USP2030
UNIVERSAL SOCIAL PROTECTION

Social Protection and Climate Finance

HOW SOCIAL PROTECTION CAN SUPPORT CLIMATE ACTION AND CLIMATE JUSTICE BY LEVERAGING CLIMATE FINANCE

About this document

This document aims to serve as a guide for both social protection and climate change policymakers and practitioners on the critical importance of better linking social protection with climate change action and climate finance. Beginning with a foundational understanding of climate change, social protection, and the linkages (Section 2), the document delves into the instrumental role of social protection in realizing the goals of climate action and climate justice (Sections 3), and then provides an overview of the relevance of different sources of international and national climate finance for social protection and guidance on how to access specific climate funds (Section 4).

Universal Social Protection 2030 (USP2030)

USP2030 is a coalition of governments, regional bodies, and international organisations committed to achieving the promise of SDG 1.3: "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable." USP2030 provides access to a global network of key actors with cutting-edge expertise in universal social protection; a platform to exchange country experiences in formulating and implementing social protection policies, and monitoring progress towards achieving universal social protection; fora to engage in a global forum for knowledge development and sharing, bringing together all relevant stakeholders; and undertakes advocacy, bringing country and constituency perspectives to bear in shaping the global social protection agenda and maintaining a strong voice for country ownership, responsibility and participation.

The USP2030 Social protection and Climate change Working Group was established to create a space for knowledge building and sharing as well as a platform for international interdisciplinary cooperation among actors working in the social protection and climate change nexus.

USP2030 Working Group on Financing was established to facilitate dialogue and the development of shared policy priorities among a range of actors working in social protection financing.

Acknowledgements

The development of this report was led by UNICEF for the USP2030 climate and financing working groups. Drafting initially led by Nicholas Mathers, Tomoo Okubo and Namrata Saraogi and subsequently updated by Sheila Murthy and Celine Julia Felix. It benefitted from key inputs from Mariya Aleksandrova, Garima Bhalla, Charlotte Bilo, Jana Bischler, Stephanie Capdeville, Florian Juergens Grant, Beatrice di Padua, Ruby Khan, Diana King, Marco Knowles, Jean-Louis Lambeau, Agnese Monti, Gunnel Axelsson Nycander, Celine Peyron Bista, Friederike Römer, Ermina Sokou, Ana Solorzano, David Stewart, Sayanti Sengupta and Lauren Whitehead.

Abbreviations

AF	Adaptation Fund
ALMP	Active labour market programme
BDB	Bilateral development bank
CCT	Conditional cash transfer
CDRFI	Climate disaster risk financing and insurance
COP	Conference of the Parties
DRF	Disaster Risk Financing
DRR	Disaster risk reduction
DRM	Disaster risk management
ETS	Emissions trading scheme
EWS	Early warning system
FbF	Forecast-based Financing
FRLD	Fund for responding to Loss and Damage (FRLD)
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse gas
INFFs	Integrated National Financial Frameworks
IPCC	International Panel on Climate Change
LDCF	Least Developed Countries Fund
MCF	Multilateral climate fund
MDB	Multilateral development bank
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
NRM	Natural resource management
PES	Payment for eco-system services
PWP	Public works programme
REDD+	Reduce Emissions from Deforestation and Degradation Plus Conservation
SCCF	Special Climate Change Fund
SIDS	Small Island developing nation
SPF	Social protection floor
UNFCCC	United Nations Framework Convention on Climate Change

Contents

Key Messages

Social Protection as a Climate Solution

- Social Protection (SP) is an essential yet often an overlooked policy tool for climate resilience, addressing vulnerability, poverty, and inequality — core elements of climate justice.
- SP can drive climate action while achieving broader developmental goals, ensuring sustainable and inclusive growth.
- When integrated into climate strategies, SP strengthens a just transition, safeguarding vulnerable communities and ensuring no one is left behind in the shift to low-carbon economies.

From Co-Benefits to Core Strategy

- To attract climate finance, SP must be positioned as an intentional climate action tool with measurable climate outcomes. This does not require reinventing the wheel but rather demonstrating its impact using climate-aligned frameworks, including resilience-building indicators, adaptation metrics, and just transition benchmarks.
- By quantifying its role in reducing climate-induced poverty and vulnerability, enhancing adaptive capacity, and mitigating socio-economic shocks, it can be effectively integrated into climate finance mechanisms.
- Additionality should be seen as an enabler, not a constraint. It provides a framework for articulating the causal link between SP interventions and measurable climate outcomes.
- Embedding SP into Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) increases its visibility in climate negotiations and financing mechanisms.

Strengthening Policy and Programmatic Alignment

- SP systems must be climate-proofed by integrating climate data, risk forecasting, and anticipatory mechanisms into program design.
- Countries should align SP with climate and sectoral policies (e.g., agriculture, energy, disaster risk reduction) to enhance synergies and build resilience.
- Institutional collaboration between SP practitioners and climate policymakers is essential to mainstream SP in national and global climate discussions, ensuring it is recognized as a key pillar in climate action.

Executive Summary

Climate change disproportionately affects the poor and vulnerable—those who have contributed the least to the crisis yet suffer its most severe consequences. This inequity underscores the urgent need for robust social protection systems, not just as a moral imperative but as an economic necessity. Well-designed social protection reduces poverty, strengthens resilience, and stimulates economic growth by sustaining consumption and supporting local economies. Beyond immediate relief, these systems serve as long-term investments that mitigate vulnerability and promote inclusive development.

Within the context of climate change, for the poorest and most vulnerable, social protection reinforces the social contract—not just between governments and citizens, but also between the international community and global population signifying a collective commitment – "we have your back".

It is also an economic imperative. Investments in social protection reduce long-term costs by preventing deeper poverty traps and improving productivity. A cohesive and forward-thinking approach to social protection can uphold climate justice while generating substantial economic and social returns that far outweigh the costs of inaction.

The COP29 negotiations in Baku, delivered both hope and frustration, marked by pivotal moments that underscored the urgency to address vulnerability, recognize the human impact of climate change, and ensure that those most affected receive adequate support.

A key outcome was setting of the New Collective Quantified Goal (NCQG) at $300 billion annually— this lays the groundwork for greater ambition in climate finance being channelized towards adaptation efforts. Additionally, the activation of the Fund for Responding to Loss and Damage (FRLD), with $741 million pledged, signals a growing recognition that mitigation and adaptation alone are not enough. Communities facing irreversible climate damage require additional support. These developments highlight the urgency of embedding social protection within climate strategies to ensure that the most vulnerable can withstand economic and social disruptions.[1]

Beyond finance, COP29 also advanced efforts to integrate the human dimension into climate action. The recognition of social protection as a pillar for climate-resilient development marks a shift toward policies that center vulnerability, livelihoods, and equity in the fight against climate change. However, while these strides are significant, there is still a lot of ambiguity regarding the sources of additional financial resources and how these funds will be effectively channeled. While there is still a long way to go, these steps represent meaningful progress toward a more just and inclusive climate future.

At the core of it all, there is substantial overlap between the objectives of social protection and climate action in that they both intend to improve well-being and reduce risks particularly for those at the margins.

However, despite widespread recognition of social protection and its impact, a significant gap remains in its consistent and practical application for climate action. Failing to fully leverage social protection overlooks a powerful tool for preventing and alleviating poverty, building resilience, and fostering sustainable development. Strengthening social protection systems in climate-vulnerable regions is crucial for addressing risks such as displacement, food insecurity, and livelihood loss. These systems must be "climate-proofed" to withstand increasing climate-related pressures while advancing climate justice by helping vulnerable groups adapt to climate change impacts.

This paper explores the critical link between social protection and climate change with an emphasis on enhancing its role in climate action. It provides insights for social protection practitioners and policymakers on ways to strategically integrate social protection into the climate agenda.

1 COP 28 L&D agreement

Exploring Linkages Between Climate Change and Social Protection

Climate Action Areas

The poorest communities, who have contributed the least to global warming, are the most vulnerable to climate change impacts. Climate justice connects development and human rights to address this disparity, ensuring that the burdens and benefits of climate change are shared equitably. It is an overarching theme that underpins three main categories of climate action:

Mitigation: Reducing greenhouse gas emissions through market-based solutions (carbon taxes, cap-and-trade) and regulatory measures (emissions standards, government investments), and protecting or enhancing carbon sinks (e.g., forests, oceans, soils, etc.). Nationally Determined Contributions (NDCs) set out country pledges on national efforts to mitigate climate change and are therefore central to global efforts to limit warning.

Adaptation: Adjusting to climate change effects to reduce harm and exploit opportunities. The Paris Agreement emphasizes enhancing adaptive capacity, resilience, and vulnerability reduction, with adaptation planning integrated into NDCs and National Adaptation Plans (NAPs).

Loss and Damage: Addressing the residual impacts that occur despite of, or in the absence of mitigation and adaptation measures, such as extreme weather and slow-onset events. The FRLD, operationalized at COP29, is one of the arrangements to provide financial support to vulnerable developing countries.

A key component of climate justice **is just transition**, ensuring that the shift to a low-carbon and resilient economies and societies does not leave vulnerable people behind. This involves fairness, social dialogue, decent jobs, and social protection for affected workers and communities.

What is the role of Social Protection for Climate Action

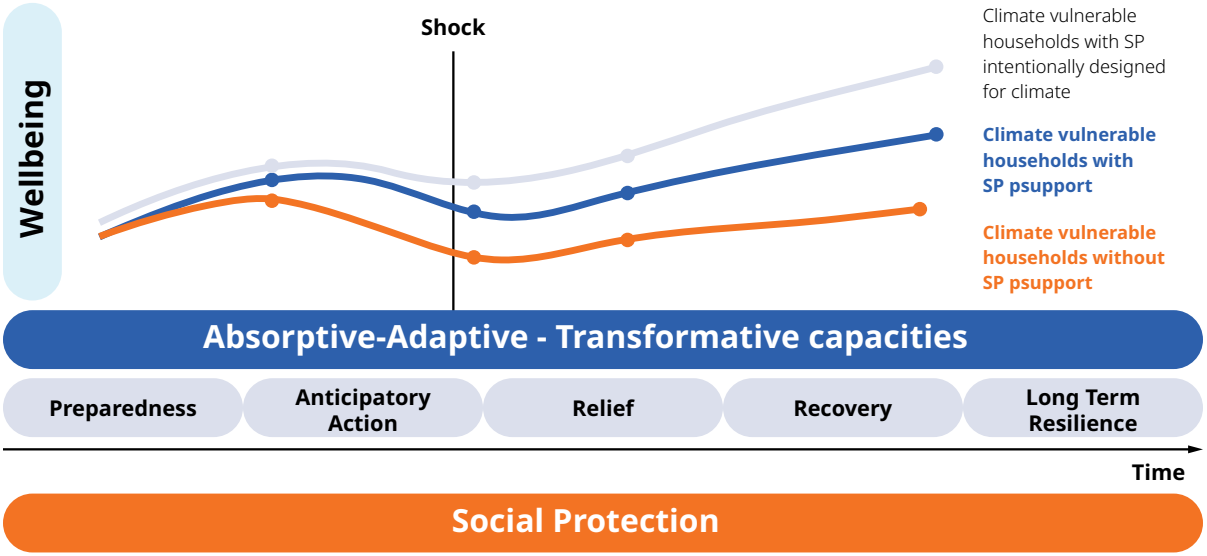
Social protection is widely acknowledged as central to reducing poverty, inequality, and vulnerability to risks. Achieving climate justice and a just transition requires aligning climate change responses with development goals. Well-designed, iteratively adapted, and adequately funded social protection systems can address climate risks while ensuring access to opportunities from climate policies, particularly for vulnerable populations.

As part of a country's social infrastructure, social protection systems must be **"climate-proofed"** to handle increasing pressures such as rising poverty, new vulnerabilities, and displacement.

These systems can support climate justice and a just transition by enabling vulnerable groups to adapt to climate impacts.

Social protection instruments strengthen resilience by investing in the absorptive, anticipatory, coping and adaptive capacities of poor and vulnerable households:

- **Protect and compensate for negative impacts of climate change responses (Mitigation):** It plays an instrumental role in protecting households from the negative effects of mitigation policies such as carbon taxes, removal of fossil fuel subsidies, and other structural reforms necessary for transitioning to greener economies, Additionally, social protection can also directly aid in emission reduction by integrating income support with sustainable resource management, as seen in Ethiopia's tree-planting initiative, which contributed to national climate goals.
- **Build resilience to shocks and climate stressors (adaptation):** Systems with broad coverage, strong delivery mechanisms, and comprehensive support help populations build resilience by reducing poverty and vulnerability to climate stressors and shocks. These systems enable families to prepare for, cope with, adapt to and recover from the impacts of climate change by investing in human development, increasing assets, and fostering savings.
- **Respond to Climate stressors (loss, and damage):** Social protection can scale up benefits as an anticipatory measure or in response to climate shocks, providing cost-effective, timely, and people-centered responses. Cash transfers offer scalable solutions to compensate for losses and damage, with programmes that can quickly expand in emergencies.



What has progressed so far and what are ways to better align Social Protection programs and systems with Climate Action

While recognition of social protection's role in climate resilience gained some traction at COP29, its integration into the broader climate agenda remains limited.[2]

As of 2024, only 14% of countries include social protection in their Nationally Determined Contributions (NDCs), and just 13% acknowledge its importance for agrifood systems.

This marks an improvement from 2022, when a mere 4% of NDCs referenced social protection, but the progress is still far from sufficient.

These figures reflect a growing awareness of social protection's role in climate policy, yet they also underscore the lack of a structured and widespread recognition of its potential. While encouraging, this progress is incremental, and social protection remains at the margins rather than a core pillar of climate strategies. There is ample opportunity to leverage its full potential in delivering impactful climate action.

Social protection systems play a crucial role in addressing climate risks by reaching the most vulnerable populations, ensuring they are not left behind in climate adaptation and mitigation efforts. Compared to other climate policies, such as energy or infrastructure investment, social protection uniquely targets those most affected by climate change and climate policies, including women and girls, informal workers (small scale informal farmers), people with disabilities, marginalized ethnic groups, and displaced populations.

Even in countries with limited social protection coverage, integrating climate considerations into policy, governance, and program design is both necessary and feasible. Climate proofing a social protection system can be potentially done at three key levels to deliver on climate action:

1. Policy Level – Aligning social protection with climate and sectoral policies is crucial for ensuring long-term resilience. This alignment can be demonstrated when a program is connected to or derived from climate-relevant policies, such as climate/environment strategies, or when its rationale explicitly addresses climate themes. Below are contrasting examples of such alignment: **Examples include Bangladesh's Enhancing Resilience Program**: This program is integrated into the government's Five-Year Plan and Climate Change Action Plans, where social protection is a central pillar. Contrastingly in the case of **Moldova's Drought Response**: In 2012, it was the Ministry of Agriculture and Food Industry that provided cash transfers to farmers affected by drought. This response was later recognized as part of Moldova's broader climate change policy, reinforcing its role in fostering long-term climate resilience for vulnerable agricultural communities.

2. Program Level – Embedding climate risk into regular social protection programs enhances their ability to support adaptation, mitigation, and loss and damage (L&D). Climate forecast data and projections can influence program design, targeting approaches and monitoring frameworks.

3. Administrative capacities to deliver climate-proofed interventions increase resilience. Integrating climate data and leveraging the information from the social service care workforce can strengthen and streamline the social protection programming from the ground up.

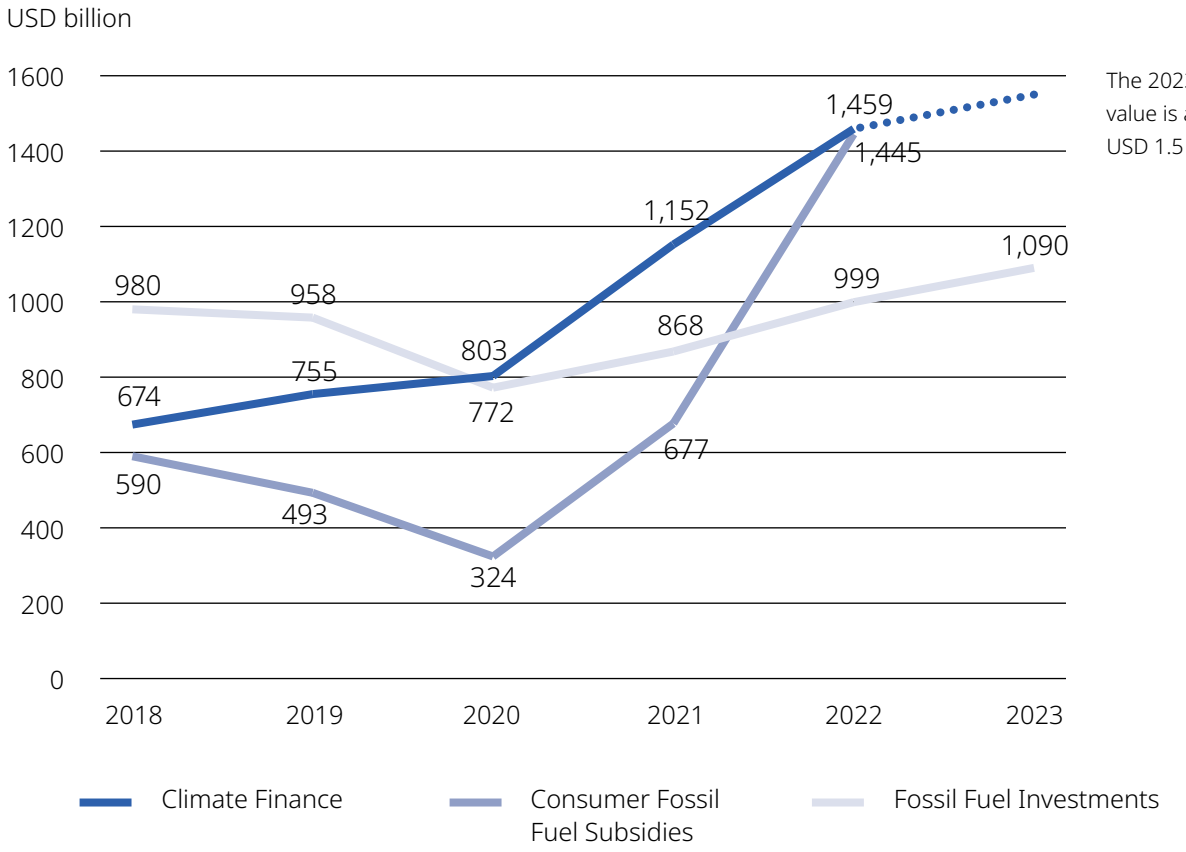
By embedding climate considerations into social protection systems, these mechanisms become powerful tools for advancing climate-resilient development, ensuring both immediate support and long-term adaptation strategies. The human-centered approach—focusing on accessibility, vulnerability, and systemic inclusion—strengthens the ability of social protection to build resilience in the face of climate change.

2 Under Global Goal on Adaptation, social protection indicator recognized under livelihoods.

Leveraging Climate Finance for Social Protection

Social protection financing remains a complex challenge, influenced by a country's economic structure, government policies, and the evolution of social protection programmes and systems. Despite global public expenditure on social protection (excluding healthcare) averaging 13% of GDP, there are significant disparities across income groups. High-income countries allocate 16.4% of GDP, while low-income countries spend just 0.7%. Many low-income countries, particularly those most vulnerable to climate risks, face substantial resource constraints.

While national social protection systems should ideally be funded through domestic resources, low-income countries often require external financial support to close financing gaps and build resilient social protection systems. Climate finance—growing from USD 674 billion in 2018 to USD 1.6 trillion in 2022—can serve as a vital source of financing to strengthen these systems.



The 2023 climate finance value is an estimate between USD 1.5 and 1.6 trillion.

Climate finance is a complex and evolving landscape with a vast array of actors, funding mechanisms, and financial instruments. There are, however, some broad strokes that help navigate this space. Overall, the main sources of climate finance can be public private, national, or international, and bilateral or multilateral sources. These sources use a wide array of financial instruments including grants, donations, green bonds, equities, debt swaps, guarantees, and concessional loans.

Main sources of finance therefore include:

- **International Public Climate Finance –** Includes concessional loans, grants, and debt swaps distributed through multilateral climate funds (MCFs), development finance institutions, and other global mechanisms.
- **International Private Investment –** Involves green bonds and other financial instruments, often backed by donor countries or development banks to attract private capital.
- **Carbon Markets –** Comprises cap-and-trade schemes and voluntary carbon offset mechanisms, allowing businesses and governments to trade carbon credits as part of their emission reduction strategies.
- **Domestic Climate Finance –** Sourced from general taxation, carbon taxes, and private sector investment, often complementing international funding.

Several multilateral funds are available to support climate action in developing countries, particularly under the United Nations Framework Convention on Climate Change (UNFCCC). Some of the major funds include the GCF, GEF, CIF and the adaptation fund that provide financing in the form of grants for mitigation, adaptation and resilience building projects. The development finance institution, however, usually provides financing in the form of concessional loans.

Key Challenges in accessing Climate finance

Positioning Social Protection

While there is growing recognition of the relevance of social protection as part of the climate resilient development agenda, there is still a big void in understanding what kind of a policy instrument it is(partly because of suite of instruments it encompasses) and the true extent of its impact especially on outcomes that are vital in the climate action agenda. Effectively positioning social protection in the climate finance landscape requires demonstrating its direct contribution to climate objectives. A proposal for social protection to support vulnerable groups in the general context of climate change is unlikely to attract climate-related funding. While there is wider recognition of its role in strengthening household resilience, it is still challenging to attract climate-related funding without a clear articulation of its comparative advantages which can include:

- **Scale, Reach, Intentional design and Flexibility:** Today, 52.4% of the global population is covered by at least one social protection benefit, but coverage remains critically low in low-income countries, at just 9.7%. While there is still significant progress to be made, this existing coverage serves as a foundation for expansion—an opportunity to strengthen and scale social protection systems to enhance climate resilience. By leveraging social protection, countries can unlock three key benefits that improve their readiness and ability to respond to the challenges of climate change:

  Scale: The ability to operate at the scale needed to meet global climate challenges (with rapid expansion demonstrated during COVID-19).

  Reach: In countries with limited social protection coverage, even a single program that reaches vulnerable populations serves as a critical access point that can be expanded to extend support to a broader population. It offers an entry point/ available institutional setup and infrastructure (varying across countries) that can effectively reach the most vulnerable populations.

  Intentional Design and Flexibility: The nature of social protection—its instruments, targeting approaches, and implementation—highlights its capacity and flexibility to be designed with intention. This is particularly pertinent in the context of climate change, where risks and vulnerabilities unfold across a continuum—before, during, and after climate-related stressors. Social protection systems, when thoughtfully designed, can effectively address diverse vulnerabilities and enhance resilience, ensuring that support reaches those most affected at critical moments.

- **Country-Led Systems**: Social protection programmes are typically more efficient, scalable, and sustainable than short-term, siloed climate projects.

- **Complementarity with Development Goals**: Social protection enhances multiple national sustainable development objectives, promotes social cohesion and reduces inequality.

Additionality of Climate Finance

The concept of "additionality" is central to climate finance. Climate finance should be new and additional funds provided for climate action to address the "additional challenges" posed by climate change rather than reallocated funds from other development aid or budgets. This is crucial when linking social protection to climate action, as it requires a clear, measurable connection between interventions and climate-related outcomes. To maximize climate finance for social protection, countries should highlight its strategic value within their NDCs and NAPs, and estimate financing needs specific to social protection in the context of climate change.

Looking Forward: Opportunities and Strategic Entry Points

The role of social protection in climate action represents a significant opportunity for progress. By aligning social protection outcomes with climate policies, we can unlock its full potential. Key opportunities include:

1. **Embedding Social Protection in NDCs and NAPs (2025):** The third iteration of NDCs is an opportunity to emphasize the importance of social protection in climate mitigation, adaptation and response to loss and damage. It is important to set clear, measurable targets for social protection within the NDCs. This integration can facilitate:

    a. **Direct Access to Climate Finance:** Countries that incorporate social protection into their NDCs can validate its role, enabling Multilateral Climate Funds (MCFs) and other providers of international and domestic climate finance to allocate resources. For instance, the Green Climate Fund (GCF) approved a $28 million project in Mozambique in 2024, demonstrating alignment with the country's NDC.

    b. **Access to Multisectoral Processes:** It also helps ensure that social protection is included in other related multisectoral policy processes, like national green growth policies and strategies, just transition plans, energy transition strategies, disaster management and risk financing strategies, and other sectoral plans and strategies tackling the impacts of climate change. This helps social protection practitioners gain a seat at the table when it comes to policy planning and implementation to highlight the synergetic aspects of social protection.

3. **Advancing towards a Just Transition**: Social protection systems are crucial for ensuring that the transition to low-carbon and resilient economies is equitable. Not only do they cushion the impacts of climate shocks, but they also promote social cohesion and justice. Social protection plays a key role in addressing the continuum of risks and vulnerabilities, including economy-wide structural changes, arising from climate change. The following can help advance its relevance in achieving a just transition:

    a. **Continued global Advocacy and Partnerships:** promote just transition comprehensive policy frameworks, with a clear articulation of the integration of social protection for a just transition. Transition policy packages need to identify and address not only environmental but also economic and social challenges and opportunities. This requires social protection as a key instrument in climate change adaptation and mitigation.

    b. **Technical Assistance and Capacity Building**: Provide technical assistance and capacity -building support to design and implement effective social protection systems that address climate risks and contribute to a just transition.

    c. **Community Engagement and Inclusive and adaptive Policy Design and programme implementation:** Engage communities in the design and implementation of programmes to ensure they are context-specific and address the local needs.

Conclusion

In conclusion, enhancing the role of social protection in climate action presents a unique opportunity to protect vulnerable populations and foster resilience to climate change. By embedding social protection into climate frameworks, both at national and international levels, we can ensure that the poorest and most vulnerable are not left behind in the face of climate change. The strategic alignment of social protection and climate action can create a more equitable, sustainable future for all.

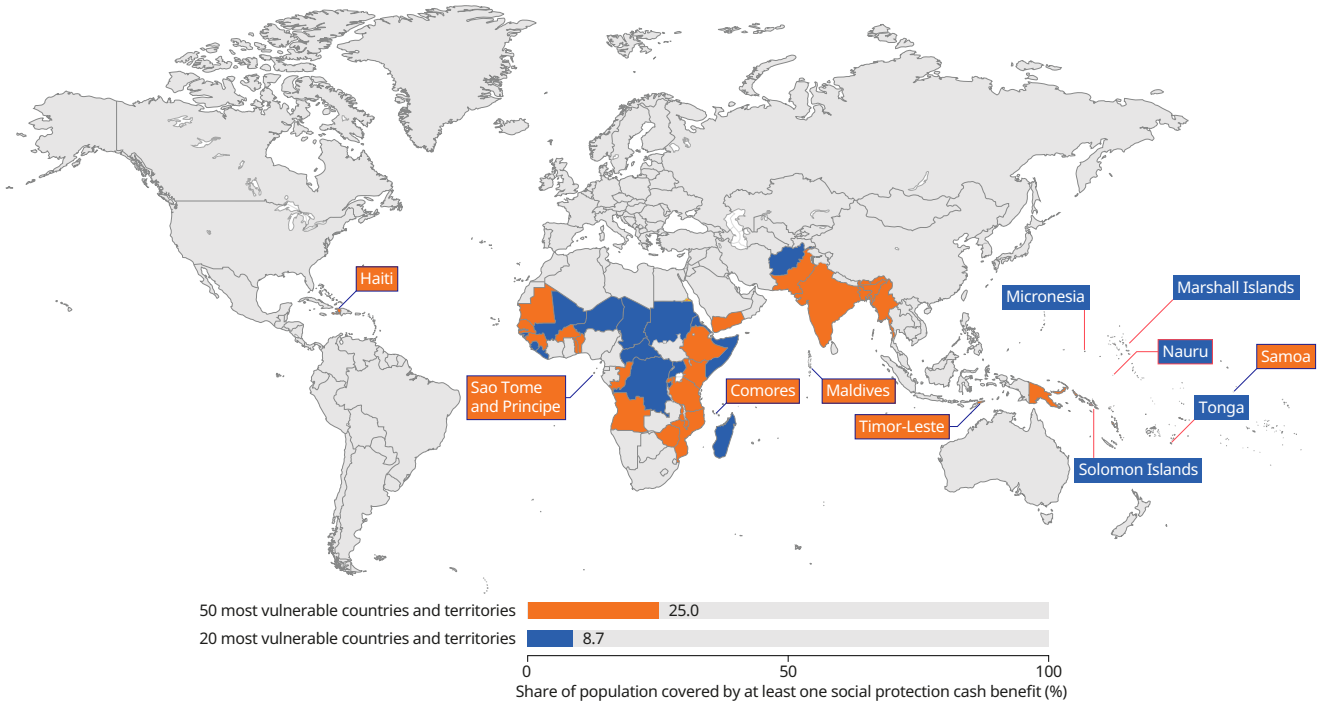
1. Introduction

Climate change is an acute threat with the power to push more than 130 million people back into poverty (WEO, 2023; Jafino etal,.2020; Hallegatte et al., 2016). Poor families, children, women, and marginalized groups suffer the most and are at the forefront of this climate crisis reality. 774 million children living in poverty are disproportionally exposed to extreme climate events exacerbating poverty and eroding human development gains (Global Coalition to end poverty, 2022).

As the world comes to terms with the realities of a climate volatile planet, for the poorest and most climate vulnerable parts of the world, volatile times heightens their need for some sense of income security to grapple with the monumental environmental and livelihood consequences of climate change.

Yet, in 20 countries that are on the frontlines of the climate crisis, more than 90 per cent of the population do not have access to any form of social protection cash benefit, be it child and family or unemployment benefits, or any support that can protect them from the ravages of climate change. In the 50 most climate-vulnerable countries, 75 per cent of the population – or 2.1 billion people – also lack any social protection.[3]

Figure 1: The 20 and 50 countries most vulnerable to climate change and their weighted average effective coverage by at least one social protection cash benefit, 2023 (percentage)



Lack of adequate coverage is primarily a financing and fiscal space issue. In most low-income countries that are at climate risk, social protection systems are resource constrained. While ideally, national social protection systems should primarily be funded through domestic resources, evidence shows that particularly for low-income countries it is be difficult to close financing gaps through domestic resources alone and international support is crucial. Climate finance (additional to ODA) offers a new and growing potential source of funding to support the expansion of social protection systems, programmes and initiatives that contribute to the goals of climate change action and climate justice.[4]

To access climate finance, two key steps are essential.

- First, countries must acknowledge social protection as a critical policy tool and integrate it into their Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs). [5]
- At the same time, climate change considerations must be embedded within social protection strategies and financing frameworks.

This requires leveraging global climate funds alongside development finance to expand, make it adequate and "climate-proof" social protection, with a strong focus on its expansion to enhance resilience and safeguard vulnerable populations.

In recent discussions at COP29 that recognized and underscored the importance of anchoring climate change efforts around human development, social protection programmes and systems was recognized as a key and often overlooked solution to address the climate induced risks and vulnerabilities faced by children and poor families. [6]

The USP2030 Working Group on Social Protection and Climate Change also calls for a recognition of social protection as a strategic investment for achieving climate resilient and low carbon development that leaves no one behind. [7]While the impacts of climate change reinforce the need for a more comprehensive social protection system, a broader lens on both issues provides a unique opportunity to support climate justice and ensure a just transition toward sustainable, green, and resilient development, particularly for the world's most vulnerable populations.

The aims of this paper are twofold. First, to support social protection policy makers and practitioners and those involved in the climate response to understand the role social protection can play in facilitating and accelerating climate action. Second, to inform social protection policy makers and practitioners about how to access climate finance for social protection initiatives that contribute to or align with the objectives of climate action.

The paper is structured so that each of the following sections can be read sequentially, to build knowledge from the start, or independently to allow readers to focus on specific areas of interest.

Section 2 outlines the core **objectives of climate action and the links between social protection and climate change** and climate justice.

Section 3 describes the range of **social protection interventions and approaches that are relevant for specific climate objectives and sectors** including policy integration, mitigation, adaptation, and loss and damage. Annex one provides more in-depth analysis of the integration of social protection into nationally determined contributions (NDC) and national adaptation plans (NAP).[8]

Section 4 provides an overview of climate finance and its relevance to social protection and describes the range of **international and national sources of climate finance with the potential to fund climate related social protection initiatives**. Annex two provides a more detailed mapping of specific multilateral climate funds and how to access them.

---

4 High income countries must not only reduce emissions to zero more quickly than other countries, but they must also pay down their climate debts. Social protection is a prerequisite for climate action
5 Joint Guidance Note - Integrating Social Protection in the NDCs.pdf
6 Baku principles
7 USP2030 Social protection and Climate change Joint statement
8 USP 2030 Guidance note on integration social protection into the NDCs

2. Climate Change and Social Protection: Understanding the Links

This section describes the main objectives of climate change policy and the concept of climate justice and then outlines the linkages between social protection and climate action.

2.1 Climate Change Policy and Action

The poorest communities and individuals in the world are the most exposed to and least able to cope with the impacts of climate change, while having contributed the least to global warming.

Climate change underscores the need to adapt to new ways of life, but the reality of climate change is that it is a global phenomenon that has local effects which are unfair (given that the global CO2 emissions are least by the countries most affected by climate change). A lens that is particularly pertinent is climate justice which explicitly connects development and human rights to create a more human-centred approach to tackling climate change. It emphasizes the protection of the rights of the most vulnerable, ensuring that the burdens and benefits of climate change and its impacts are shared equitably and fairly. [9]

Climate policies and action, falls under the three broad categories of mitigation, adaptation, and loss and damage, with the principle of climate justice relevant throughout.

Mitigation - To address the root causes of climate change, mitigation involves human intervention to lower the concentration of greenhouse gases (GHG) in the atmosphere by reducing emissions from polluting sectors (such as energy, manufacturing, transport, construction, and agriculture), and through nature-based solutions by enhancing our carbon sinks and restoration of land-based and marine ecosystems.[10] There are two main policy level approaches to mitigation: market-based solutions such as carbon taxes, subsidies, and cap-and-trade programmes; and regulatory solutions such as (non-tradeable) permits, technology and emissions standards, product bans, and government investment and programmes.[11] To meet the global goal of limiting global warming, all parties to the Paris Agreement have committed to national GHG reduction targets and mitigation strategies known as Nationally Determined Contributions (NDC). While this might entail a significant economic and structural transformation towards more green economy, social protection can help support and protect households to ensure a just transition.

Adaptation - Alongside mitigation, it is necessary for societies and ecosystems to adapt to the effects of climate change. In human systems, adaptation means adjusting to actual or expected climate change and its effects to moderate harm or exploit beneficial opportunities. In natural systems, adaptation is the process of adjusting to actual climate change, whether through natural processes or human intervention.[12] The Global Goal on Adaptation (GGA) defined in the Paris Agreement is "***to enhance adaptive capacity and resilience; to reduce vulnerability, with a view to contributing to sustainable development; and ensuring an adequate adaptation response in the context of [actions to limit global warming***]."[13] There is significant overlap between adaptation, development, and disaster risk reduction (DRR). However, adaptation goes beyond prevailing approaches to human development and DRR to include measures that address ***additional current and future risks specifically***

9 BAKU cop 29
10 United Nations Environment Programme and International Union for Conservation of Nature (2021). Nature-based solutions for climate change mitigation. Nairobi and Gland.
11 Center for Sustainable Systems, University of Michigan. 2022. "Climate Change: Policy and Mitigation Factsheet." CSS05-20.
12 IPCC, 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [H.-O. Pörtner et al. (eds.)]. Cambridge University Press.
13 UNFCCC: New elements and dimensions of adaptation under the Paris Agreement (Article 7). Accessed 10th July 2023.

caused by climate change.[14, 15] Parties to the Paris Agreement are required to engage in adaptation planning and implementation through NDCs, National Adaption Plans (NAP), or other mechanisms. NAPs typically cover a range of sectors, including agriculture and food security, water resources, coastal zones, health, ecosystems, disaster risk reduction, energy, urban planning and infrastructure, livelihoods, and social protection.

Loss and damage - Where mitigation and adaptation are unable to address the impacts of climate change, there is a need to address the loss and damage incurred from both extreme weather and slow onset events such as land degradation and sea level rise.[16] The IPCC states that loss and damage refer to "***harm from (observed) impacts and (projected) risks and can be economic or non-economic***".[17] The concept of loss and damage is highly political as it implies an obligation on the part of developed nations to compensate developing nations for the impacts of climate change. [18]

At COP29, a decision was made to ensure the full operationalization of the Loss and Damage Fund, long awaited by developing countries, including small island states, least developed countries, and African nations. The financial support pledged for the Fund exceeds $741 million. The World Bank formalized its role as a host organization for the fund. The Fund Responding to Loss and Damage (FRLD) aims to begin disbursing finance to vulnerable developing countries in 2025, though much of the groundwork remains to be done. The inclusion of the private sector in discussions around L&D was notably limited at COP29. [19]

Climate justice and a Just transition- Within the broader concept of climate justice, there is a strong focus on just transition, which the IPCC defines as a set of principles, processes and practices that aim to ensure that no people, workers, places, sectors, countries or regions are left behind in the transition from a high-carbon to a low-carbon economy.[20] However, a just transition is sometimes considered synonymous with climate justice, relating as much to climate impacts, the transition to resilience and adaptation. In this view, a just transition requires targeted and proactive measures from governments, agencies, and authorities to ensure that any negative social, labour, environmental or economic impacts of economy-wide transitions and climate change more broadly are minimised, while benefits are maximised for those disproportionally affected. This is also reflected by the ILO Guidelines for a Just Transition (2015) which highlight several key principles including respect and dignity for vulnerable groups, fairness in energy access and use, social dialogue and democratic consultation with relevant stakeholders, the creation of decent jobs, social protection, and rights at work.[21]

2.2 Social Protection and Climate Action

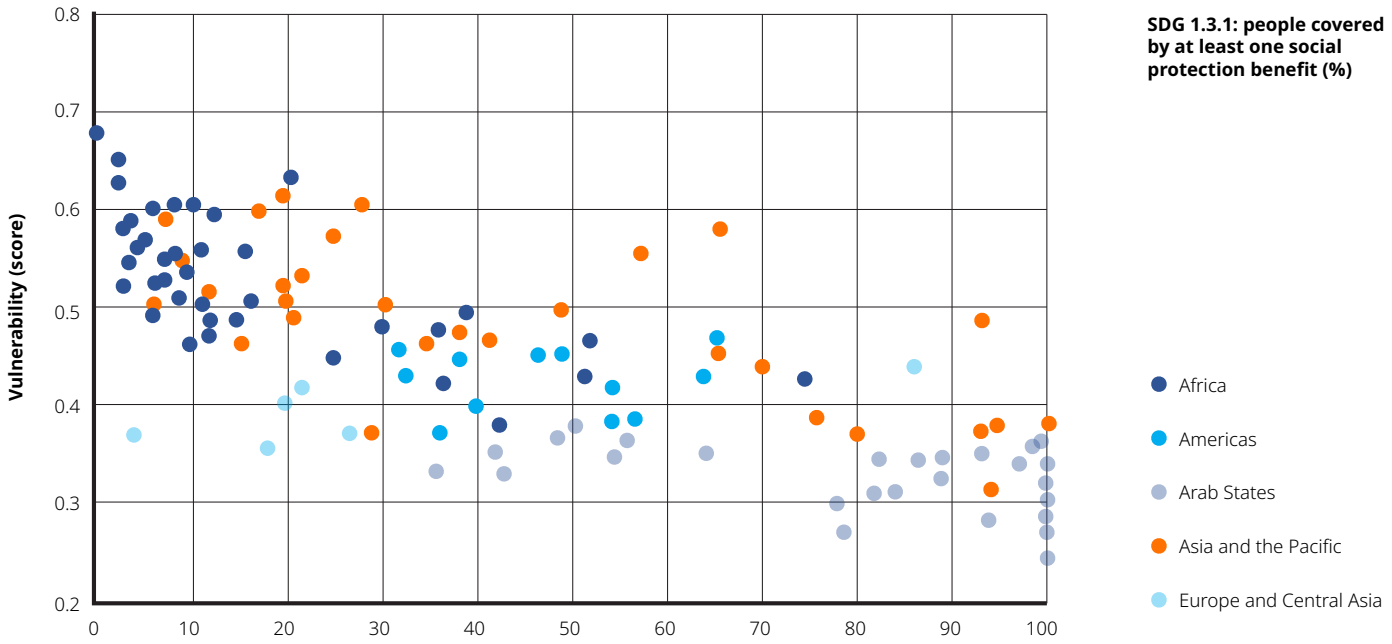
Social Protection is a set of policies and programmes that aim to protect people, their households and families from income shortfalls, economic vulnerability, and poverty throughout their lifecycle in the face of a range of adverse situations, such as job losses, illnesses or the impact of structural transitions and crises situations. It also facilitates access to essential services. This means ensuring adequate protection for all who need it, including children; people of working age in case of maternity, sickness, work injury or for those without jobs; persons with disability and older persons and promoting human capital investments.

14 Grantham Institute: What is climate change adaptation? Accessed 10th July 2023.
15 DRR focuses on reducing the risks of both climate and non-climate related hazards, and without necessarily transforming society in the longer term to adapt to a specific environment: Wen, J. et al. (2023) Disaster Risk Reduction, Climate Change Adaptation and Their Linkages with Sustainable Development over the Past 30 Years: A Review, International Journal of Disaster Risk Science, 14, 1-13.
16 United Nations Climate Action: COP 27: Delivering for people and the planet. Accessed 10th July 2023.
17 IPCC, 2022.
18 Historic Decision in Baku: The Loss and Damage Fund fully operationalised
19 Åberg, A. (Chatham House, 2023): The historic loss and damage fund. Accessed 30th July 2023. Hill, C. (Relief Web 2023): A loss and damage fund: two big challenges. Accessed 30th July 2023. Historic Decision in Baku: The Loss and Damage Fund fully operationalised
20 IPCC, 2022
21 ILO (2015) Guidelines for a just transition towards environmentally sustainable economies and societies for all. ILO, Geneva.

The importance of social protection has been widely acknowledged by the international community. To promote the extension of social protection worldwide, the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP2030), launched in 2016, formulated five core principles reflecting the global consensus on how to extend social protection to all. [22]

Yet, social protection coverage is lowest in countries most vulnerable to climate change, which makes its expansion particularly urgent (figure 3). Ensuring universal access to social protection, is therefore, central to the efforts of developing countries in reducing poverty, inequality, and vulnerability to individual and communal risks.

Figure 2: The relationship between a country's vulnerability (score) to climate change and social protection coverage (percentage), by region, 2023



Source: World Social protection Report 2024[23]

Social protection within the context of climate change: normative lens

Social protection can effectively contribute to achieving climate goals, including climate change adaptation, mitigation, loss, and damage, and support for a just transition (USP 2030). Access to social protection is a human right and comprehensive national social protection systems, including social protection floors, are central to achieving positive returns in terms of overall economic growth, sustainable development and reducing inequality. While social protection is necessary for all, it is one of the most effective policy instruments for reaching and addressing the needs of the poorest and most vulnerable in society (see Box 1 for a definition of social protection).

22 USP2030
23 World Social Protection Report 2024

Box 1

What is Social Protection

Social protection is a set of policies and programmes aimed at preventing and protecting all people against poverty, vulnerability, and social exclusion, throughout their life cycle placing a particular emphasis on vulnerable groups. This means ensuring adequate protection for all who need it, including children; people of working age in case of maternity, sickness, work injury or for those without jobs; persons with disability and older persons.

Social protection systems are comprised of three interrelated elements: policies and governance mechanisms, programmes, and administrative systems. Most national social protection systems encompass a combination of programmes including contributory social insurance, labour market programmes (LMP) and non-contributory social assistance (see figure, below). In some countries, social protection also encompasses social care services for vulnerable groups.

Social Protection			
Social Insurance	**Labour Market Policies**	**Social Assistance**	**Social Care**
— Health insurance — Insurance for unemployment, sickness, maternity/paternity, disability, work accidents, old age, crop/livestock	— Active: training, job search, certification — Passive: minimum wage, work conditions	— Social transfers: child benefits, social pensions, poverty targeted programmes — Public works — Fee waivers for basic services — Subsidies	— Family-support services — Home-based care

USP2030 calls for universal coverage of social protection that provides support throughout the life cycle. However, it is recognised that this cannot be achieved immediately. The concept of Social Protection Floors (SPF) prioritises establishing a foundation of social protection for the most vulnerable before ensuring higher levels of protection for as many persons as possible, and as soon as possible. SPFs comprise a set of basic social security guarantees that allow people to live in dignity throughout their lives including, at least: access to essential healthcare, including maternity care; basic income security for children, ensuring access to nutrition, education, care, and other necessary goods and services; basic income security for persons of working age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; basic income security for older persons.

The relationship between social protection and climate change can be viewed from two (related) perspectives (see Box 1 and Box 2 for definitions of social protection and for a definition that is used within the context of climate change).

Box 2

Defining Social Protection in the Context of Climate Change24

Several different terms have arisen when considering social protection in the context of climate change. The IPCC refers to 'adaptive' social protection, which is defined as "a resilience-building approach [that] combines elements of social protection, disaster risk reduction and climate change adaptation, so as to break the cycle of poverty and vulnerability of household by investing in their capacity to prepare for, cope with and adapt to all types of shocks, especially under climate change and other global challenges." Originally it was conceived to integrate social protection, disaster risk management and climate change adaptation to better protect people from extreme events and build longer-term adaptive and transformative capacity.

Other terms such as 'shock responsive', 'climate responsive', and 'climate resilient' social protection refer to broadly similar concepts. While there are arguments for differentiating these terms (see for example, this blog on Adaptive versus shock responsive social protection), it is perhaps more useful for policymakers to focus on what they have in common: increasing attention on the role that social protection can play in advance of, and in response to shocks, including rapid and slow on-set events linked to climate change, for immediate, medium- and longer- term support, alongside other sectors.

Moreover, as discussed in Sections 2 and 3 of this report, the relationship between social protection and climate change extends beyond adaptation and shock response to include support for mitigation goals and promoting climate justice by addressing economic and social inequalities.

24 IPCC 2022 ; UNICEF 2019; WFP 2020.

On the one hand, social protection systems are part of a country's critical "social infrastructure." Climate change places greater pressure on social protection systems by increasing the breadth and depth of poverty, introducing new vulnerabilities or exacerbating existing ones, and creating greater uncertainty around when and where different population groups require assistance, for example due to displacement. Social protection systems require investment to expand, adapt, and become more resilient to the increasing stresses placed upon them, especially in the least developed countries. In other words, social protection systems need to be "climate-proofed" to (continue to) achieve their core objectives of reducing poverty and vulnerability.[25] A recent HelpAge report highlighted that because climate change is likely to have a negative impact on inflation, growth and the debt-to-GDP ratio, there will be a greater need for comprehensive and effective social protection programmes.[26]

On the other hand, in addition to achieving its core objectives, social protection can be an effective mechanism to help achieve specific climate change objectives and to support climate justice and a just transition. Adapting social protection to support climate goals and "climate proofing" national social protection systems are mutually reinforcing, especially from the perspective of climate justice.

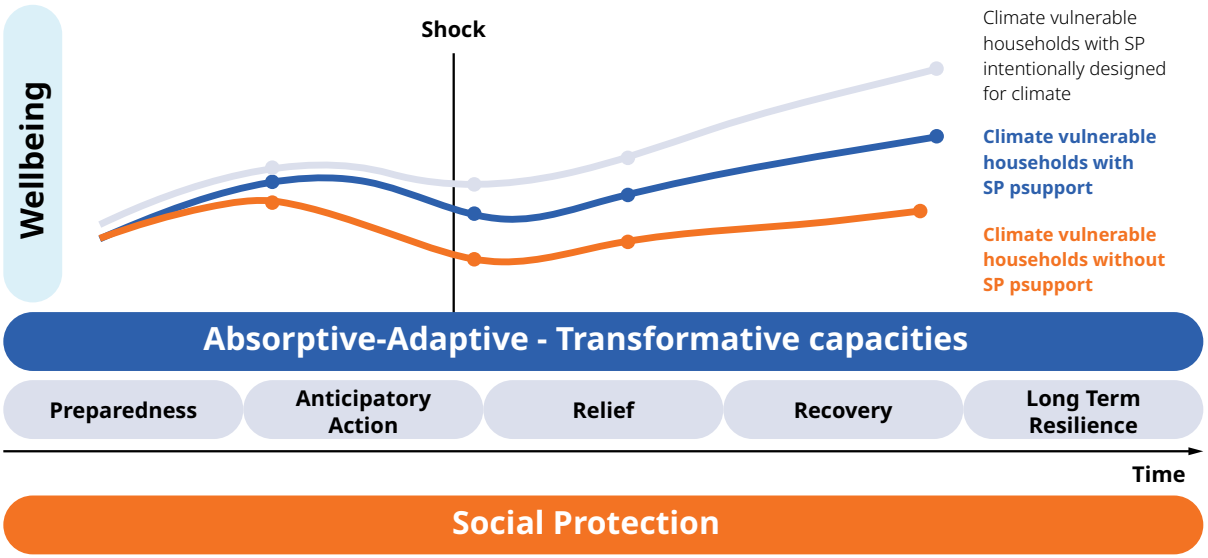
Social protection within the context of climate change: conceptual and descriptive lens

The overarching normative lens outlined above highlights that social protection systems serve as a country' social infrastructure, which can be 'climate-proofed' to ensure they continue effectively reducing poverty and vulnerability in the face of climate change.

The figure below demonstrates how with access to social protection, climate vulnerable households can build better resilience over time and have better well-being. The dotted line indicates the possible trajectory of households if the design of social protection systems is climate proofed.

25 Aleksandrova, M. (2021) The Untapped Potential of Global Climate Funds for Investing in Social Protection. Briefing Paper 7/2001. German Development Institute (DIE).
26 Climate justice in an aging world

Figure 3: Pathways of Impact of social protection on climate vulnerable households



Source: Authors, adapted from World Bank 2024

At the core of this intersection lies the fundamental goal of addressing exposure to risk and building resilience. These principles are deeply embedded in both social protection and climate action, shaping efforts to reduce vulnerability and safeguard communities. There is extensive evidence demonstrating that social protection systems enhance the capacity of individuals and societies to prepare for, cope with, and recover from shocks and climate stressors. [27]Social protection contributes to strengthening both coping and adaptive capacities.

Building on Benes et al. (2018), resilience can be conceptualized as the result of three interconnected yet distinct capacities: (1) **Absorptive capacity** – the ability of households to buffer or moderate the impact of a shock, (2) **Adaptive capacity** – the adjustments individuals make to maintain functionality without significant changes to their structure or identity, and (3) **Transformative capacity** – the ability to enact fundamental changes in response to major shifts in their environment.[28]

Social protection plays a crucial role in advancing climate mitigation, adaptation, and addressing loss and damage by enhancing long-term household resilience. It does so by strengthening key capacities that enable communities to withstand and recover from climate-related shocks and stressors.[29] (Bahadur et al., 2015; FAO, 2024).

Social Protection and Mitigation - Social protection plays an instrumental role in supporting mitigation policies such as carbon taxes, removal of fossil fuel subsidies, and other structural reforms necessary for

27 Bastagli, F., Hagen-Zanker, J., Harman, H., Barca, V., Sturge, G., Schmidt, T. and Pellerano, L. (2016), Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features, ODI Report. Tirivayi. Y, Knowles. M, Davis. B (2016), "The interaction between social protection and agriculture: A review of evidence", Global Food Security, Volume 10, 2016, Pages 52-62, https://doi.org/10.1016/j.gfs.2016.08.004.

28

29 The 3D resilience framework is derived from Béné C., Headey D., Haddad L., and von Grebmer K., (2016). Is resilience a useful concept in the context of food security and nutrition programmes? Some conceptual and practical considerations. Food Security 8(1), 123-138; Bahadur, A. Ibrahim, M. Tanner, T. (2013) 'Characterising resilience: unpacking the concept for tackling climate change and development', Climate and Development 5(1): 55-65. Bhalla, G., Knowles, M., Dahlet, G. and Poudel, M. 2024. Scoping review on the role of social protection in facilitating climate change adaptation and mitigation for economic inclusion among rural populations. Rome, FAO.

transitioning to greener economies, by protecting households from their negative effects. This is important from a climate justice perspective but is also necessary to ensure political support for mitigation policies. More specifically, social protection can support households to cope with price increases of essential goods and services such as food, water, energy and transport, and most effectively when coverage is broad and inclusive. Social protection also provides unemployment protection and support for retraining and entry into alternative labour markets following closure of polluting or otherwise environmentally unsustainable industries. New green jobs also offer opportunities to expand access to social insurance schemes. Social protection also has the potential to directly support climate change mitigation by incentivising activities that contribute to reducing greenhouse gas emissions, carbon sequestration, and regeneration of ecosystems.

Social Protection and Adaptation - Alongside other sectoral policies, social protection helps to build the resilience of households, promote adaptive and more resilient livelihoods and restore the environment in the face of the changing climate and increased frequency and intensity of shocks. Social protection increases the resilience of households to prepare for, cope with, and recover from climate-related and other shocks by reducing poverty and vulnerability, investing in human development, and increasing assets and savings; supports households, especially small-scale producers, to sustainably increase productivity, improve efficiency and adopt more resilient livelihood practices; and reduces disaster risk by contributing to the management of natural resources and the physical environment through financial incentives and public works programmes.[30] In the longer term, social protection can transform the underlying causes of vulnerability and structural inequality that make various groups more vulnerable to climate impacts such as children, the elderly, people with disabilities, and displaced populations. In particular, gender responsive social protection can increase gender equality and reduce the particular vulnerabilities of women and girls.

Social Protection and Loss and damage - As well as enhancing resilience and adaptive capacities, social protection provides a mechanism to meet the immediate needs and support recovery of households in the aftermath, and potentially in anticipation, of rapid onset weather-related shocks and slower on-set and cyclical crises. This requires adapting social protection systems to become more shock-responsive by integrating mechanisms for horizontal and vertical expansion, linking to early warning systems, coordinating with disaster risk management and humanitarian sectors, and establishing and linking to disaster risk financing and insurance mechanisms. [31]Social protection systems with already universal or high levels of coverage generally have more scope to expand to meet additional needs.

While social protection is for all, compared to other climate policies (such as the promotion of climate resilient agricultural practices and investment in climate resilient infrastructure), social protection systems have the potential to reach the most vulnerable and ensure they are not left behind. This is the case whether protecting people from the negative impacts of climate change and climate policy or supporting adaptation and promoting access to new more sustainable livelihood and employment opportunities. To this end, rights-based universal approaches to social protection are more effective than narrowly targeted and temporary interventions at ensuring inclusivity of those most vulnerable to the impacts of climate change and climate policy, and have the potential to lead to more transformative outcomes including for women and girls, informal workers, people with disabilities, marginalised ethnic groups, and displaced populations.

30 Costella, C. et al. (2021) Social protection and climate change: scaling up ambition, Social Protection Approaches to COVID-19 Expert Advice Service (SPACE). DAI Global UK Ltd, United Kingdom

31 Integrating shock-responsive measures is an adaptive approach at the systems level, however, developing countries will continue to require additional resources to facilitate expansion of provision, ideally through ex-ante risk retention or insurance mechanisms.

The Strategic Benefits of Integrating Social Protection into Climate Action

A well-functioning social protection system is a significant enabler of an effective response to Official Development Assistance (ODA). While social protection is not the only policy option that can support the objectives of mitigation, adaptation, and loss and damage, it has several distinct contributions and wider benefits:

- Comprehensive - Universal and comprehensive social protection systems that operate at scale have the potential to reach far more people than project-based approaches. Experience from the COVID-19 pandemic showed that all countries in the world were able to expand social protection measures and that the largest scale responses were those with already high coverage.[32]

- Versatile and holistic - Social protection systems that integrate social insurance, active labour market programmes, and social assistance and care, are able to flexibly respond to a wide range of intersecting lifecycle and climate-related risks across society including for workers in the formal and informal sectors, and vulnerable and socially and geographically excluded groups including displaced people. Moreover, social protection has the potential to link beneficiaries to other services such as health care, education and economic development programmes that will address other needs arising from climate risks.

- Efficient and sustainable - Compared to projectized approaches, national social protection systems are more sustainable, contribute to wider national development goals, and have the potential to respond to longer-term stresses resulting from climate change. Because most social protection systems are primarily financed from domestic resources, through employer and employee contributions and taxation, climate finance provides added value alongside other development finance and can be directed specifically to enhance climate-related outcomes while building on and strengthening social protection systems.

- Works across sectors - Shock-responsive social protection systems take the pressure off humanitarian systems, especially when linked to disaster risk financing mechanism, and have the potential to provide faster, larger scale-scale, and more efficient response following shocks, depending on the maturity and coverage of the system. This cross-collaborative approach can also be extended to key climate related sectors such as agriculture, environment and labour in order to be able to bolster and leverage relevant systems to enable faster and more efficient responses. In addition, this can also help reduce poverty and build resilience before shocks occur and support longer-term recovery.[33]

32 Gentilini, U. et al. (2022) Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank; Beazley, R., Marzi, M., Steller, R. (2021) 'Drivers of Timely and Large-Scale Cash Responses to COVID-19: what does the data say?', Social Protection Approaches to COVID-19 Expert Advice Service (SPACE), DAI Global UK Ltd, United Kingdom.

33 Beazley, R., Marzi, M., Steller, R. (2021); Bastagli, F. and Lowe, C. (2021) Social protection response to Covid-19 and beyond: emerging evidence and learning for future crises. ODI Working Paper. London: ODI.

The Potential Limitations of Social Protection in Relation to Climate Change

Despite the importance of social protection for climate change action, it is important to note that social protection is not a silver bullet, and that gaps and challenges need to be addressed to enable social protection to manage and respond to climate risks.

- First, climate risk is not yet well integrated into social protection policy and design, and social protection is not yet well integrated into climate change policy. Opportunities for social protection to contribute to climate action are being missed but also social protection programmes may inadvertently lead to maladaptation.[34] This is one of the critical areas to be addressed to align social protection and climate policy and to access climate finance. Importantly, however, policy integration is an area that can be supported by certain climate finance institutions (see Sections 3 and 4).

- Second, social protection is not a silver bullet. To be most effective, social protection needs to work alongside other policies and programmes, depending on the objectives, whether reducing poverty, addressing food insecurity, or supporting livelihood adaptation. It is critical therefore to have a holistic understanding of the intersecting climate and non-climate risks and vulnerabilities that are being addressed, what role social protection will play, and how this depends on the availability and quality of other services and programmes.

- Third, in many low income and fragile contexts, coverage and financing of social protection systems is low or even absent. The contribution of social protection towards climate change goals will need to be considered alongside other approaches, including humanitarian response where necessary. Nevertheless, this is also an argument for investing in expanding and "climate-proofing" national social protection systems both to meet their core objectives and to provide a solid foundation to support the goals of climate change mitigation and adaptation.

34 Solórzano and Cárdenes, 2019. Occasional Paper No. 26: Social Protection and Climate Change. WFP and OPM.

3. Social Protection Programmes and Approaches that align with Climate action

Ensuring climate justice and a just transition means recognizing that addressing the causes and impacts of climate change cannot be achieved without pursuing long term developmental goals. At the same time, if designed, iteratively adapted, and funded accordingly, national social protection systems can also address risks and ensure access to the opportunities resulting from climate change and climate policies, including for the most vulnerable.

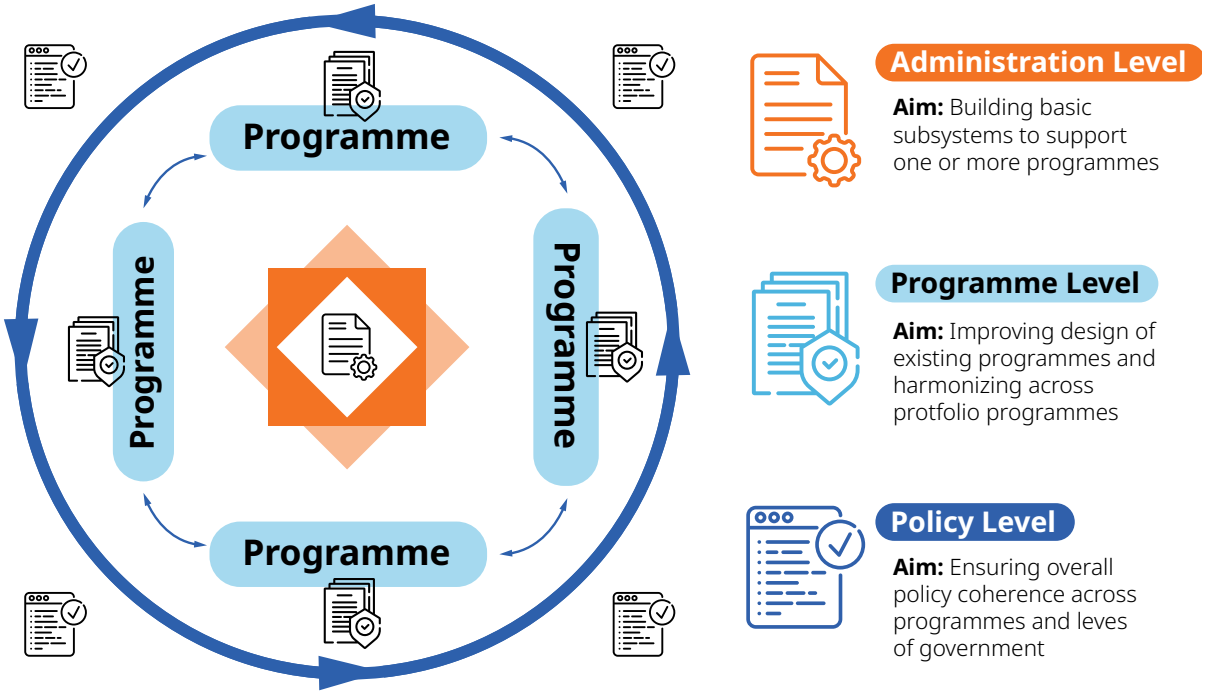
In many developing countries, achieving universal access to social protection remains a longer-term goal. Nevertheless, even where social protection systems currently have limited coverage, steps can be taken to integrate climate change risk into social protection policy and governance, financing, programme design, and implementation systems.

Part of the appeal of social protection stems from its scope and scale, its substantial institutional structure (variable across countries but still existent), and its capacity to reach vulnerable populations at scale in addition to its demonstrated impact on human development outcomes and wellbeing. Climate change reinforces the need for comprehensive social protection systems that can be climate proofed to deliver on the climate resilient development agenda.

Depending on the specific climate related objectives, social protection can support climate policy and action in different ways, including through integrating climate risk into "routine" social protection programming, linking social protection to other climate change or sectoral policies and programmes, and leveraging social protection systems to deliver interventions that address specific climate policy objectives as well as overall development goals such as building resilience.

In short, to ensure that social protection can play its role in supporting climate action and a just transition its systems need to be strengthened and adapted, especially in countries with nascent social protection institutions. This can happen more concretely at three distinct levels as shown below. This section is informed by a few key sources which help structure the discussion following Table 1: [35]

35 The World Bank and UNICEF (2012) and WRSP (2024) offer the theoretical and operational framework for structuring the discussion, while Costella et al. (2024) provide emerging field examples that validate and illustrate the framework in practice.



1. Policy

Linking and aligning social protection with broader climate and sectoral policies defines a long-term vision and ensures policy coherence within social protection and climate change policies. This is the highest and most strategic level of engagement. It is here that the objectives and functions of social protection systems can be defined in the context of national goals and priorities and assessed given fiscal and administrative capacity. Alignment of social protection with climate and sectoral policies is crucial for ensuring long-term resilience. This alignment can be demonstrated when a program is connected to or derived from climate-relevant policies, such as climate/ environment strategies, or when its rationale explicitly addresses climate themes. Below are contrasting examples of such alignment: Examples include **Bangladesh's Enhancing Resilience Program**: This program is integrated into the government's Five-Year Plan and Climate Change Action Plans, where social protection is a central pillar. Contrastingly in the case of M**oldova's Drought Response**: In 2012, it was the Ministry of Agriculture and Food Industry that provided cash transfers to farmers affected by drought. This response was later recognized as part of Moldova's broader climate change policy, reinforcing its role in fostering long-term climate resilience for vulnerable agricultural communities Costella et al. (2024) find that programs incorporating climate-related considerations in both their policies and strategies, as well as in their objectives, are more frequently led by agencies outside the traditional social protection sector. The mapping data indicates that programs managed by conventional social protection agencies are less likely to integrate climate considerations at the policy and strategy level and rarely include climate-relevant objectives. For example, the Poverty Benefit Scheme in Fiji, the Philippines 4Ps program, Honduras' Bono Seguro, and Zambia's Child Grant Program, **while these programs are** social assistance programs, they are often used to respond to climate-related shocks but lack climate-relevant policy narratives or objectives.

2. Programme

Embedding climate risk into regular social protection programming requires an evidence-based approach that considers both process and impact. By integrating climate risk assessments into program design and implementation, social protection systems can become more adaptive and responsive to climate stressors. This second level of engagement is driven by initiatives aiming to improve the performance of existing programmes or introduce programs within a given function to explicitly link its outcomes with mitigation, adaptation, and L&D. t Moreover, there is an opportunity here to enhance coordination across programmes to better exploit interactions (such as a public work programme with a complementary programme that develop skills for a just transition for example ass in the case of Moldova through cash plus approaches that connect social assistance with cross-sectoral support packages to deliver resilient, climate-smart agriculture.

- ***Targeting Schemes***: By improving targeting schemes with climate risk factors, social protection programmes can be fine-tuned to prioritize climate induced vulnerable groups. The targeting approach can range from simple geographic targeting, livelihoods targeting to include more sophisticated vulnerability indices. In the mapping exercise about half of programs with climate-relevant design features incorporate climate markers in their targeting criteria (i.e. use to determine eligibility of beneficiaries for the program).

- ***Monitoring and Evaluation (M&E) Arrangements***: Climate-specific performance indicators can be integrated into the M&E systems of social protection programmes to track how effectively these programmes reduce climate risks over time. For example, monitoring tools could track the impact of climate shocks on beneficiaries and adjust the interventions based on real-time data.

3. Administrative/system/implementation level adaptations

Using the building blocks of a social protection system to implement climate proofed interventions and enhance overall resilience. These include set-up of tools or building blocks that can serve as an entry point for the operationalization of integrating climate risk into social protection systems.

Information management systems: These tools are essential for identifying populations most at risk from climate-related events, including both sudden-onset natural disasters and long-term climate impacts such as changing rainfall patterns, rising temperatures, and desertification. Addressing these longer-term challenges requires a transformation of economies and livelihoods toward more climate-resilient sectors and activities. By integrating climate data with relevant information sources—such as farmers' registries, beneficiary management information systems, and social registries—social protection programs can rapidly and accurately identify and support the most vulnerable. This integration also enables assessments of how well social protection programs are climate-proofed, facilitating continuous adaptation and improvement. Investment in robust information systems is crucial for the efficient and effective administration of social protection programs. [36]

Social service workforce and progressive digitalization: High-quality and inclusive information systems are essential for ensuring that social protection plays a key role in climate action and a just transition. These systems enable governments and organizations to reach all individuals affected by climate emergencies or transition policies. However, while digitalization is becoming increasingly central, and to ensure that no one is left behind, human-backup processes must be in place for populations with limited access to digital technologies and who are off the grid. In many countries, social workers, local organizations, and NGOs have played a pivotal role in identifying and assisting vulnerable individuals who might otherwise be excluded from receiving support. As frontline actors, social service workers are for example indispensable in outreach efforts, establishing linkages, and facilitating referrals (as was seen in the case of Sri Lanka during COVID-19). [37]

Recognising the underlying importance of progressive expansion of social protection towards universal coverage – including social protection floors. The rest of this section provides a more detailed account of the specific types of social protection programmes and approaches that align and contribute to climate change action (see Table 1) and gives a better understanding the alignment using a systems approach.

The first category focuses on aligning social protection and climate action at the sectoral or policy level as part of national adaptation planning. ***Policy alignment*** provides a critical foundation for accessing climate finance. Following this are ***programme*** approaches ***and interventions*** that directly contribute to mitigation, adaptation, loss, and damage. Approaches and interventions are based on the current literature and are not necessarily exhaustive. They include both social protection instruments (or programmes) and adaptations to social protection systems. The third column in Table 1 - climate policy sectors - indicates which of the common priority sectors in climate policy documents (NDCs and NAPs) and climate finance institutions are most relevant to the social protection programme or approach. The final column displays some country examples (more details are in the text).

36 (Barca & Chirchir, 2019; Pignatti, Galian, & Peyron Bista, 2024).
37 Baku Principles and Sri Lanka COVID response

Table 1 Social Protection Programmes and Approaches that Contribute to or Align with Climate Action.

CC sector	Approach / objective	Policy, Programme, administrative	Climate policy sectors	Country Examples
Policy alignment	Strengthen understanding and coordination between social protection, climate-change, and disaster risk management actors.	Dialogue and advocacy on just transition and the role of social protection, in particular social protection floors, in supporting climate objectives. Inter-agency coordination and collaboration, and spaces for participation. Common goals, strategies, and tools for analysis	Social policy / infrastructure Vulnerable groups Other sectors especially health, food security, agriculture livelihoods.	Egypt's Takaful and Karama cash transfer programme was initially conceived as a program to offset the fuel subsidy reform effects and later was kept as its potential to reduce emissions. India's MNERGA as one of the 24 key policy initiatives to address climate change in the country.[38] Bangladesh's Enhancing Resilience programme is part of a five year which is part of the government's Five Year and Climate Change Action Plans where social protection is a key pillar[39]
	Integrate social protection within climate and disaster policy and vice versa.	Development or reform of: ❋ NDCs, NAPs and other climate policies. ❋ Social protection policy ❋ Disaster risk and disaster management policy. ❋ Other sectoral policies.		Mozambique NDC includes social protection as a key tool for Increasing the adaptive capacity of vulnerable people. Malawi's NDC also identifies a significant role for social protection in adaptation and response to climate shocks through cash transfers, school feeding and public works programmes.
	Integrate climate risk and vulnerability analysis and climate risk related indicators into social protection design.	Climate change vulnerability and poverty mapping. Programme design processes. Development or modification of M&E frameworks.		Paraguay's PROEZA, which targets households already receiving social protection benefits that live near deforestation risk areas, have land, and are willing to apply agroecological practices

38 (Government of India, 2022).
39 (Staskiewicz & Khan, 2013)

CC sector	Approach / objective	Policy, Programme, administrative	Climate policy sectors	Country Examples
Mitigation	Design, expand, or adapt social protection programmes to alleviate the negative impacts of mitigation policies on jobs, livelihoods, and the cost of living.	Unemployment protection for those affected by green transition policies. ALMP to support entry into alternative sectors / industries. Social protection floors, including social assistance to compensate higher costs due to carbon pricing policies, including subsidy removal or restrictions on economic activity. Jobs created in new green industries are integrated within national social insurance schemes.	Energy and transport Forestry, marine conservation	Morocco- Use of Carbon Tax to fund expansion of cash transfer In Senegal, family grant benefit level was increased by 40% by reallocating fuel subsidies, benefiting more than 350,000 households. When China enacted a logging ban, over one million affected workers received access to unemployment benefits, options for early retirement and job placement services for ensuring their reintegration into the labour market
	Design, expand or adapt social protection programmes that deliver climate mitigation outcomes.	Environmentally conditioned cash transfer" or public works for forest conservation, reforestation, and afforestation.	Forests, habitats	Ethiopia's PSNP achieved 1.5% of annual GHG emissions reductions through public works linked to natural resource management Brazil's Bolsa Verde – Cash for sustainable use of forest resources Paraguay's PROEZA leveraged existing conditional cash transfer (CCT) programmes, providing incentives for forest conservation, reforestation, and afforestation

CC sector	Approach / objective	Policy, Programme, administrative	Climate policy sectors	Country Examples
Adaptation*	Design, expand or adapt social protection programmes that support livelihood adaptation.	Cash and asset transfers combined with inputs, training, and insurance to support adoption of new production practices. ALMP to support entry into alternative sectors / industries.	Agriculture, livestock, fishing Food security	Nicaragua's Atención a Crisis Programme combined CTs with productive investment grants to diversify livelihoods away from activities exposed to droughts.
	Design, expand or adapt social protection programmes that support adaptation of human settlements.	Subsidies and incentive schemes for community relocation. Incentives to invest in climate resilient and low-carbon housing.	Rural and urban habitats	Subsidies for community relocation in Comoros and Mongolia
	Design, expand or adapt social protection programmes that reduce disaster risk.	Public works for environmental and infrastructure protection and restoration.	Environmental protection, agriculture, water, rural and urban habitats, disaster risk management	Sixty-five percent of the work done within India's National Rural Employment Guarantee done in national resource management Scheme In Namibia, a 1% of a wider project (that aimed to reduce poverty through sustainable nature-based livelihoods, protecting and restoring forests as carbon sinks, and promoting land degradation neutrality) included the scale-up of a public works programme for landscape restoration.
	Expand and strengthen social protection systems to enhance the resilience of households that are particularly vulnerable to climate change shocks and stresses.	Unemployment protection. Universal health coverage Employment guarantees / public works. Social protection floors, including social transfers, school feeding.	Vulnerable groups Food and nutrition security	Examples here includes all ongoing current social protection programmes in countries that help build the resilience of individuals and households that align with overall developmental goals/ Programmes Ethiopia (PSNP), Kenya (HSNP), India (NREGA) offer opportunities to reach large segments of the populations.

CC sector	Approach / objective	Policy, Programme, administrative	Climate policy sectors	Country Examples
Loss and damage*	Integrate climate-sensitive shock-response mechanisms into social protection systems to be able to respond to communities at risk of climate change related shocks (preparedness).	Policy integration between social protection and disaster risk management (DRM). Link social protection to early warning systems (EWS) and forecast based triggers. Establish or link social protection to disaster risk financing (DRF) mechanisms (e.g., contingency funds, forecast based financing, climate risk insurance). Expand digital social registries to cover populations affected by or at-risk of climate-related shocks. Modify and strengthen delivery systems and procedures to ensure service continuity and facilitate rapid response.	Vulnerable groups Food and nutrition security Disaster Management and Response	**Kenya** 's HSNP has pre-identified households at risk of food insecurity, and can trigger support when drought occurs **Philippines** – Mindanao region developing systems for cash transfer anticipatory action.
	Respond to climate change related shocks through rapid expansion of social protection programmes (response).	Horizontal and / or vertical expansion of benefits and services.		In Fiji, following Tropical Cyclone Winston the government utilized its existing social protection system to provide assistance to those most vulnerable by efficiently disbursing cash through social protection schemes like the Poverty Benefit Scheme and providing immediate support to 75% of enrolled households affected by losses and damages. In Somalia, a social protection programme was systematically scaled up to provide anticipatory cash transfers to climate vulnerable people in advance of a forecasted drought, helping to avoid loss and damage in a fragile and conflict-affected context

Source: Authors, building on Bhalla et al., (2024) Costella et al. (2024), Aleksandrova (2021) and Malerba (2021),

The country examples in Table 1 shows that a wide range of social protection instruments deliver on the climate action outcomes ranging from a carbon tax, fuel subsidy reform, cash transfer programmes, public work programmes to operational adaptations within an existing social protection system in a country.

Costella et al (2024) maps ninety-eight climate-relevant social protection programmes, analysing their integration of climate considerations at policy, design, and implementation levels. They find that while explicit climate considerations at policy, programme and administration level remains limited, ***many programmes achieve climate-related results*** without explicitly embedding climate considerations in their design or policy. Of the ninety-eight countries mapped, the most common social protection instrument was found to be categorical transfers (38), followed by public employment programmes (35), means-tested transfers (32), job placements (10) and skills transfer (10). Examples of these in the database are often long-term flagship social assistance programmes either responding to climate shocks on an ad-hoc basis or having been shown to reduce vulnerability to climate-related risks. Social assistance programmes, particularly categorical transfers, and public employment initiatives, dominate climate-relevant interventions, often functioning as reactive safety nets rather than proactively addressing climate risks.

3.1 Policy Alignment

The first category of approaches in Table 1 relates to mainstreaming climate change in social protection policy and governance and ensuring that social protection is integrated into national climate policy. This is an important foundation for accessing climate finance for social protection initiatives. However, sectoral adaption itself can potentially be supported by climate finance. The Green Climate Fund's (GCF) Readiness Programme "***supports country-driven initiatives to strengthen institutional capacities, governance mechanisms, and planning and programming frameworks towards a transformational long-term climate action agenda***". This includes inter- and intra-institutional coordination and the formulation of adaptation plans including sectoral adaptation planning processes (see Section 4).

An important first step to align social protection and climate policy is to **strengthen understanding and coordination between social protection, climate-change, and disaster risk reduction and management (DRRM) actors and other sectors such as agriculture and environment**. Social protection actors should become familiar with the key climate change and DRRM actors, coordination mechanisms, and policy processes. All actors should be encouraged to share relevant information, attend coordination for a across sectors, and create opportunities for social and national dialogue to develop a shared understanding of the role of social protection, including systems approaches, in climate action. This may evolve into more sophisticated coordination through defining common goals, strategies and tools for analysis and evaluation; however, care should be taken to ensure complementarity without overloading individual sectors. For example, Kenya's 5-year National Climate Change Action Plan is synchronized with the national development planning cycle, providing an implementation framework for the National Adaptation Plan that covers a 15-year period.

Social protection policies should be informed by climate risks and integrate resilience and adaptation initiatives as well as disaster response. This means acknowledging climate risks, including both slow- and rapid-onset events and longer climate stressors and impacts, and defining how the social protection system can respond and adapt to changing patterns of risk and vulnerability and the increased pressure on the system due to climate change. Goals, scenarios, and financing options can be developed for expanding and adapting the mix of social protection instruments and enhancing coordination and integration with other relevant sectors. Social protection actors have growing experience of this approach in relation to integrating shock-responsiveness into social protection policies which can also be applied to the climate sector.

Social protection needs to be integrated into other sectors including climate change and DRRM policies. Social protection is recognised in several international climate frameworks including the Sendai Framework for Disaster Risk Reduction 2015–2030, the Strategic Framework 2018–2030 of the UN Convention to Combat Desertification, the Warsaw International Mechanism for Loss and Damage.
However, social protection has tended to be only weakly integrated into Nationally Determined Contributions (NDC) and National Adaptation Plans (NAP). NDCs and

NAPs are key national policy instruments for defining and communicating mitigation and adaptation measures and for accessing climate finance to support implementation. Given their importance, integrating social protection into NDCs and NAPs is discussed in detail in Annex 1. USP 2030 has issued a joint guidance document that provides practical guidance for ministries and national agencies with a social protection or social security mandate (or those involved in implementing social protection) on how to engage in the process of updating NDCs.

just Transition strategies are also relevant such as those related to the Just Energy Transition Partnerships (JET-P) (see Section 4.4). RM policies and frameworks (discussed in more detail in relation to Loss and Damage) management. Finally, it is crucial that social protection actors understand the opportunities and constraints related to laws and policy in other sectors relevant to delivering climate-responsive social protection such as finance and data protection.

At the **programme level**, climate information and analysis should inform key design parameters (e.g., benefit type and levels, targeting, sectoral integration, monitoring, early warning, and response) to ensure that routine provision can be maintained and that programmes promote household and community resilience and adaptation (and avoid maladaptation) in the context of climate change.

Specific actions may include integrating climate vulnerability and poverty mapping, development of climate-responsive design options, and development or modification of M&E frameworks to include resilience and adaptation indicators. Specific programming approaches are discussed in the following sub-sections.

Further resources for policy alignment:

- Social Protection Linkages with Climate Change Activities. Chapter 2 in Social Protection and Climate Change. Solórzano and Cárdenes, 2019. WFP and OPM.
- Strengthening Social Protection Systems in Crisis Contexts. EU SPAN Case Study, 2023.
- Various approaches to long-term adaptation planning. UNCCS Adaptation Committee, 2019. UNCCS, Bonn.
- Integrating Social Protection into NDCs and NAPs
- USP2030 working group guidance note on integrating social protection into the NDCs
- Annex 1: integrating Social protection into the NDCs and NAPs

3.2 Mitigation

Social protection plays a crucial role and offers a range of support that also help buffer the adverse impacts of climate mitigation policies like carbon taxes and fossil fuel subsidy removals. By providing financial assistance, unemployment support, and retraining opportunities, it helps households and workers adapt to economic and structural shifts. Thus, new green jobs can play and important dual role - advancing the decent work agenda as well as well contributing to climate action. e.g. through the focus on nature-based solutions.

Additionally, social protection can directly contribute to environmental sustainability by incentivizing activities that reduce emissions and restore ecosystems. More details on the three broad roles that social protection can play in relation to climate change mitigation are given below.

First, **social protection and labour market programmes can be expanded or introduced to lessen the negative impacts of mitigation policies on jobs, livelihoods, and the cost of living**. This could take different forms depending on the nature of the policy but includes unemployment protection, active labour market programmes (ALMP) to support entry into alternative industries or sectors, and expansion of social protection programmes to compensate higher costs due to the removal of fossil fuel subsidies, the introduction or carbon pricing, or conservation measures that restrict economic activities. China's Forest Conservation Programme (FCP) took a range of measures to support workers who lost their jobs following a logging ban (see box 3).

Box 3
Forest Conservation and Renewal in China: The Role of Social Protection

In 1998, the Government of China enacted a logging ban across newly protected lands. Nearly one million state forest workers were laid off. Another 120 million rural residents were also affected when the new restrictions on land use were put into place. Much of the financial resources for the Forest Conservation Programme (FCP) went towards subsidies for state forest enterprises to offset lost revenue from reduced or halted timber production. However, resources were also provided to local governments to support laid off workers through employment services and social protection. Other affected rural residents were provided support in form of rice subsidies and cash transfers through the Sloping Land Conservation Programme (SLCP).

- Job placement services: Some laid off workers were re-employed through new conservation activities. For others, subsides for social insurance contributions and other incentives were provided to businesses to hire workers and support re-employment training, and employment services were established to support job seeking in other sectors.
- Employee retirement: Workers in state owned enterprises who were near retirement were enrolled in pension schemes. Those who exited the workforce early could take advantage of a lesser pension benefit or a lumpsum severance payment.
- Unemployment benefits: Resources were provided for some alternative protections such as health insurance for former employees of state-owned enterprises who were still seeking work.
- Rice subsidies: Following the ban, other rural residents faced restrictions on cutting firewood, use of land for agriculture, and other forest related economic activity. Some support was provided in the form of a rice subsidy on condition of participating in conservation activities including reforestation and afforestation.
- Cash transfers: Rice subsidies were gradually phased out in favour of annual cash transfer payments in exchange for conservation activities.

Within four years of the project, nearly two thirds of affected workers had found jobs or retired, while employment services continued to provide support for others; financial incentives for conservation were provided to 32 million rural households, and 27 million hectares of land was reforested. While the dominant role of China's state-owned enterprises in the economy was a key factor in enabling the FCP, the transition was also facilitated by the existing unemployment and other social protection provisions.

In high-income countries, income taxes can be reduced to compensate higher prices. However, in low-income countries with prominent levels of informal employment, cash or other social transfers will be more effective. Where revenues are generated from market-based approaches, such as carbon taxes or the removal of fossil fuel subsidies, these can be used to fund social protection initiatives (see Box 4 for the case of Morocco). However, where regulatory approaches are introduced, funding for compensatory social protection packages will need to come from national revenues, as in the case of China's FCP, international financing, or other sources.Social protection actors have a key role to play here, engaging in dialogue around mitigation policy and advocating for social protection approaches that build on and strengthen national systems. Evidence shows that expanding or introducing new packages of social protection measures can be instrumental in winning support among the wider public for mitigation policies that are seen as having a negative impact on the cost of living. Where possible, new programmes should be integrated within the social protection system, and designed with as wide coverage as possible that includes those who are directly affected (for example, drivers in the case of fuel subsidy removals) and those who are indirectly affected (consumers who experience higher food prices due to the increased cost of transporting goods).

Box 4

Expanding Social Protection to Compensate Fossil Fuel Subsidy Removal in Morocco

Between 2011 and 2015, Morocco phased out its subsidies on gasoline, diesel and fuel oil. Overall spending on energy subsidies decreased from 5.3% of GDP in 2011 to 1.1% in 2015. To compensate the poor for the sizeable price shock for these goods, the government extended the coverage of its cash transfer programme, ***Tayssir***, from 80,000 families in 2009 to 466,000 families in 2014. Moreover, it also extended the country's health insurance scheme for low-income households, ***Régime d'Assistance Médicale*** (RAMED), from 5.1 million beneficiaries in 2013 to 8.4 million beneficiaries in 2015.

Second, **investment in the green economy offers a strategic opportunity for low-income countries to create decent jobs and simultaneously to expand access to social protection through contributory financing.** Developing countries are benefiting from a substantial influx of investment in new economic sectors as they transition to low carbon economies. Financing is being made available through public and private international investment and more recently through carbon offset schemes. Ensuring access to social protection for these workers should form part of national labour and social protection policies in line with the principles of a just transition. Moreover, as contributions increase, social protection funds themselves can become sources of investment in green and decent jobs. Social protection actors should actively encourage collaboration between the public and private investors, employers, and employees through processes of social dialogue.

Third, **social protection programmes can be designed to deliver climate mitigation outcomes** through cash incentives to undertake conservation activities or environmentally conditioned cash transfers (E-CCT) and carbon sequestration through public works programmes (PWP).[40] The E-CCT approach includes "green" stipends that support forest conservation, reforestation, and

40 Whether these are social protection programmes that also delivery mitigation outcomes or climate mitigation schemes that utilise social protection instruments will depend on the primary objectives and design of the programme.

afforestation. For example, China's Sloping Land Conservation Programme (SLCP) provided incentives to promote reforestation and afforestation in the context of the wider logging ban (see Box 3).

Brazil's ***Bolsa Verde*** and Paraguay's PROEZA both leveraged existing conditional cash transfer (CCT) programmes, providing incentives for forest conservation, reforestation, and afforestation (see Box 5). The latter was partially funded by the Green Climate Fund (GCF). There are also several cases of large scale PWPs that contribute to mitigation objectives through land management, including Ethiopia's Productive Safety Net Programme (PSNP) and India's Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) with proven impacts on carbon sequestration (see Box 7 under Adaptation).[41] However, there are often challenges in achieving both environmental and social protection objectives through PWPs, partly due to the lack of coordination with and support from environmental and climate actors.

41 Györi et al. (2021).

Box 5

Conditional Cash Transfers (CCT) for Reforestation and Conservation in Brazil and Paraguay[42]

Brazil's ***Bolsa Verde*** (Green Grant), a payment for ecosystem services (PES) programme that ran from 2011 to 2018, built on the institutional and operational mechanisms of the existing ***Bolsa Familia*** conditional cash transfer (CCT) programme and the ***Cadastro Único*** social registry.

Targeting extremely poor households, ***Bolsa Verde's*** goals were to:

- Encourage the conservation of ecosystems (maintenance and sustainable use).
- Promote citizenship and improve living conditions.
- Raise the incomes of those living in extreme poverty and who carry out natural resource conservation activities.
- Encourage the participation of beneficiaries in environmental, social, technical and professional training activities.

Participants received R$300 ($100) every quarter on signing a 2-year contract agreement with an option for extension. This agreement stated that forest cover must be maintained above 80%, as set out in the Forest Code. Crucially, if the coverage fell below this level, all beneficiaries in the area would lose their cash payments. ***Bolsa Verde*** reached maximum scale in 2015, benefitting 74,522 households (290,636 people). Deforestation in ***Bolsa Verde*** areas was found to be between 44% and 53% less than the counterfactual, creating carbon reduction benefits valued at around $335m between 2011 and 2015, about three times the cost of the programme.

The **Poverty, Reforestation, Energy and Climate Change Project** (PROEZA) in Paraguay is funded by the Green Climate Fund (GCF), led by the Government of Paraguay with FAO providing technical assistance for its implementation. PROEZA is an environmental conditional cash transfer (CCT) that links the social protection programme ***Tekopora*** to environmental services with both mitigation and adaptation objectives. Additional financial incentives are paid to recipients of the cash transfer to establish sustainable agroforestry systems that will provide shade, conserve soil, and store CO2. The five-year project has a total budget of $90.4 million of which the GCF is contributing 27.8% in the form of a grant. PROEZSA is estimated to reach 87,000 direct beneficiaries and avoid 7.9 million tonnes of GHG emissions.

42 Sources: McCoshan, K. 2020, Protecting People and the Forest: Bolsa Verde, Brazil. Oxfam; Solórzano and Cárdenes 2019; See also: PROEZA and the GCF project site.

3.3. Adaptation

Social protection has an important and varied role in building the resilience and adaptive capacity of households and communities. It helps increase the resilience of households to ***prepare for, cope with, and recover*** from climate-related and other shocks by reducing poverty and vulnerability, investing in human development, and increasing assets and savings; supports households, especially small-scale producers, to sustainably increase productivity, improve efficiency and adopt more resilient livelihood practices; and reduces disaster risk by contributing to the management of natural resources and the physical environment through financial incentives and public works programmes.
Over the longer term, social protection can transform the underlying causes of vulnerability and structural inequality that make various groups more vulnerable to climate impacts such as children, older persons, people with disabilities, and displaced and migrant populations.
Emerging research findings from a HelpAge funded project in Zimbabwe show that older people who have access to social protection prior to and during the shocks are much more likely to have greater wellbeing than their peers without access to social protection. Additionally, gender-responsive social protection plays a key role in advancing gender equality and addressing the specific vulnerabilities of women and girls.

Four key areas are discussed here including livelihoods, human settlements, disaster risk reduction, and household resilience, while recognising that universal social protection, including social protection floors, will form the best foundation for supporting equitable adaptation.

First, **social protection programmes can be designed, expanded, or adapted to support livelihood aptation**.

Small scale farmers, the rural poor and women are among the most affected by climate change and are among the lowest contributors but have received few of the benefits of climate finance to date.
Women smallholder farmers are among those most disadvantaged given pre-existing inequalities in access to goods and services. In lower income countries, social protection programmes are often targeted to poor rural areas that are vulnerable to climate impacts. There is substantial evidence that social transfers have positive impacts on investment in agricultural assets and inputs and can lead to diversification.
Encouraging evidence is also available on the role social transfers in natural-resource management and ecosystem restoration, particularly around public employment programmes and environmental cash transfer programmes.
However, social assistance alone is unlikely to lead to meaningful adaptation of production practices.
The most effective approaches combine regular social transfers, which provide financial security before new practices yield results, with complementary (non-social protection) measures such as starter packs, microloans, and weather (or risk) indexed insurance to overcome risk barriers to new technology adoption and encourage more forward-looking planning and adoption of new income generating activities (see Box 6).
However, to date, most livelihood adaptation projects supported by the major MCFs have not made explicit links to routine social protection programmes. Active labour market programmes (ALMP) such as vocational training, job search, and other employment services can also support climate affected workers to change or diversify their livelihood options.

Box 6

Index-Based Insurance in Mexico

The Mexican Componente de Atencion a los Disastres Naturales (CADENA) is an index-based insurance programme. It has two objectives: (i) to provide direct financial support to low-income farmers with no access to a formal insurance market who are affected by disasters to compensate their losses and boost their production cycles and (ii) to boost agricultural catastrophe risk transfer to specialised national and international insurance markets through the purchase of insurance to reduce the impact of disasters on public finances.

CADENA has a unique institutional arrangement. Local state governments purchase the insurance and pay the premiums, negotiating directly with public and private insurance companies at the beginning of the fiscal year. The Federal Government subsidises between 80-90 percent of the premium, based on the degree of vulnerability of states to catastrophes. State governments cover the remaining 10-20 percent. The insurance is index-based, linked to rainfall and other hydro-meteorological parameters at a defined weather station during an agreed period. The contracts are set to correlate as accurately as possible with the loss of a specific crop type. Pay-outs are triggered automatically when the levels of the weather measurements (e.g., cumulative millimetres of rainfall) are above or below the set parameters and indices. All eligible farmers within the affected area receive the pay-out in the form of unconditional cash transfers, eliminating the need for in-field assessment.

Second, **broader social policy initiatives can be used to support adaptation of human settlements**. The poorest communities are often most exposed to climate events such as flooding and sea level rise that make settlements uninhabitable. Poor households also tend to use a greater proportion of their income in keeping their homes warm or cool and tend to live in less energy efficient buildings. Subsidies and incentive schemes can be put in place for community relocation away from climate vulnerable areas and for the adaptation of housing stocks. In Comoros, the Least Developed Countries Fund (LDCF) contributed co-financing towards the Strengthening Comoros Resilience Against Climate Change and Variability project, which includes the piloting of incentives schemes for relocation and subsidies for low-income housing. In Mongolia, the GCF provided funding for the Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal project which includes investment in climate resilient and low-carbon social housing.

Third, **public works programmes (PWP) can be designed to support climate-related disaster risk reduction** by restoring or adapting key infrastructure and natural resource management (NRM) while providing social protection in the form of short-term employment or employment guarantees. In Mozambique, the GCF funded a project that integrates social protection with climate adaptation by using Mozambique's Productive Social Action Programme to target and deliver support to communities. The project also aimed to strengthen links between the social protection system, the natural disaster response system and with early warning systems. In Botswana, another GCF funded project is built on an existing public work programme to support adaptation and mitigation in communal rangelands. In Namibia, GEF (GEF) provided more than US$10 million towards a US$85 million project that aimed to reduce poverty through sustainable nature-based livelihoods, protecting and restoring forests as carbon sinks, and promoting land degradation neutrality. A minor component of the project (less than 1% of funds) included the scale-up of a public works programme. To date, project-based approaches have dominated attempts to link social and environmental objectives. However, two major national programmes have produced promising results including India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), which has contributed to water management and access, soil conservation, afforestation, and drought proofing, and Ethiopia's Productive Safety Net Programme (PSNP) See Box 7.

Box 7

Adaptation and Mitigation through Public Works Programmes: Ethiopia's PSNP

Ethiopia's Productive Safety Net Programme (PSNP) was initiated in 2005 and is one of the largest social protection schemes in Africa. During the period 2015-2020, the PSNP had a budget of $2.6 billion, supporting approximately 8 million food insecure households through public works and unconditional cash transfers for labour constrained households. The public works component attempts to promote natural resource management objectives by creating assets that enhance watershed management. As well as supporting adaptation to the impacts of climate change on water access, the PSNP has been estimated to contribute to an average carbon capturing of 5.7 tonnes of CO2 per hectare per year at its project sites.

Fourth, **regular social protection programmes can enhance the resilience of households that are vulnerable to climate change shocks and stresses**. A diverse range of social protection instruments are relevant here including social transfers such as child grants and social pensions, school feeding programmes, public works, and health insurance, all of which are effective at reducing poverty and vulnerability in different contexts. Social protection can increase resilience through short to medium term outcomes such as enhancing food security and access to health care, building assets and savings, and increasing financial inclusion (see Box 8). Social protection can also support longer term processes such as healthier growth and development of children through better nutrition and access to education and reducing social and gender inequalities, which in turn reduce inequitable vulnerability to climate change. This more transformative function of social protection may be particularly relevant to enhancing resilience in the context of slow onset events. However, the ability of regular social protection schemes to reduce climate vulnerability may be limited when design parameters, such as benefit values and timing, do not consider climate-specific needs.

Box 8

The Climate Resilience Impacts of Regular Social Assistance Programmes

Large scale cash transfer programmes in Kenya, Ethiopia and Uganda that provide regular, long-term and predictable assistance to chronically poor and food insecure households help them to cope with the negative impacts of climate-related shocks, despite not necessarily being explicitly designed to do so. The programmes have been found to:

- Increase household's absorptive capacity, providing a buffer to absorb shocks when they occur, including climate-related ones. For example, routine recipients of Kenya's Hunger Safety Net Programme (HSNP) can smooth consumption during food gap periods as well as maintain asset levels and bounce back faster than non-beneficiaries after periods of extreme drought.

- Contribute, to some extent, to individual anticipatory capacity such as through the accumulation of savings or other assets such as livestock, which protects households during future shocks.

However, the programmes have limited impacts on longer-term adaption, suggesting that other (combinations) of interventions are necessary (see livelihood adaptation, above).

Importantly, these examples demonstrate the comparative advantage of social protection systems for enhancing the resilience of climate-vulnerable households at scale. Ethiopia's PSNP reaches approximately 8 million beneficiaries, Kenya's Cash Transfer for Orphans and Vulnerable Children (CT-OVC) reaches 255,000 households, the HSNP reaches 84,000 households, and Uganda's SAGE programme reaches around 125,000 households. Moreover, they provide a foundation for system level adaptations that support anticipation of and response to climate-related shocks (see section 3.4, Loss & Damage).

3.4 Loss and Damage

As well as enhancing resilience and adaptive capacities, social protection provides a mechanism to meet the immediate needs and support recovery of households in the aftermath, and potentially in anticipation, of rapid onset weather-related shocks and slower on-set and cyclical crises. This requires adapting social protection systems to become more shock-responsive by integrating mechanisms for horizontal and vertical expansion, linking to early warning systems, coordinating with disaster risk management and humanitarian sectors, and establishing and linking to disaster risk financing and insurance mechanisms. Social protection systems with already universal or high levels of coverage have more scope to expand to meet additional needs.

Social protection has an increasingly vital role to play in preparedness, response, and recovery from climate-related shocks. First, in terms of preparedness, climate finance may support integration of mechanisms into social protection systems that support expansion of assistance to vulnerable households and communities impacted by extreme weather shocks such as floods, storms, and droughts. This area aligns with shock-responsive approaches but will need to integrate climate related vulnerabilities and risks within analysis, planning, and programme design. For example, Kenya's Hunger Safety Net Programme (HSNP) provides regular cash transfers to highly food insecure households and has an in-built mechanism for temporary scale up of provision to other vulnerable households during periods of severe drought. The programme is linked to an early warning system (EWS) that triggers a response based on a vegetation condition index.

Social protection also has the potential to support populations that have been displaced through planned relocation or distress migration because of climate shocks and stresses, in terms of support for housing and other basic needs, livelihood transformation, and access to social services.

Specific areas of programme adaptation that are relevant here include: policy integration between social protection and disaster risk management (DRM) (see also Sectoral Adaptation, above); climate vulnerability and risk analysis; expanding digital social registries to cover populations at-risk of climate-related shocks; linking social protection to early warning systems (EWS) and forecast based triggers (see Box 9); establishing or linking social protection to disaster risk financing (DRF) mechanisms such as contingency funds, forecast based financing, and climate risk insurance; and modifying and strengthening delivery systems and procedures to ensure service continuity and to facilitate rapid response.

Box 9

The Potential of Forecast-based Financing for Social Protection

Forecast-based Financing (FbF) helps countries to gain access to humanitarian funding in anticipation of climate-related shocks, so that early actions can be taken to minimize losses. In FbF systems, the allocation of funds in advance is based on trigger models which consist of hazard specific triggers that are activated once certain thresholds are reached.

FbF is linked to impact-based forecasting, which involves an assessment of the impacts of the forecast weather, along with associated hazards, on life and property. This requires combing weather forecast data with vulnerability and exposure data to determine an overall risk level. Some social protection databases and social registries have the potential to support this approach. For example, in Lesotho, the Ministry of Social Development makes use of vulnerability data that is collected annually by the Lesotho Vulnerability Assessment Committee (LVAC) in addition to poverty data, for targeting people vulnerable to drought risks. Plans are also underway to include more drought-related variables into the National Information System for Social Assistance (NISSA) database, which will make it easier to identify drought vulnerable groups who need social assistance, beyond the regular social protection beneficiaries.

FbF has primarily been used by humanitarian agencies. However, there is growing interest in the potential of leveraging social protection systems for anticipatory action. Linking FbF to social protection has the potential to enhance scalability, timeliness, predictability and adequacy of social protection benefits in response to the additional shocks and stresses caused by climate change. However, these approaches have yet to be operationalised at scale.

Second, beyond preparedness, it is possible that climate funds focused on loss and damage will provide resources for disaster response (whether anticipatory or after the event) through expansion of social protection benefits and services, to complement national disaster finance and humanitarian funding. Nevertheless, it is likely that eligibility for loss and damage funds will be more likely where climate risk informed response mechanisms have already been established. The UNFCCC Transitional Committee Synthesis Report (2023) on existing funding arrangements and innovative sources relevant to addressing loss and damage provides information on the range of traditional financing facilities that support disaster response, whether climate-related or otherwise, such as the UN's CERF, and the European Union's European Civil Protection and Humanitarian Aid Operations (ECHO).


126

4. Climate Finance for Social Protection: Sources and Mechanisms

This section introduces climate finance and its relationship to social protection and describes the different potential sources of climate finance that may be relevant to the social protection sector including multilateral climate funds, development finance institutions, international private investment, international carbon markets, and developing country domestic financing.

Details of specific climate funds and how to access them are provided in the table in Annex 2.

The New Collective Quantitative Goal (NCQG) is a central aspect of the Paris Agreement, adopted in 2015, with the goal of enhancing global action against climate change. The NCQG focuses on establishing a new financial target (that gets renewed) to support developing countries in their climate initiatives. It succeeded the previous goal set in 2009 at the Copenhagen Climate Summit, where developed countries committed to mobilizing $100 billion per year by 2020 to address the needs of developing countries.

COP29 at Baku reached a breakthrough agreement that increased the financial target: which is to triple finance to developing countries, from the previous goal of USD 100 billion annually, to USD 300 billion annually by 2035. There was also an urge to all the actors to work together to scale up finance to developing countries, from public and private sources to the amount of USD 1.3 trillion per year by 2035.

What is Climate Finance?

The UNFCCC defines climate finance as local, national, or transnational funding from public, private, and alternative sources that seeks to support climate change mitigation actions that reduce emissions and enhance greenhouse gas sinks, and adaptation actions that aim at reducing vulnerability and maintaining and increasing the resilience of human and ecological systems to negative climate change impacts. In addition, loss and damage was officially adopted as a third pillar of climate finance at COP27 in Egypt in 2022. The fund has been officially operationalized at COP29 and will be hosted by the World Bank. Disbursements will begin to take place in 2025.

There are several potential sources of climate finance. These include four broad areas.

- International public climate finance: which includes (concessional) loans, grants, and debt swaps though multi-lateral climate (MCF) funds, development finance institutions (including multilateral development banks, bilateral development banks and regional development banks) and other mechanisms.
- International private investment (green bonds), sometimes guaranteed by donor countries or development banks.
- National and international carbon markets including carbon credits from cap-and-trade schemes and voluntary carbon off-set mechanisms.
- Domestic climate finance including from general taxation, carbon taxes, and private investment.

Climate finance overall trends

UNFCCC estimates that annual climate finance more than doubled between 2018 and 2022 (from USD 674 billion to USD 1.6 trillion). The majority of this comes from domestic public and private finance and international private investment.

Overall trends: Climate mitigation finance reached USD 1.3 trillion in 2022, marking a rapid increase at a compound annual growth rate (CAGR) of 20% from USD 627 billion in 2018. Adaptation finance grew from USD 35 billion in 2018 to USD 76 billion by 2022, with a CAGR of 21%. International public adaptation finance flows to developing countries increased from US$22 billion in 2021 to US$28 billion in 2022: the largest absolute and relative year-on-year increase since the Paris Agreement. Despite

this, it is estimated that current adaptation finance flows to developing countries reduce the adaptation finance gap by only about 5 per cent.

Types of finance: While public mitigation finance takes the form of loans, public adaptation finance is delivered through grants. There is also increasing use of blended climate finance, combining international public and private investment with domestic contributions, and the use of loan guarantees to enhance private investment.

Geographical coverage: Asia and Africa are the regions receiving the largest total amounts of public climate finance (aligned with both geographical and population sizes) followed by Latin America and the Caribbean and then developing countries of Eastern and Southern Europe and Oceania.

Global goal on adaptation frameworks

The 2015 Paris Agreement introduced the Global Goal on Adaptation to boost adaptive capacity, enhance resilience, and minimize vulnerability to climate change (UN 2015). At COP27, Parties agreed to establish a framework for this goal, which was later adopted under the United Arab Emirates Consensus at COP28 in Dubai. A key aspect of this framework is the identification of critical targets essential for effective climate adaptation. Notably, the sectors outlined in the Global Goal on Adaptation align closely with the United Nations Sustainable Development Goals (SDGs), emphasizing the interconnectedness and alignment across climate adaptation and broader sustainable development efforts. Furthermore, the Global Goal on Adaptation framework integrates four fundamental dimensions essential for effective climate adaptation communication. They are:

- Risk assessment
- Strategic planning
- Implementation of adaptation measures
- Robust monitoring, reporting, and verification mechanisms.

These dimensions are instrumental in tracking progress, evaluating the effectiveness of climate adaptation initiatives, and upholding accountability in climate action efforts. The UAE Framework for Global Climate Resilience has also initiated a two-year UAE–Belém work programme aimed at developing indicators to measure advancements towards the targets established by the Global Goal on Adaptation framework, culminating at COP 30 in Belem, Brazil. At COP 29 the means for implementation of the framework were discussed which had implications on adaptation finance. The next step will involve the definition of indicators to measure progress towards the global adaptation goals and to estimate financing needs for adaptation. While the details of this and the potential implications of the new NCQG on adaptation finance will be more well drawn out at COP 30, this has the potential to inform the NDC 3.0 that are due in 2025.

4.1 Climate Finance and Social Protection

Social protection financing is a complex issue shaped by a country's economic structure, government policies, and the evolution of social protection programmes over time. The lack of adequate coverage stems from challenges related to political will, financing, and fiscal space. In 2023, public expenditure on social protection (excluding healthcare) was, on average, 13.0% of GDP worldwide. However, this figure masks significant variations across income groups. High-income countries spent 16.4% of their GDP on social protection annually, while upper-middle-income countries spent 8.6%, lower-middle-income countries spent 4.1%, and low-income countries allocated just 0.7%.

In many low-income countries, particularly those at climate risk, social protection systems are resource constrained. While ideally, national social protection systems should be funded primarily through domestic resources, evidence shows that for low-income countries, closing financing gaps with domestic resources alone will be challenging. International support will therefore be crucial. Climate finance presents a new and growing potential source of funding to support social protection programmes that contribute to both climate change action and climate justice goals.

At the national level and within international development and financing institutions, climate change and development policies and finance are becoming increasingly interconnected. The acceleration of global climate action means that climate finance is fundamentally reshaping mainstream priorities and financing mechanisms, transforming how funds are allocated and how success is measured. As climate change presents both threats and opportunities, governments, development organizations, and financial institutions are integrating sustainable practices and climate resilience into the core of their operational and financial strategies. Consequently, engaging with and integrating social protection into these frameworks is vital.

Box 10

Social protection in UNFCC decisions and intergovernmental Panel on Climate Change (IPCC) reports

- **Global Goal on Adaptation Framework** – Recognises the role of social protection in reducing the adverse effects of climate change on poverty and livelihoods.
- **Decision on Operationalizing the Loss and Damage Fund** – Calls for the scale up of support for social protection mechanisms.
- **Just Transition Work Programm**e - Advocates for the incorporation of social protection into climate action for a just and equitable transition.
- IPCC 2023 Sixth Assessment Report of the Intergovernmental Panel on Climate Change - Recognises the contribution of social protection to climate change adaptation

COP 29 Baku human development guiding principles recognizes the role of adaptive social protection systems to build resilience for all, especially for the most vulnerable.

Social protection is gaining recognition and commitment within the climate change agenda. It is increasingly viewed as a critical element of a climate-resilient development strategy, with mentions in key international frameworks (see box).

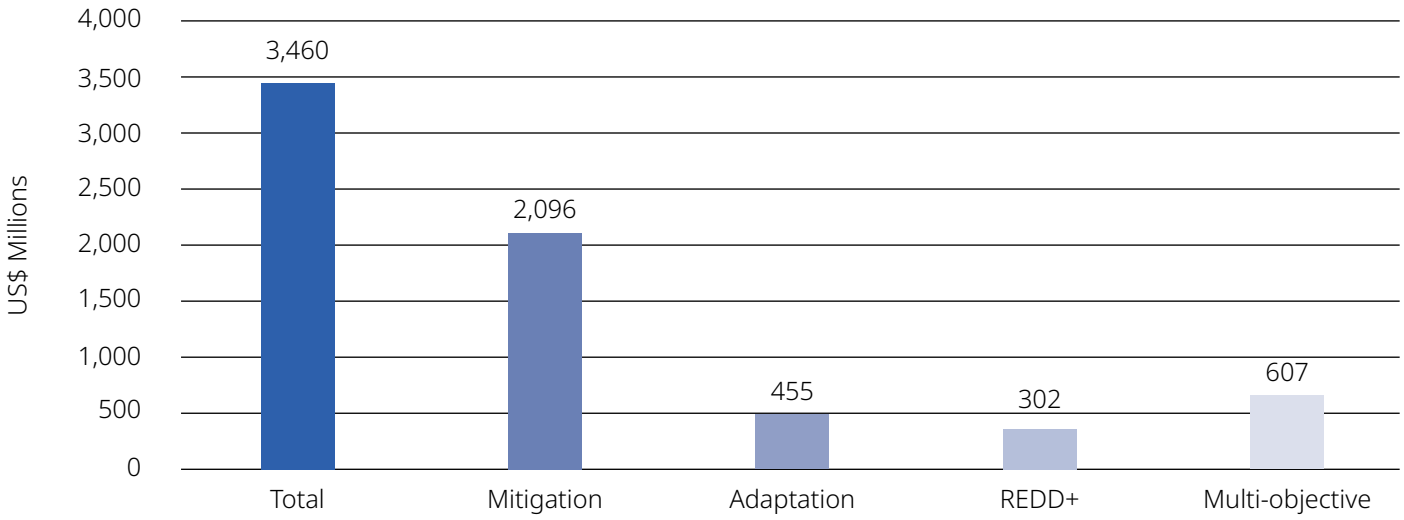
4.2 Climate Finance actors and Social Protection

The following sections provide information and insights into how diverse sources of climate finance may play a role in strengthening, expanding, and climate proofing social protection systems and in leverage social protection programmes to support climate action.

4.2.1 Multilateral Climate Funds (MCFs)

Several multilateral climate funds (MCF) exist to support developing countries meet their mitigation and adaptation goals under the Paris Agreement. The Fifth Biennial Assessment of climate finance flows conducted by the UNFCCC (2022) reports that MCFs approved an annual average of $3.2 billion for projects in 2019-2020, an increase of 21% on the previous period. In 2020, MCFs committed $455 million to adaptation projects, $2,096 million to mitigation projects, $302 million to REDD+ initiatives, and $607 million to projects with multiple objectives.

Figure 1 Multilateral Climate Fund (MCF) Commitments in 2020



Source: UNFCCC Standing Committee on Finance (2022)

Among the MCFs, the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Adaptation Fund (AF), will potentially support projects that incorporate social protection approaches or initiatives.

- **Green climate fund (GCF)**: is a multi-focus climate financing fund that is mandated to assist developing countries in meeting the commitments outlined in their Nationally Determined Contributions. This fund is available to all developing country parties to the Paris Agreement but prioritises Least Developed Countries (LDC), Small Island Developing States (SIDS), and African States. An FAO /GCF publication found 23 examples of GCF programmes using social protection as an instrument to deliver climate action for rural populations, employing a variety of approaches from cash transfers and public works, to using social protection registries for targeting. The GCF provided funding for Paraguay's PROEZA, a E-CCT approach (Box 5) and climate resilient and low-carbon social housing in Mongolia (see also box 10 about Ethiopia's rejected proposal to the GCF). According

to the UNFCCC Transitional Committee Synthesis Report (2023) on existing funding arrangements and innovative sources relevant to addressing loss and damage, GCF projects may also include components of relevance to Loss and Damage including preparedness in the areas of reconstruction, social protection, and natural capital..

- **Global Environment Facility (GEF) Trust Fund** is a multi-focus fund. It aims to support developing countries to align with international climate and environmental conventions. While the focus is on mitigation, two sub mechanisms, the **Least Developed Countries Fund (LDCF)** and the **Special Climate Change Fund (SCCF)** (the latter focuses exclusively on SIDS), have both previously funded adaptation projects that incorporate social protection initiatives. The GEF supports the integration of adaptation measures into development plans, policies, programmes, and projects at the regional, national, sub-national, and local levels. This could potentially include **linking social protection to early warning systems.** The GEF programming strategy states that "***specific interventions may include support for social safety nets such as crop insurance***" among other approaches. The SCCF has supported micro-insurance and financial literacy for fishing communities (in Papua New Guinea) and coral reef insurance (in Solomon Islands). The GEF trust fund supported the Namibia Integrated Landscape Approach for Enhancing Livelihoods and Environmental Governance to Eradicate Poverty (NILALEG) project which included a small public works component.

- The **Adaptation Fund (AF)** was established to help developing countries that are party to the Kyoto Protocol in financing their adaptation projects (UNFCCC, 2023). **The fund** has supported projects that incorporate social protection instruments such as cash transfers or subsidies to implement adaptation activities, however, most of these have been project based and not linked to national social protection systems. One interesting exception is the 2015 project in Georgia that aimed to build climate resilient flood and flash flood management practices. A $1 million component of this $5.3 million project involved leveraging an existing municipal employment guarantee scheme to undertake community-based adaptation measures (bank terracing, vegetative buffers, bundles, and tree revetments.
  Other social protection approaches may align with the goals and thematic priorities of the AF. In addition to land management, projects that aim to strengthen or 'climate proof' rural livelihoods focus on knowledge and training, provision of inputs, improving access to markets, financial services, and risk insurance.

MCFs are demanding in terms of application requirements and the climate related justification for funding. Because **MCFs are mandated to directly serve the goals of the UNFCCC** and the Paris agreement, proposals are more likely to be funded if they align with a country's Nationally Determined Contribution (NDC) or the National Adaption Plan (NAP) (see Annex 1) and may have to be reflected in the MCF's country programme document. When proposing social protection programmes and approaches to the MCFs, it is necessary to demonstrate how the approach or initiative directly contributes towards one or more of the specific climate change objectives, i.e., facilitating mitigation, increasing resilience and promoting adaptation, or compensating loss and damage related to the ***additional shocks and stresses caused by climate change***. See

Box 10 for a cautionary lesson from Ethiopia's bid to the Green Climate Fund (GC)

Box 10

A Cautionary Tale – Ethiopia's Bid to the Green Climate Fund.

In 2017, the GCF rejected a proposal by the Government of Ethiopia and UNDP for a US$99 million adaptation project aiming to support 1.2 million vulnerable people with improved access to water and food and more resilient livelihoods through introduction of climate-smart technologies, land management, market services, gender-responsive institutional strengthening and access to climate information. While this was not a social protection project ***per se***, it included similar goals to those that social protection approaches may aim to achieve, especially the focus on rural livelihoods and building resilience.

Prior to the GCF board meeting at which a decision would be made, the Technical Advisory Panel had recommended that to qualify for funding, the project should be redesigned to focus on water-related and landscaping interventions. The GCF board had divergent opinions on the project. Some members supported the proposal, and its aims related to building the resilience of a highly vulnerable population. However, other board members raised several concerns, most pertinently that the project was based on "***standard rural development practices***" and was "***not sufficiently geared towards climate related objectives***" and noted that "***while all climate change investments would bring sustainable development benefits, the converse was not always true***" (GCF 2017).

The decision faced some criticism from Oxfam and other climate actors, who were concerned that the GCF was overly focused on infrastructure at the expense of vulnerable people.

Reduce emissions from deforestation and degradation plus conservation (REDD+) is a cooperation framework established in 2008 and formalised by the Warsaw convention following COP19 in 2013. While not a MCF itself, activities under REDD+ are supported by the GCF, GEF and other non-UNFCCC multilateral funds. Between 2008 and 2021, REDD+ has raised approximately $5.6 billion and distributed $2.9 billion. Supported primarily by Norway, and to a lesser extent Germany, UK, USA, and other donor countries, the largest contributing funds have been the Amazon Fund (a results-based payment mechanism) and the Forest Investment Programme, providing approximately $1.3 billion each. REDD+ initiatives could potentially draw on social protection instruments to implement Payment for Ecosystem Services (PES) or to compensate the loss of incomes due to adaptation or cessation of unsustainable forest-based livelihoods. To participate in this process, the social protection sector would need to engage with the national entities responsible for REDD+ and integrate social protection into the national REDD+ strategy or action plan.

Other regional or thematic multi partner trust funds that are not linked directly to the UNFCCC may provide funding for social protection or the use of social protection instruments linked to climate-related objectives. The **Central African Forest Initiative (CAFI)**, which works in close collaboration with REDD+ initiatives, worked with the DRC to secure a $500 million commitment from donor countries at COP26 to halt deforestation and restore degraded lands through sustainable and inclusive rural development that fights poverty and creates jobs and revenues. As well as using the PES approach and supporting local infrastructure development (potentially through public works), CAFI has experience of integrating social and health activities into conservation and emission reduction projects.

Announced at COP27 in 2022, the **Global Shield Against Climate Risk (GS)** is an initiative of the G7 and Vulnerable 20 (V20) countries. The GS consists of three distinct financing mechanisms, the Global Shield Financing Facility (GS-FF) managed by the World Bank, the Global Shield Solutions Platform (GS-SP) managed by the Frankfurt School, and the CVF-V20 Joint Multi Donor Fund (JMDF) managed by UNOPS. Only the JMDF is already operational. The GS mechanisms have a clear mandate to support social protection approaches to addressing loss and damage. The GS will facilitate instruments designed to provide rapid financial relief directly to households and businesses to respond to disaster-related losses, or instruments which pre-arrange finance for governments, humanitarian agencies, and non-governmental organisations for disaster preparedness and rapid response including strengthening and building shock-responsive social protection systems. In Ghana and Pakistan some in country processes have been facilitated under the Global Shield Solutions Platform. The Government of Ghana has purchased its first-ever sovereign drought insurance policy, taking a significant step towards safeguarding its vulnerable communities and agricultural sector from potential drought. In Pakistan following a comprehensive in-country process, the Ministry of Climate Change and Environmental Coordination (MoCC & EC), with support from UNDP Pakistan, has finalized the priority areas for its request for support to scale up pre-arranged finance through the Global Shield.

4.2.2 Development Finance Institutions

Development finance institutions (DFI) – multilateral and bilateral development banks - provide both development finance for social protection and climate finance for mitigation and adaptation. Most DFIs have increased their commitments to climate finance and have integrated development and climate programming and finance to varying degrees. Social protection actors need to engage with DFIs across social protection and climate sectors to develop synergies around shared objectives. In line with the approaches outlined in Section 3, there are four broad approaches that can be taken to align social protection and climate change initiatives supported by DFIs:

- Incorporate social protection into climate change related investments and projects focusing on expansion of social assistance (including social protection floors), social security, and labour market programmes to alleviate the negative impacts of green investments on jobs and consumer prices.
- Ensure that jobs created in new green industries are decent and provide access to social insurance.
- Integrate climate change risks into social protection systems and leverage social protection programmes to support mitigation and adaptation objectives.
- Channel climate disaster risk financing and insurance (CDRFI) through social protection systems in response to climate shocks.

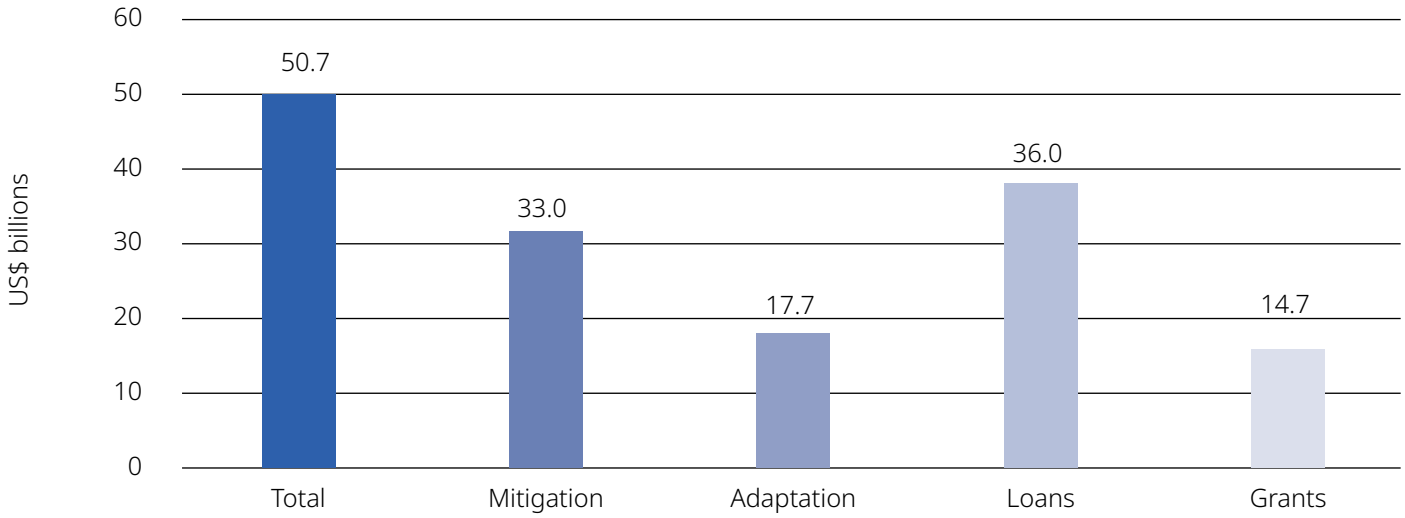
Most development banks also have environmental and social standards policies. This means that any financing for climate change mitigation or adaptation projects must consider and mitigate social risks including potentially negative or inequitable impacts on, or exclusion from project benefits among, disadvantaged and vulnerable groups, potentially through integration of social protection measures.

4.2.2.1 Multi-Lateral Development Banks

According to 2022, multilateral development banks committed $60.7 billion to low-income and middle-income economies, thus surpassing the annual expectation of $50 billion set in the joint MDB High Level Statement of 2019. Of the $60.9 billion of climate finance committed to low-income and middle-income economies, $57.9 billion was from the MDBs' own account and $3.0 billion was in external resources channelled through MDBs. Mitigation finance committed to low- and middle-income economies totalled $38.2 billion, or 63%, while adaptation finance totalled $22.7 billion, or 37%.

MDBs estimate that by 2030, their annual collective climate financing for low- and middle-income countries will reach USD 120 billion, including USD 42 billion for adaptation, and MDBs aim to mobilize USD 65 billion from the private sector.

Figure 2 Multilateral Development Bank (MDB) Climate Finance Commitments in 2020



Source: MDB joint report (2021)

The World Bank has committed to assign at least 35% of its financing towards climate goals over the current five-year period and has developed strategies for integration of climate and development at the country level (see Box 11).

Box 11

Integration of Development and Climate Finance at the World Bank

The World Bank committed an average of 35% of its financing to climate finance over the period 2021–25, with at least 50 per cent of IBRD and IDA climate financing supporting adaptation. The World Bank has taken an integrated approach to climate change and development based on Country Climate and Development Reports (CCDR) a new diagnostic tool introduced in 2021. CCDRs are intended to help countries prioritize the most impactful actions that can reduce greenhouse gas (GHG) emissions and boost adaptation, while delivering on broader development goals, and provide a platform for defining the role of social protection in supporting climate goals. For example, Malawi's CCDR recognises social protection as a pillar of climate resilience, with concrete recommendations to strengthen and scale up programmes to support climate vulnerable households. In addition, the World Bank operates several credit line windows such as the Crisis Response Window (CRW) and Immediate Response Mechanism (IRM) that can support disaster response, including climate-related natural disasters and slower on-set events such as food insecurity. The World Bank also manages the multi-donor Disaster Risk Financing and Insurance (DRFI) Programme, the Global Facility for Disaster Reduction and Recovery, and the Global Risk Financing Facility (GRiF) (details of individual funds and programmes are provided in Annex 2).

Regional development banks have also increased climate finance. The Asian Development Bank (ADB) committed $7.1 billion in climate finance in 2022, of which $2.8 billion (39.8%) to adaptation, the highest adaptation finance committed since reporting began in 2011.[43] The African Development Bank (AfDB) launched the Africa Acceleration Adaptation Programme (AAAP), which aims to raise $25 billion for adaptation projects through the AAAP Upstream Financing Facility and the African Development Fund (ADF) Climate Action Window. The Islamic Development Bank, together with the Arab Coordination Group, is providing an 8-year $24 billion financing window for climate action, of which $13 billion is ISDB funding. The Inter-American Development Bank (IDB) provided more than $26 billion in climate financing for Latin America and the Caribbean between 2016 and 2021, of which $8.3 billion has been allocated to adaptation.[44] Notably, the IDB's 2023 Climate Change Sector Framework explicitly recognises the role of social protection in reducing vulnerability to climate change through poverty reduction, responding to climate-induced disasters, and supporting mitigation efforts through incentivising conservation and alleviating the negative impacts of economic transitions.[45]

The European Investment Bank (EIB) group aims to support €1 trillion of investments in climate action between 2021 and 2030. Mitigation projects focus on renewable energy, low carbon transport, and industrial de-carbonisation, linked to the Just Transition Mechanism, a commitment of €55 billion in targeted support between 2021-2027 to alleviate the socio-economic impacts of the transition.[46] The EIB is also implementing its first Adaptation Plan, which aims to triple its adaptation finance by 2025 corresponding to approximately $30 billion. The plan includes lending to LDCs and SIDS in projects that anticipate the adverse effects of climate change and take appropriate action to prevent or minimize loss and damage, including risk of floods, resilient cities, and afforestation.[47] The European

43 ADB Climate Change Financing
44 UNFCCC Transitional Committee (2023) Synthesis Report on Existing Funding Arrangements and Innovative Sources Relevant to Addressing Loss and Damage Associated with the Adverse Effects of Climate Change. UNFCCC.
45 IDB (2023) Climate Change Sector Framework Document. Inter-American Development Bank.
46 https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf
47 UNFCCC Transitional Committee (2023)

Fund for Sustainable Development Plus (EFDS+) focuses on investment for external action (outside the EU) and offers investment guarantees, blended finance, and other financial operations. The EFSD is focused on investments to promote decent job creation, strengthen public and private infrastructure, foster renewable energy and sustainable agriculture, and support the digital economy.[48]

4.2.2.2. Bi-Lateral Development Banks and Partnerships

Bilateral development banks (BDB) have also increased commitments to investment in green industrial transitions, mostly through infrastructure, energy, and transport projects, and de-carbonising other sectors. In 2020, bilateral donors provided $31.4 billion of climate finance with 57% allocated to mitigation ($17.9 billion) and 28% ($9 billion) towards adaptation.[49] These include the EU member state development banks and British International Investment (BII, previously CDC), which also have access to EFSD+ (see above) financing mechanisms in the form of guarantees and blended finance. BII, for example, has committed at least 30% of investments as climate finance, providing £230 million in climate finance in 2019.[50] The BII climate strategy includes three building blocks: investing to decarbonise; supporting just transitions; and addressing investment vulnerability to climate shocks.

New collaborative partnerships (non-binding agreements) between donor and developing countries are also emerging that aim to accelerate economic transitions and progress towards NDCs. The Just Energy Transition Partnership (JET-P) launched at COP26 in 2021 aims to support developing countries to de-carbonise their energy sectors and to extend access to on-grid energy for previously excluded populations.[51] Concessional funding from donor countries is intended to de-risk investment and crowd in further private capital. The UK, France, Germany, the USA, and the EU have made initial commitments of $8.5 billion, with partnerships already underway in higher-carbon emitting countries including Indonesia, South Africa, Viet Nam, India, and Senegal. The JET-P agreement with South Africa includes additional multilateral and bilateral development assistance to support just transitions, including potentially using cash transfers to alleviate impacts on low-income households.[52]

4.2.3 International Private Climate Finance

The UNFCCC estimates that private investment towards climate mitigation in the sectors of renewable energy, sustainable transport, buildings and infrastructure, and other industry, amounted to $478.1 billion in 2020, more than 50% of total global climate finance.[53] In addition, OECD estimates that private climate finance mobilized by developed countries through bilateral and multilateral channels amounted to $14.4 billion and $13.1 billion in 2019 and 2020 respectively, primarily for mitigation projects.

Blended climate finance is playing an increasing role, whereby concessional loans from donor countries and/or domestic public investment are provided to de-risk private sector investment. The UN Convention to Combat Desertification (UNCCD) established the Land Degradation Neutrality (LDN) Fund, a $208 million impact investment fund that invests in profit-generating sustainable land use and land restoration projects, mostly in developing countries. Public and private institutional investors provide capital for both the smaller tranche of concessional capital and larger tranche of commercial capital. Projects are mostly in the agroforestry and sustainable forestry sectors and require the development and implementation social action plans that focus on jobs, livelihoods, and inclusion.[54]

48 European Commission: European Fund for Sustainable Development Plus (EFSD+). Accessed 3rd October 2023.
49 OECD (2022) Aggregate Trends of Climate Finance Provided and Mobilised by Developed Countries in 2013-2020, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris.
50 British International Investment: Climate Change. Accessed 3rd October 2023.
51 Edelman Global Advisory: Five Facts to Know: Just Energy Transition Partnerships. Accessed 3rd October 2023.
52 Centre for Global Development: Just Energy Transition Partnerships: Early Successes and Challenges in Indonesia and South Africa. Accessed 3rd October 2023.
53 UNFCCC Standing Committee on Finance (2022).
54 See Mirova Land Degradation Neutrality Fund.

For the social protection sector, it is important to work with investors (public or private), employers and employees to ensure that workers affected by the closure of industries as part of new investment packages have access to social protection and active labour market programmes, and that new green industrial sector jobs are decent and are integrated with national social insurance schemes.

4.2.4 Carbon Pricing and Carbon Markets

Carbon pricing instruments are policies that assign an economic value to carbon emissions and reductions with the aim of reducing greenhouse gas emissions. They ascribe a monetary value per unit of emission (or reduction), such as a metric ton of carbon dioxide equivalent (tCO_2e).[55] There are several forms of carbon pricing instruments: carbon taxes, emissions trading systems (ETS) including cap-and-trade and rate-based approaches, and voluntary carbon credits (or carbon off-set schemes). Carbon pricing instruments can be targeted to specific sectors, activities, fuels, and gases. In addition, indirect carbon pricing can be achieved through taxation of products associated with carbon emissions such as fuel.

Carbon taxes and emission trading schemes provide a large and growing potential contribution to climate finance, with global revenues estimated to have reached $95 billion in 2022.[56] However, while carbon pricing directly reduces emissions, revenues from carbon pricing are not necessarily earmarked for specific goals.[57] Revenues can be used to support investments to combat climate change, reduce distortionary taxes, address fairness and competitiveness concerns, or drive government spending on public priorities including potentially social protection and labour market programmes.[58] For example, a proportion of the revenue from Switzerland's CO_2 levy is distributed equally to all residents through health insurers to reduce premiums (CPLC). France has committed EU ETS revenues to fund the National Agency for Housing to support energy efficiency investments in buildings, including for low-income households. Social protection actors should ensure they are part of any public engagement or stakeholder consultations, including through social dialogue, related to the use of carbon price revenues.

Carbon off-set schemes allow polluters to reduce their liabilities under an ETS or carbon tax, or allow individuals, companies, and countries to meet their voluntary emissions reduction goals. Several accreditation mechanisms exist to verify that emission reduction or carbon sequestration projects achieve their goals such as the Clean Development Mechanism (CDM), Verified Carbon Standard (VCS), Gold Standard, and Plan Vivo. Gold Standard, which focuses jointly on climate goals and the SDGs, has engaged with 2,996 projects in more than 100 countries, which have reduced 266m tonnes of $C0_2$ equivalent, and delivered more than $41 billion in shared value in terms of environmental and social benefits.[59] As discussed in Section 3, social protection instruments can be used to achieve mitigation objectives in developing countries such as through payment for ecosystem services (PES) approaches. In addition, the accreditation schemes integrate social standards within emissions reduction projects, which can potentially be met through social protection.

Carbon off-set schemes are also used internationally, allowing developed countries to meet their own NDC targets by supporting emissions reductions in developing countries, known as Internationally Tradeable Mitigation Outcomes (ITMO). Working in partnership with UNDP, Switzerland committed $42 million to support developing countries to reduce emissions and advance progress towards the SDGs through a pay-for-results model that will also crowd-in private investment.[60] Projects include investments in clean energy in Vanuatu that will reduce the population currently without electricity by 80%.

55 World Bank. 2023. State and Trends of Carbon Pricing 2023. Washington D.C.: World Bank.
56 Ibid
57 Marten, M. and van Dender, K. (2019) The use of revenues from carbon pricing. OECD Taxation Working Papers No. 43. OECD.
58 CPLC (2016) What Are the Options for Using Carbon Pricing Revenues? Carbon Pricing Leadership Coalition.
59 Gold Standard: Vision and Impacts. Accessed 3rd October 2023.
60 UNDP: Switzerland and UNDP to deploy $42 million to boost private climate investments that advance socio-economic development in developing countries. Accessed 3rd October 2023.

4.2.5 Domestic Climate Finance

Developing countries require substantial assistance from international climate finance to mitigate and respond to the effects of climate change. While some countries have developed NDCs/national climate plans, many of these lack concrete financing strategies or investment plans that can help drive policy frameworks to incentivize greater private and public investment for the implementation of NDCs and national climate goals. Financing of NDCs and national climate goals are often not well integrated across social sectors, broad national development, and financing policies.

The INFFs offer a structured approach to mobilizing, aligning, and leveraging finance to achieve the (SDGs) and Nationally Determined Contributions (NDCs) under the Paris Agreement. Originally introduced in the Addis Ababa Action Agenda, INFFs help countries develop and strengthen financing strategies that support both sustainable development and climate commitments. By outlining how national development plans and NDCs are jointly financed and advancing necessary policy reforms, INFFs enable a government-led, systemic approach to ensuring all financial flows and policies align with economic, social, and environmental priorities. At their core, they integrate climate targets and low-emission development strategies into national financing systems. Among the more than 85 countries using the INFF approach, 12 are using it to support both the national development plan and the NDC. Maldives, for example, launched its Gender responsive climate financing strategy in 2023. Others are at an earlier stage in the process, with uptake growing among a wider set of countries that is expected to continue leading up to the submission of the 3rd round of NDCs in 2025. [61]

Domestic sources of climate finance play a significant role by ensuring integration of adaptation into domestic budgeting and finance which can also support access to international climate finance by showing government commitment, country ownership and counterpart funding.[62]

Domestic sources of climate finance include tax and non-tax revenues in the national budget, other fiscal instruments such as government bonds, private commercial finance, and market-based financing.[63] Tax revenue options include resources generated from regulatory and market-based mitigation measures (see Section 4.6). Domestic public climate finance is difficult to track. However, data from climate budget tagging systems and other sources indicated domestic public climate finance amounted to $134 billion per year in 2019–2020, half of which was in twenty-one developing countries and the other half in six developed countries or jurisdictions.[64]

In the long-term, national social protection systems should be financed from sustainable domestic resources. The social protection sector can potentially leverage domestic climate finance to support climate-responsive expansion and reform through three avenues: reallocating existing climate-related resources where social protection can more effectively meet adaptation objectives, leveraging revenue from green fiscal instruments, and drawing on national climate adaptation and disaster (loss and damage) funds.

First, as the social protection and climate sectors move towards a greater degree of alignment and integration, social protection may have a comparative advantage in meeting certain mitigation and adaptation objectives which potentially warrants a reallocation of resources from other adaptation approaches. In fact, the national budget can be more effective than international climate finance in delivering climate adaptation benefits, principally because it can leverage existing institutional structures, such as social protection systems, thereby improving impact and value for money.[65] Underlying this is the need to ensure climate budget tracking to monitor and track climate-related expenditures in the national budget system. This will enable governments to make

61 INFFS as an instrument to finance NDCs(2024)
62 Price-Kelly, H. and Hammill, A (2016) Domestic public finance for implementation of NAPs. NAP Global Network Overview Brief II.
63 Price-Kelly and Hammill (2016)
64 UNFCCC Standing Committee on Finance (2022).
65 S. Allan, A. V. Bahadur, S. Venkatramani, and V. Soundarajan 2019. The Role of Domestic Budgets in Financing Climate Change Adaptation. The Global Commission on Adaptation. Rotterdam and Washington, DC.

informed decisions and prioritise investments.[66]

Second, as discussed in section 3, climate mitigation measures often come with negative social and economic costs that disproportionally affect the poorest. Taxing fossil fuels and other high carbon goods and services will raise revenue but also lead to higher prices for citizens. Similarly, the removal of fossil fuel subsidies will free up domestic revenue that can be used towards compensatory or adaptation measures by strengthening the social protection system, including its coverage and adequacy. In 2022, subsidies worldwide for fossil fuel consumption skyrocketed to more than US$1 trillion. The subsidies are mainly concentrated in emerging market and developing economies, and more than half were in fossil-fuel exporting countries.[67] Social protection actors must stay informed about proposed national mitigation policies and engage in dialogue and advocacy to promote social protection as an effective tool to support a just transition and to meet adaptation objectives.

Third, some developing countries have established national funds and trusts to support adaptation projects and address loss and damage. While these may be limited in scale, given the needs, they are an important part of national efforts to address climate change and can also act as a model for scaling up assistance.[68] For example, the Philippines' People's Survival Fund (PSF) established in 2012 provides PHP1 billion (approximately US$18 million) per year to finance adaptation programmes and projects at the local level by Local Government Units and local non-government organizations. The PSF receives core annual finance from the domestic national budget that can be complemented by contributions through donations, grants, and other contributions.[69] Fiji imposed a 5% Environment & Climate Adaptation Levy (ECAL) to partially fund a national trust. The trust financed the relocation of six villages as a measure of last resort when all other adaptation options were exhausted. Paraguay imposes a 10% Selective Consumption Tax to partially fund a National Emergency Trust, which collects information related to early warning and coordinates preparedness among ministries and local governments while also directing and coordinating assistance to communities in emergency situations.[70]

4.3 Key challenges in accessing climate finance

To access climate finance for expanding or adapting regular social protection programmes, a compelling case will need to be made for the impacts on household and community resilience in relation to the additional shocks and stresses caused by climate change (see Section 4). The most relevant sectors under most climate funds are health, food security and nutrition. Based on a review of evidence, the IPCC has "high confidence" that "integrated multi-sectoral strategies that incorporate social protection are effective adaptation responses" in relation to food security and nutrition, including building adaptive capacity in the long term.[71]

Although the role of social protection systems in strengthening household resilience and adaptive capacity in both the short and longer term is receiving growing recognition among climate actors (see for example the 2022 IPCC report on Climate Change Impacts, Adaptation, and Vulnerability),[72] proposing social protection as a means to support vulnerable groups in the general context of climate change is currently unlikely to attract climate-related funding from the MCFs.

Two interconnected challenges arise: the positioning of social protection and the issue of "additionality." Together, these challenges both define the scope of social protection and restrict access to climate finance.

66 Bain, N., Nguyen, L. and Baboyan, K (2019) Knowing What You Spend: A guidance note for governments to track climate change finance in their budgets. UNDP.
67 IEA (2023) Fossil Fuels Consumption Subsidies 2022.
68 UNFCCC Transitional Committee (2023).
69 Price-Kelly and Hammill (2016).
70 UNFCCC Transitional Committee (2023).
71 IPCC (2022).
72 IPCC, 2022.

Positioning Social Protection:

Effectively positioning social protection in the climate finance landscape requires demonstrating its direct contribution to climate objectives. A general proposal for social protection to support vulnerable groups in the context of climate change is unlikely to attract climate-related funding. While there is growing recognition of its role in strengthening household resilience, attracting climate finance necessitates a clear articulation of its comparative advantages, including:

1. Scale, Reach, Intentional Design, and Flexibility

Today, 52.4% of the global population is covered by at least one social protection benefit, yet coverage remains critically low in low-income countries, at just 9.7%. While there is substantial room for progress, this existing coverage forms a foundation for expansion—an opportunity to strengthen and scale social protection systems to enhance climate resilience. By leveraging social protection, countries can unlock three key benefits that improve their readiness and ability to respond to climate challenges:

- **Scale:** Social protection has demonstrated the capacity to operate at a global scale, as seen in the rapid expansion of programs during the COVID-19 pandemic. This ability to scale up swiftly makes it a viable tool for responding to climate-related shocks and stressors.
- **Reach:** Even in countries with limited social protection coverage, a single well-designed program can serve as a crucial access point for vulnerable populations. Social protection systems provide institutional infrastructure that can be expanded to reach those most affected by climate change.
- **Intentional Design and Flexibility:** Social protection instruments, targeting approaches, and implementation mechanisms can be adapted to address climate risks at various stages—before, during, and after climate-related stressors. Thoughtfully designed social protection systems can enhance resilience by ensuring that support reaches those most affected at critical moments.

2. Country-Led Systems

Social protection programs are typically more efficient, scalable, and sustainable than short-term, siloed climate projects. By embedding climate-responsive social protection within national systems, countries can foster long-term resilience while ensuring ownership and sustainability.

3. Complementarity with Development Goals

Social protection enhances multiple national sustainable development objectives, promoting social cohesion and reducing inequality. These factors indirectly contribute to climate resilience by fostering stable, inclusive societies that can better withstand and adapt to climate-related shocks.

While there is growing recognition of the relevance of social protection as part of the climate resilient development agenda, there is still a big void in understanding what kind of a policy instrument it is(partly because of suite of instruments it encompasses) and the true extent of its impact especially on outcomes that are vital in the climate action agenda. Integrating social protection into the NDCs offers an excellent foundation to expand and position its role in climate action, however it is important to

- Strengthen the positioning/messaging around social protection within the climate agenda by promoting widely the robust evidence that highlights its role in strengthening adaptive capacity and resilience
- enhance understanding of its practical implementation by establishing concrete and measurable climate relevant indicators that delivers on quantifiable climate relevant outcomes that can help track progress.

This would enable climate finance providers to see its wide relevance which will facilitate climate finance flows.

Additionality:

The term "additionality" has become central to the climate finance conversation, though its exact definition remains debated. One common interpretation relates to commitments made by developed countries to deliver "new and additional" resources to developing countries for climate change mitigation and adaptation. However, a 2018 analysis by the CDG found that more than half of the climate finance mobilized by developed countries was not additional to existing development assistance. Other estimates suggest that up to a third of climate finance is simply repurposed from development aid, which raises questions about the effectiveness and transparency of climate finance.

The issue of additionality is pivotal when considering the effectiveness of financial resources. Climate finance should direct resources to initiatives that specifically address the "additional challenges" created by climate change. This has significant implications for how social protection systems are positioned in climate finance discussions. Robust, universal social protection systems are considered the best foundation to respond to the impacts of climate change and promote climate justice. However, the extent to which the expansion of these systems should be supported by climate finance or development finance—or a balance of the two—remains a key issue for consideration.

A potential solution to the additionality issue is for countries to highlight the strategic value of social protection within their Nationally Determined Contributions (NDCs) and provide estimates of climate finance needs related to social protection (see Annex for more on NDCs).

The type of social protection programmes that climate finance will support depends on the objectives and funding criteria of individual climate finance institutions. While social protection is conceptually relevant to climate action, the "additionality criterion" necessitates establishing a clear causal link between the intervention and measurable, quantifiable outcomes.

Social protection has several areas of comparative advantage in relation to climate action that aligns with many of the appraisal criteria of the major MCFs (see Sections 2 and 3). Thus, in addition to demonstrating the specific impacts the programme aims to have on climate-related outcomes, proposals should clearly articulate how social protection is:

- **Country-owned, with greater efficiency, scale, and sustainability compared to short-term and siloed project approaches.**
- **Complements and enhances national sustainable development objectives.**
- **Addresses specific vulnerabilities and contributes to climate justice.**

Specific areas that may attract more narrowly defined climate finance include: integrating poverty and climate vulnerability analysis; redesigning targeting approaches, eligibility criteria, benefit values and payment frequency to account for climate vulnerability, including for displaced populations; expanding operational systems and programming to new climate risk areas; strengthening linkages to health and nutrition services; integrating with livelihood and housing adaptation programmes.

4.4. Resources for Tracking and Accessing Climate Finance

Resource	Institution	About
Climate Funds Explorer	NDC Partnership	The Climate Funds Explorer is a searchable database of open climate funds and related support for your mitigation and adaptation activities.
Climate Funds Update	ODI and Heinrich Boll Stiftung	Climate Funds Update is an independent website providing information and data on the growing number of multilateral climate finance initiatives designed to help developing countries address the challenges of climate change.

5. Conclusion

As the global climate crisis intensifies, the need for comprehensive and equitable responses has never been greater. Social protection systems, when effectively designed and integrated with climate policies, offer a powerful mechanism to support vulnerable populations, promote climate resilience, and contribute to a just transition towards a low-carbon economy.

This paper highlights the critical role of social protection in climate mitigation, adaptation, and addressing loss and damage. By providing financial security, enhancing resilience, and supporting sustainable livelihoods, social protection can help buffer the socio-economic impacts of climate change while fostering long-term development goals.

However, to fully harness the potential of social protection in climate action, governments and stakeholders must prioritize its inclusion in Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs), leverage diverse sources of climate finance, and ensure that interventions are both scalable and sustainable.

Expanding access to climate finance for social protection can bridge existing funding gaps and help build social protection systems (including adaptive systems) that respond proactively to climate risks. This requires deliberate policy alignment, increased investment, and strengthened coordination between social protection and climate finance mechanisms. Aligning social protection with climate policies is a policy choice and a necessity for achieving climate action and climate justice and ensuring that no one is left behind in the face of climate change.

Annex 1 Integrating Social Protection into Nationally Determined Contributions (NDC) and National Adaptation Plans (NAP)

Integrating social protection into Nationally Determined Contributions (NDC) and National Adaptation Plans (NAP) promotes policy alignment between climate action and social protection systems and provides a basis for accessing climate finance to support social protection initiatives that contribute to climate action goals. The United Nations, through the new Integrated National Financing Framework (INFF) facility is supporting the alignment of finance systems – public, private, domestic, and international – to respond to NDCs through financing strategies. This section explains NDCs and NAPs and their relationship to climate finance, analyses the extent to which social protection has been integrated into NDCs and NAPs, and provides guidance on how to enhance integration.

What are NDCs and NAPs and How Do They Relate to Climate Finance?

NDCs and NAPs are two key components of the international climate change framework under the United Nations Framework Convention on Climate Change (UNFCCC).

NDCs were adopted through the Paris Agreement in 2015 to embody efforts by each country to reduce national greenhouse gas (GHG) emissions and adapt to the impacts of climate change. The collective contribution of each country to reducing emissions is intended to limit the global temperature increase to well below 2ºC and ideally no more than 1.5ºC above pre-industrial levels. NDCs have been submitted by 195 countries and the European Union.[73]

As the primary mechanism for fulfilling the goals of the Paris Agreement, NDCs play a crucial role in mobilising and accessing climate finance. The Paris Agreement requires that finance flows are consistent with a pathway towards low emissions and climate-resilient development and that developed countries provide financial resources to assist developing countries with respect to both mitigation and adaptation.[74] Most developing countries have conditional mitigation and adaptation goals in their NDCs, meaning that they can only be met with the support of international finance. The multilateral climate funds (MCF) were specifically created to help countries to transition and countries with a well-defined NDC are more likely to secure financial support.[75] However, a 2022 report finds that only 58 percent of developing countries have reported finance requirements in their most recent NDCs.[76] Nevertheless, these figures alone amount to $430 billion per year to 2030, four times the amount pledged by developed countries in 2009, highlighting a considerable shortfall in and competition for the available climate finance.

73 See: UNFCCC: Nationally Determined Contributions, accessed 6th July 2023; and the UNFCCC NDC Registry, accessed 6th July 2023.
74 United Nations (2015) Paris Agreement, Articles 1(c) and 9(1).
75 The Green Climate Fund for example, provides financial support to developing countries to formulate and strengthen NDCs through the Readiness Support programme. See also Climate Investment Fund: NDCs and Climate Change Action, accessed 6th July 2023.
76 Caldwell, M., N. Alayza, and G. Larsen. 2022. Paying for the Paris Agreement: A Primer on Government Options for Financing Nationally Determined Contributions. Washington, DC: World Resources Institute.

NAPs were adopted at COP16 in 2010 to support countries in addressing the impacts of climate change and enhancing resilience to climate risks.[77] NAPs are complementary to NDCs but differ in that they take a more comprehensive and longer-term approach to adaptation that is closely aligned to national development priorities, providing a platform for integrating adaptation into development planning processes and mainstreaming climate resilience across sectors. While NAPs are intended for use by all countries, the UNFCCC emphasises their use by Least Developed Countries (LDC) to enhance adaptive capacity and access international support for those most exposed to and least able to cope with climate change.[78] NAPs have not been as widely adopted as NDCs. As of 2023, 45 countries have submitted a NAP, of which nineteen are from LDCs.[79]

While inclusion of climate-related initiatives in a NAP is not a pre-requisite for accessing climate finance, they provide a strong basis for doing so. The Least Development Country (LDC) Fund is specifically tasked with financing the preparation and implementation of NAPs.[80] A 2021 review showed that of 26 countries to have submitted a NAP at the time, 15 countries had submitted a total of 32 project proposals to the Green Climate Fund, of which 13 had received funding for 16 proposals totalling US$1.53 billion.[81]

To What Extent Has Social Protection Been Integrated into NDCs and NAPs?

Social protection has been acknowledged in international frameworks for climate resilience including the Sendai Framework for Disaster Risk Reduction 2015-2030, the Strategic Framework 2018-2030 of the United Nations Convention to Combat Desertification (UNCCD), and the Warsaw International Mechanism for Loss and Damage associated with Climate Change (WIM). However, climate risk management and policy and practice tend to view social protection as a climate risk management instrument rather than a critical element of a country's social infrastructure that needs to be climate proofed.[82]

Even as a risk management instrument, social protection is disconnected from climate actions. An analysis of the connections between proposed climate actions in NDCs and the Sustainable Development Goals (SDGs) found that out of 8,139 climate actions, 155 actions relate to SDG 1 to end poverty, of which just 2% relate to SDG target 1.3 to implement nationally appropriate social protection systems.[83] As of 2024, only 14% of countries include social protection in their Nationally Determined Contributions (NDCs), and just 13% acknowledge its importance for agrifood systems. [84]This marks an improvement from 2022, when a mere 4% of NDCs referenced social protection, but the progress is still far from sufficient.

77 National Adaptation Programmes of Action (NAPA) had been adopted at the Conference of the Parties (COP) in 2001 under the least developed countries work programme. NAPAs identified priority activities that respond to the urgent and immediate adaptation needs of LDCs and were supported the LDCF and the LDC Expert Group. However, most of the 51 countries to have submitted a NAPA did so between 2006 and 2013, with the last submission made by South Sudan in 2017. According to the UNFCCC's NAP Central, NAPA priorities will continue to be funded until they have been implemented, but the NAP process will gradually become the main and long-term vehicle through which countries plan and implement adaptation and communicate support needs.

78 LDC Expert Group (2012) National Adaptation Plans: Technical guidelines for the national adaptation plan process. UNFCCC.

79 UNFCCC Submitted NAPs, accessed 6th July 2023; UNFCC LDC country information, accessed 6th July 2023.

80 See: The Least Developed Countries Fund (LDCF)

81 The project proposals relate to food and agriculture, water resources, health, vulnerable people's livelihoods, ecosystems, infrastructure and built environment, and extreme weather. UNFCCC (2021) National Adaptation Plans 2021. Progress in the Formulation and Implementation of NAPs. UNFCCC.

82 Aleksandrova, M. (2021) The Untapped Potential of Global Climate Funds for Investing in Social Protection. DIE.

83 Analysis was based on based on 161 NDCs as of 2016. See: https://klimalog.idos-research.de/ndc-sdg/sdg/1/LDCs, accessed 6th July 2023. Revised NDCs may incorporate social protection alongside climate action to a great extent.

84 ILO offer on NDC support for JT.pdf ; Agrifood systems in nationally determined contributions: Global analysis Key findings

A 2022 UNFCCC review of NDCs found that just 4 per cent of countries had identified social protection as necessary to facilitate the introduction of climate mitigation measures by supporting low-income households to cope with higher prices following the removal of fossil fuel subsidies.[85] However, more promisingly, 28% of NDCs recognise the unequal impacts of climate change on different groups and the need to ensure a just transition through a variety of mechanisms such as "***laws and strategies for protecting workers; a social mechanism for job creation, skills development and employment policies; and a consultation process for social protection***."

Analysis of the 45 NAPs submitted to date indicates a slightly stronger but still underwhelming connection between adaptation measures and social protection.[86] First, recognition and understanding of the relationship between poverty and climate change is highly inconsistent and often absent. One fifth (21%) of NAPs do not discuss poverty at all. Two-thirds (60%) of NAPs recognise that either poverty increases vulnerability to climate impacts or climate change increases the risk of poverty, but not both. A further 9% recognise there is a connection between poverty (reduction) and climate change (action), but without elaboration. Just 9% of NAPs recognise that poverty undermines capacity for adaption and that adaption will support poverty reduction.

Second, more than two thirds (71%) of NAPs make no reference to social protection in their adaptation strategies and actions.[87] Less than one third (29%) of NAPs integrate social protection into their climate adaption actions and to varying degrees and objectives (see **Error! Reference source not found.**) Most commonly, social protection is identified as a mechanism to build resilience and adaptive capacity of vulnerable communities and groups (7 NAPs). Four NAPs link social protection to disaster management while three others emphasise the need to promote a resilient social protection system through alignment and mainstreaming. Just two NAPs link social protection directly to food security and or agricultural livelihoods.[88]

85 UNFCCC Secretariat (2022) Nationally determined contributions under the Paris Agreement Synthesis report by the secretariat. Conference of the Parties serving as the meeting of the Parties to the Paris Agreement Fourth session Sharm el-Sheikh, 6–18 November 2022.

86 Analysis involved a key word search of each NAP using the terms: poverty, social protection, social security, safety net, cash transfer, public works; and a review of the key strategic actions. NAP database: https://napcentral.org/submitted-naps, accessed 5th July 2023.

87 Of these, 6% make a passing reference to social protection or poverty reduction and 9% discuss mainstreaming adaptation across all policy sectors which could potentially include social protection.

88 Most NAPs that identify adaptation actions related to food security focus on supply side factors.

Table 2 Integration of Social Protection in NAPs (as of July 2023)

Country	Social Protection Action
Bangladesh	Sectoral Priority: Disaster, Safety and Security (DSS) - Action 8 (of 12): Increase the coverage of social security/social safety net programmes for building community-based resilience and adaptive capacity. High priority. Costed at BDT 625 billion (27% of the DSS sector, 3% of the total).
Benin	Strengthening the social protection and livelihoods of people vulnerable to the effects of climate change is identified as an action under Strategic Objective 1 (promote a resilient system of governance of development sectors), Sectoral Objective 5 (infrastructure and urban development), and Cross-cutting Option 1 (strengthen the adaptive capacity of vulnerable groups such as women, orphans, vulnerable children, the elderly and people with disabilities).
Brazil	Sectoral Strategy: Vulnerable populations. Actions to identify and register vulnerable groups impacted by climate change and facilitate access to government programmes. This action is aligned with Guideline 2 of the National Food and Nutrition Security Policy which includes access to the Bolsa Familia and Bolsa Verde cash transfer programmes.
Burkina Faso	Sectoral Adaptation Measure 6: Ensure sustainable food and nutrition security - Improve social protection of vulnerable communities and households to secure their livelihood. Sectoral Adaptation Measure 8: Protect persons and goods from extreme climate events and natural disasters - Use social safety nets for vulnerable populations.
Cambodia	Strategic Objective 2: Reduce vulnerability of sectors, regions, gender, and health to climate change impacts includes strategy 3 (of 15) to "promote integration of the [NAP] with other national strategies such as the National Strategic Development Plan (NSDP) and the National Social Protection Strategy (NSPS)" Strategic Objective 6: Promote adaptive social protection and participatory approaches in reducing loss and damage (includes micro finance, insurance schemes, and local processes for adaptation). Strategic Objective 7: Strengthen institutions and coordination frameworks for national climate change responses includes strategy 1 (of 5) to "mainstream climate change into national and sub-national development plans and the social protection strategy"
Cameroon	Cross-cutting theme: Gender, vulnerable population, social protection, and national solidarity includes several interrelated actions: raise awareness, protect and strengthen the capacities of vulnerable populations; develop national solidarity; anticipate climate disasters and ensure that they are taken into account vulnerable populations in disaster management plans; adapt government programmes, including emergency response plans and programmes for vulnerable groups, to better address the impacts of climate change on these groups.
Chad	Gender and social protection are one of eight adaptation priorities and includes several interrelated actions: development of a disaggregated database; development of social safety nets; fight against negative social norms; facilitation of access to land for women and youth; promotion of green entrepreneurship for women and youth.

Ethiopia	Adaptation Option 8 (of 18): Building social protection and livelihood options of vulnerable people. "This adaptation option will give special emphasis to women, children and impoverished communities by putting in place safety net schemes, supporting asset creation, improving access to credit, promoting livelihood diversification and arranging voluntary resettlement/ migration."
Grenada	Sectoral Objective 4 (of 6): Enhance social protection for farming and fishing communities includes "investigate agriculture/fishing insurance options and new risk transfer instruments and develop respective policies and incentives."
Kenya	Sectoral Adaptation Plan 13 (of 19): Strengthen the adaptive capacity of vulnerable groups (women, orphans and vulnerable children, the elderly, and persons with disability) includes "strengthen and expand social protection and insurance mechanisms against main climate hazards."
Nepal	Sectoral Area 1 (of 9): Disaster Risk Reduction and Management includes "strengthening adaptive social protection governance and institutions and working with private insurance".
St Vincent and the Grenadines	NAP includes an action plan to mainstream climate change adaptation into national policies, strategies, and plans including for the social protection sector.
Sierra Leone	Adaptation Priority 3 (of 7): Coastal Zone Management Programme 2: Increase human (social) development through technology transfer and livelihood support including strengthening the adaptive capacity of the most vulnerable groups and communities through social safety nets and insurance schemes.

How to Integrate Social Protection into NDCs and NAPs. For a more detailed guidance please see USP2030 joint guidance.

Social protection policy makers and practitioners should consider the following points to promote and facilitate better integration of social protection into NDCs and NAPs.

- Engage with the key actors involved in climate policy and in NDC and NAP development and revision.
- Understand the NDC and NAP policy process and when and how to engage. For example, the next round of NDC revisions is due in 2025.
- Support climate change policy makers to better understand and articulate the relationship between poverty and vulnerability on the one hand and climate impacts, mitigation, adaptation, and loss and damage on the other.
- Ensure that social protection proposals and actions that are intended to contribute to climate mitigation, adaptation or loss and damage align with the broad objectives and principles of the NDC or NAP (see **Error! Reference source not found.**).
- Identify the most appropriate and feasible approaches and entry points for social protection within the NDC or NAP strategic framework while ensuring they align with a systems approach (see Section 3). As shown in the previous section, social protection has, to date, been integrated into NAPs through a mainstreaming approach ("climate proofing" the sector), as a mechanism to achieve sectoral goals, and as part of cross-cutting objectives.
- Ensure that climate related social protection proposals and actions are detailed and costed, specifying which elements are unconditional (reliant on domestic financing) and which are conditional on international financing, and that financing requirements are included in any financing or investment plan associated with the NDC or NAP.

Box 12

Objectives and Principles of NDCs and NAPs

Beyond the Paris Agreement, there is little detailed guidance available on the content of Nationally Determined Contributions (NDC) and there are currently different interpretations of the precise features of an NDC. The Paris Agreement states that NDCs should include a mitigation contribution, and all parties are to "***undertake and communicate ambitious efforts related to mitigation, adaptation, finance, technology development and transfer, capacity building, and transparency***." Further, NDCs should be communicated every five years, represent a progression from previous NDCs, represent the highest possible ambition, and include economy wide emission reduction (or move towards these in the case of developing countries).

Adaptation plans can be included within NDCs or as part of other submissions including the NAP. Three quarters of countries included an adaptation component within their NDC, with greater prominence given to adaptation by developing countries. However, the extent of adaptation varies widely from comprising almost the entire content of the NDC to only a few lines. More than 60% of NDCs state that their adaptation plans are conditional on the provision of finance.

National Adaptation Plans (NAP) have two main objectives:

- To reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience.
- To facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities, in particular development planning processes and strategies, within all relevant sectors and at different levels, as appropriate.

The principles of the NAP approach closely align with a systems approach to social protection, emphasising "… [coordination] with national sustainable development objectives, plans, policies and programmes… [and avoidance of] duplication by facilitating country-owned, country driven action" (LDC Expert Group 2012). A review of the NAP process in 2021 shows that "the common criteria used for prioritizing adaptation measures in NAPs are urgency, feasibility, no- or low-regret and cost-effective measures, alignment with other strategic documents and relevance of sector for national development and community-based measures" (LDC Expert Group 2021).

Annex 2 Mapping of Climate Funds with the Potential to Fund Social Protection*

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Multi-lateral Climate Funds (MDCF)						
Mitigation Adaptation	Green Climate Fund (GCF)	Grants and concessional loans (also equity investments, results-based payments).	US$12.8 billion as of 2023 (mitigation 58%, adaptation 42%).	In 2020, $313m (adaptation); $268m (REDD+); $1,018m (mitigation); $532m (multiple objective).	Fastest disbursement within 36 days, but average is 13 months.	Developing countries with a Nationally Designated Authority (NDA) or Focal Point (FP) (148 countries to date). African States, LDCs and SIDS are prioritised. See GCF Access Funding.

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Only Accredited Entities (AE) can apply in conjunction with the National Designated Authority (NDA) or Focal Point (FP). See GCF Access Funding.	Supports implementation of NDCs and NAPs in eight result areas: Health and food security (10%); Livelihoods of people and communities (13%); Energy access and generation (24%); Transport (8%); Infrastructure and built environment (11%); Ecosystems and ecosystem services (8%); Buildings, cities, industries and appliances (13%); Forests and land use (13%). (% indicates proportion of total funds allocated per theme). See GCF Appraisal Guidance; GCF Project Portfolio.	Potential for impact on mitigation and/or adaptation; paradigm shift (catalysing impact beyond a one-off project or investment); and wider sustainable development. Level of needs of the recipient country / population; country ownership; efficiency and effectiveness. See GCF Appraisal Guidance.	The GCF has provided funding for Paraguay's PROEZA, a E-CCT approach that builds on a based on a CCT (Box 5) and climate resilient and low-carbon social housing in Mongolia. See also Error! Reference source not found. about Ethiopia's rejected proposal. In Mozambique, the GCF funded a project that integrates social protection with climate adaptation by using Mozambique's Productive Social Action Programme to target and deliver support to communities. The project also aimed to strengthening links between the social protection system and the natural disaster response system, including linkage with early warning systems. In Botswana , another GCF funded project is built on an existing public work programme to support adaptation and mitigation in communal rangelands. According to the 2023 TC2 Synthesis Report on funding for loss & damage, GCF projects may include components of relevance to L&D including preparedness in the areas of reconstruction, social protection, and natural capital.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Adaptation	Country Readiness Programme (Green Climate Fund - GCF)	Grants.	Included in adaptation, above.	In total, $513m for 142 countries as of April 2023. Up to $1m per country per year for institutional capacity building; up to $3m per country for NAP formulation and sectoral and other adaptation planning.	N/K	All country parties to the UNFCCC with at least 50% of support to LDCs, SIDS and African States.
Adaptation Loss & Damage	Least Developed Countries Fund (LDCF) (Global Environment Facility - GEF)	Grants	$1.7 billion	$0.0624 billion	Short time frame.	Exclusively for least developed countries (LDCs). The UNFCCC uses the UNDESA categorisation of LDCs.
Adaptation Loss & Damage	Special Climate Change Fund (SCCF) (Global Environment Facility - GEF)	Grants	$0.363 billion	$0.0208	Short time frame.	Exclusively for small island developing states (SIDS).

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Available to NDAs, FPs, and Direct Access Entities (e.g. a social protection ministry).	To support countries to engage with the GCF and undertake adaptation planning, including sectoral planning (e.g., for social protection).	N/K	Social protection sector adaptation planning meets the fund criteria in theory, but no known precedent.
Designated government operational focal points works with specified partner agencies to develop and implement projects.	GEF supports adaptation objectives under the Paris Agreement with four focus areas 2022-2026: ❋ Agriculture, food security, and health ❋ Integrated water resource management to address water security, droughts, and flooding. ❋ Nature-based solutions ❋ Early warning and climate information systems GEF will also support other urgent adaptation priorities including (but not limited to) climate resilient infrastructure, sustainable alternative livelihoods, ecosystem restoration, forestry, and disaster risk management. See the GEF Programming Strategy 2022-2026.	Projects must be country driven and consistent with national development priorities. GEF financing must only be for the agreed incremental costs of measures to achieve global environmental benefits. Priority is given to "transformational approaches" through policy coherence and mainstreaming, strengthened governance, and knowledge exchange and collaboration. See the GEF Programming Strategy 2022-2026.	The GEF supports the integration of adaptation measures into development plans, policies, programmes, and projects at the regional, national, sub-national, and local levels. This could potentially include linking social protection to early warning systems. The GEF programming strategy states that "specific interventions may include support for social safety nets such as crop insurance" among other approaches. The SCCF has supported micro-insurance and financial literacy for fishing communities (in Papua New Guinea) and coral reef insurance (in Solomon Islands). The GEF trust fund supported the Namibia Integrated Landscape Approach for Enhancing Livelihoods and Environmental Governance to Eradicate Poverty (NILALEG) project which included a small public works component.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Adaptation	Adaptation Fund (AF)	Grants	$1.04 billion (Dec 2022)	$454 million for 239 projects (Dec 2022)	Average 5 months, quickest months.	Developing country parties to the Paris Agreement that are 'particularly vulnerable' to the adverse effects of climate change.

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Accredited multilateral, regional, and national implementing entities (IE). IEs must work with the national Designated Authority. There is a 50% funding cap for MIEs and a $10 million cap per country.	Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems. Improving the monitoring of diseases and vectors affected by climate change, and related forecasting and early-warning systems, and in this context improving disease control and prevention. Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness, and management of disasters relating to climate change. Strengthening existing and, where needed, establishing national and regional centres and information networks for rapid response to extreme weather events, utilising information technology as much as possible. See full list of Project Sectors.	Consideration of national development, poverty reduction and adaptation strategies. Level of vulnerability to climate change and urgency and risks arising from delay of action. Ensuring access to the fund in a balanced and equitable manner Securing regional co-benefits to the extent possible Potential for maximising multi-sectoral or cross-sectoral benefits Adaptive capacity to the effects of climate change Potential for learning lessons in project and programme design and implementation. AF Strategic Priorities.	Certain thematic priorities of the AF align with social protection goals. Projects that aim to strengthen or 'climate proof' rural livelihoods focus on knowledge and training, provision of inputs, improving access to markets, financial services, and risk insurance However, no evidence of AF funded projects that directly incorporate social protection programmes or initiatives. See AF Projects.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Adaptation Loss & Damage	Global Shield Financing Facility (GS-FF) (World Bank)	Grants, leveraging other financing.	$0.25 billion for whole GS, as of April 2023. Distribution between 3 GS funds is unclear, however JMDF may have an additional $7.6 million pledged. Next funding pipeline due at COP 28.	Not yet operational.	Planned to be based on parametric triggers, like parametric risk insurance.	Group of vulnerable 20 countries (V20), widening to all ODA recipient countries. Initial 8 pathfinder countries include: Bangladesh, Costa Rica, Ghana, Jamaica, Malawi, Pakistan, the Pacific Islands, the Philippines, and Senegal.
Adaptation Loss & Damage	Global Shield Solutions Platform (GS-SP) (Frankfurt School)	Grants.		Not yet operational.	N/K	
Adaptation Loss & Damage	Global Shield CVF-V20 Joint Multi Donor Fund (JMDF) (UNOPS)	Grants.		$6.5 million since 2020.	N/K	

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Proposed process involves country consultation, stocktake of CDRFI activities, gap and vulnerability analysis, request for CDRFI support, review, financing commitment and support, delivery.	Integrated financial packages, complementary investments in climate adaptation and disaster risk reduction, IDA leveraging.	N/K	The GS will facilitate instruments designed to provide rapid financial relief directly to households and businesses to respond to disaster-related losses, or instruments which pre-arrange finance for governments, humanitarian agencies, and non-governmental organisations for disaster preparedness and rapid response. This will also entail strengthening and building shock-responsive social protection systems and other delivery systems to ensure that pay-outs are spent on providing what affected individuals and communities need when they need it the most.
Cooperation with existing CDRFI initiatives, other public and private entities, NGOs; competitive call for proposals.	Research, capacity building, modelling and data support; concept and solutions development; and implementation support, e.g. premium financing.		
Designated implementing entities.	Priority programmes including loss and damage, premium subsidies, and capital support, off balance sheet guarantees, distribution channels enhancement and climate smart insurance for SMEs, slow onset financial protection risk pool.		

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Loss & Damage	Disaster Risk Financing and Insurance (DRFI) programme (World Bank)	Debt, Grants, Loans, Insurance	$4.3 billion in contingent lines of credit, $8.5 billion transferred to financial markets	-	-	-

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
-	The DRFIP works through four main areas to help increase the ability of national and local governments, homeowners, businesses, agricultural producers, and low-income populations to respond more quickly and resiliently to disasters: ❋ Sovereign Disaster Risk Finance ❋ Market Development ❋ Analytics ❋ Knowledge Management & Global Partnerships	-	The DRFI programme supports governments to implement comprehensive financial protection strategies, and brings together sovereign disaster risk financing, agricultural insurance, property catastrophe risk insurance, and scalable social protection programmes.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Adaptation Loss & Damage	Global Facility for Disaster Reduction and Recovery (GFDRR) (World Bank)	Grants.	$35 billion since 2015. $0.89 billion in 2022.	$0.0165 billion in 2022	-	Low- and middle-income countries at high risk of natural disasters.
Loss & Damage	Global Risk Financing Facility (GRiF) (World Bank)	Grants.	$0.20 billion	-	-	Priority to poorest and most vulnerable countries.

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
-	Technical assistance to understand, manage, and reduce risks from natural hazards and climate change. ❋ Building regulations ❋ Urban resilience ❋ Health system resilience ❋ Disaster risk finance ❋ Emergency preparedness and response ❋ Hydro met services and early warning systems. ❋ Nature-based solutions ❋ Resilient housing and infrastructure; safer schools ❋ Inclusive DRM and gender equality; DRM-FCV nexus ❋ Open data; disaster risk analytics; digital earth	-	Social protection may be relevant in relation to disaster risk financing and emergency preparedness and response.
Recipient executed, and processed as components of lending operations by the World Bank or potentially other MDBs	GriF provides finance and technical expertise to develop new and existing pre-arranged financing instruments to manage disasters and climate shocks.	-	Social protection may be relevant as an instrument to deliver disaster risk financing.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Mitigation and Adaptation	Climate Change Fund (CCF) (Asian Development Bank)	Grants, technical assistance, direct charge.	$98 million as of March 2021 with 75.4 million allocated to 126 projects,	-	-	Developing (ADB) member countries

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Project proposals must be submitted by ADB user departments to the Climate Change Steering Committee. Proposals reviewed every 2 months.	❋ Preparation of relevant strategies or action plans for DMCs ❋ Investment in climate change mitigation or adaptation measures ❋ Development of knowledge products and services related to climate change. ❋ Facilitating knowledge management activities, including regional conferences and workshops ❋ Funding to off-set ADB's corporate carbon footprint	-	CCF has supported social protection related projects including the Pakistan Integrated Social Protection Development Programme which supports upstream assessments on climate change impacts on livelihoods and social protection needs to enhance understanding of climate impacts on rural livelihoods, especially on women and marginalized groups.

Main Climate Objective	Fund (and institution)	Instruments	Volume Pledged	Annual Disbursement	Disbursement Time Frame	Eligibility
Mitigation and Adaptation	Africa Climate Change Fund (ACCF) (African Development Bank)	Grants	$26 million (as of March 2023)	$3.9 million	-	African countries

*Data sources: All data come from the institutional website for which links are given in the second column, along with Climate Funds Update, IPCC TC2 Synthesis Report 2023, and UNFCCC 2022.

Access Modality	Focus Objectives	Investment Criteria	Potential for Social Protection Funding
Via African governments, non-governmental organizations, and regional institutions. 3rd call for proposals was in June 2021.	Climate finance readiness; climate change and green growth mainstreaming; the preparation and financing of adaptation and mitigation projects and programmes in the context of the NDCs; capacity building and institutional strengthening; the preparation of climate resilient and low carbon strategies and policies; gender and climate change; and analytical work related to climate finance and green growth	Strong focus on gender equality, requiring a gender transformative climate change adaptation approach.	N/K