

Financing adaptation where resilience is built

Scaling subnational action to close the adaptation gap

1 The urgency of adaptation

Act now or pay later



Climate impacts now

Nature, human, economic losses



Rising costs

+1°C leads to — **12%** global GDP



Finance gap

US\$365 billion needed per year for developing countries. Only **3.4%** of climate finance for adaptation. **<17%** reaches local communities

2 Subnational Governments

The missing link in adaptation



Indispensable

Strategic leaders with key competences in critical sectors — water, agriculture, infrastructure, health, biodiversity



Central investors

~70% of public climate investment in OECD countries is subnational



Power to act

Shaping and enforcing laws and policies across levels of governance

Conditions to scale their impact



Invest in subnationally led, just resilience



Expand direct access to finance



Design fit-for-purpose financial tools and pipelines



Empower regions through multilevel governance



Track and monitor subnational progress

3 Regions in action

Innovation and finance happening on the ground

QUÉBEC

Turning carbon revenues into resilience

Over **CA\$10B** raised from carbon market since 2013

CA\$400M invested for municipal resilience projects

CA\$50M supporting international programme in **17 countries, reaching 160,000+ people**

CATALONIA

Earmarking green taxes into a climate fund

Climate Fund funded by CO₂ vehicle and environmental **impact taxes**

€500M mobilised for 81 climate projects (municipalities, SMEs, civil society)

As well as **climate credits system** valuing carbon, water, biodiversity & fire risk reduction

PARANÁ

Pioneering biodiversity credits

First region with public policy on biodiversity credits in 2024

Credits rewards **ecosystem services**: water, soils, flood prevention

R\$2M pilot fund launched by BRDE in 2025

KENYA COUNTIES

Empowered through Devolved finance

FLLoCA active in all 47 counties for legal readiness and project implementation

1.5–4% of county development budgets allocated to climate action

US\$82M in grants and **US\$24M** co-financed by counties for local priorities

SCOTLAND

Leading on Loss & Damage

First Global North government to fund for loss & damage

£10M pledged and mobilised since **COP26**

Funds support community recovery, non-economic loss, and direct cash transfers in Africa and Asia

The RegionsAdapt Progress Report 2025 highlights why financing subnational governments is essential, and how they are turning commitments into action

READ MORE ON [REGIONS4.ORG](https://regions4.org)