a Path to a Resilient South Africa

How much climate finance does South Africa need?

Total Annual Requirement: South Africa needs R499 billion per year to meet its combined mitigation and adaptation climate goals.

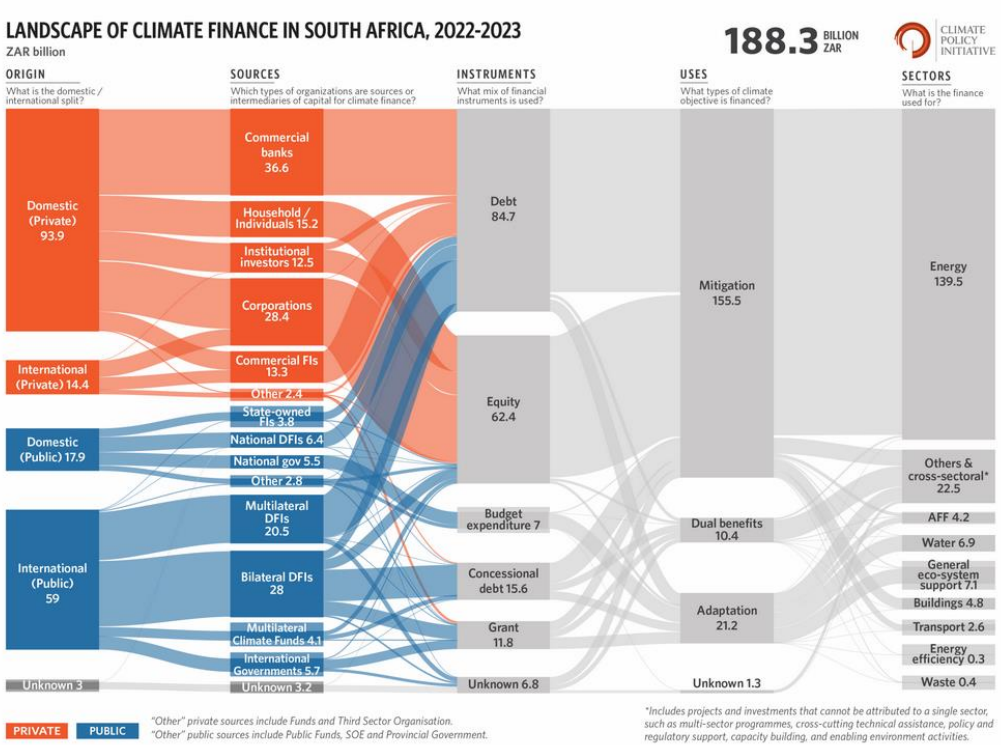
The Current Reality: CPI report shows that there was an annual average of ZAR 188.3 billion in climate finance for 2022-2023.

The Funding Gap: There is therefore an annual financing gap of up to ZAR 311 billion. Adaptation and just transition measures are the most underfunded.

Balancing mitigation and adaptation: May not require a 50/50 balance. Adaptation needs more grant and concessional financing.

South African Climate Finance landscape

Figure 1: The South African Climate Finance Landscape, ZAR bn



Key take away

- **Adaptation finance is lagging.** Only 11.3% of tracked finance supported adaptation.

Source: https://www.climatepolicyinitiative.org/publication/the-south-african-climate-finance-landscape-2025/

Barriers to scaling adaptation finance

Absence of Direct Revenue: Unlike mitigation (renewable energy or electric vehicle projects) which sells a product, adaptation focuses on avoided losses. It is difficult for private investors to capture "prevented damage" as a cash profit.

Measurement & Standardisation Gap: There is no universal metric (like the "tonne of CO2") for adaptation. Resilience is context-specific, making it hard for banks to quantify, audit and compare different projects.

Time-Horizon Mismatch: Adaptation benefits often accrue over 20–30 years, while commercial finance typically demands returns within 5–10 years. The high upfront costs don't align with slow ecological or social payoffs.

High Transaction Costs: Adaptation needs are often local and small-scale. Managing numerous fragmented projects is administratively expensive for large global funds compared to single, large-scale infrastructure deals.

Nature-Based Complexity: Ecosystems are "living assets" subject to biological risks (drought, fire), making them harder to de-risk than traditional grey infrastructure.

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Scaling financing for Ecosystem-based Adaptation

Move Beyond "Business as Usual": Closing the annual adaptation financing gap requires more than traditional budgeting; it demands a reimagining of how we value nature and resilience.

Design "Investable" Landscapes: Bundle small-scale, nature-based projects into large-scale, **bankable portfolios**.

Pilot the use of financial instruments: Explore instruments such as resilience bonds and biodiversity credits.

Country platforms as a mechanism: Use the Just Adaptation and Resilience Investment Platform (JARIP) to do for "climate adaptation" what the JETP did for "energy."

The South African Opportunity: South Africa made scaling adaptation finance one of the priorities of our G20 Presidency in 2025. Let's use our **G20 leadership** to continue as a global architect of financial innovation. Leverage South Africa's role in the G20 Sustainable Finance Working Group in 2027.

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