



Integrating Adaptation & Resilience into Transition Plans

NGFS Input paper to the G20 Sustainable Finance Working Group

Why integrate adaptation and resilience into transition plans

Adaptation is a challenge, alongside mitigation

Climate change has a significant cost even if we achieve net zero

Global GDP loss by 2050 due to chronic physical risks:

- **7.3%** in a Net Zero scenario
- **15%** in a Current Policies scenario

Compared to a baseline future without climate impacts

Source: NGFS

Adaptation has short- and long-term benefits but is underfinanced

- **2:1 to 15:1 economic benefit-to-cost** ratios for adaptation measures in certain sectors
- **≈70% funding gap** for adaptation finance in EMDEs

Source: CPI, CDP

Transition plans can play a role

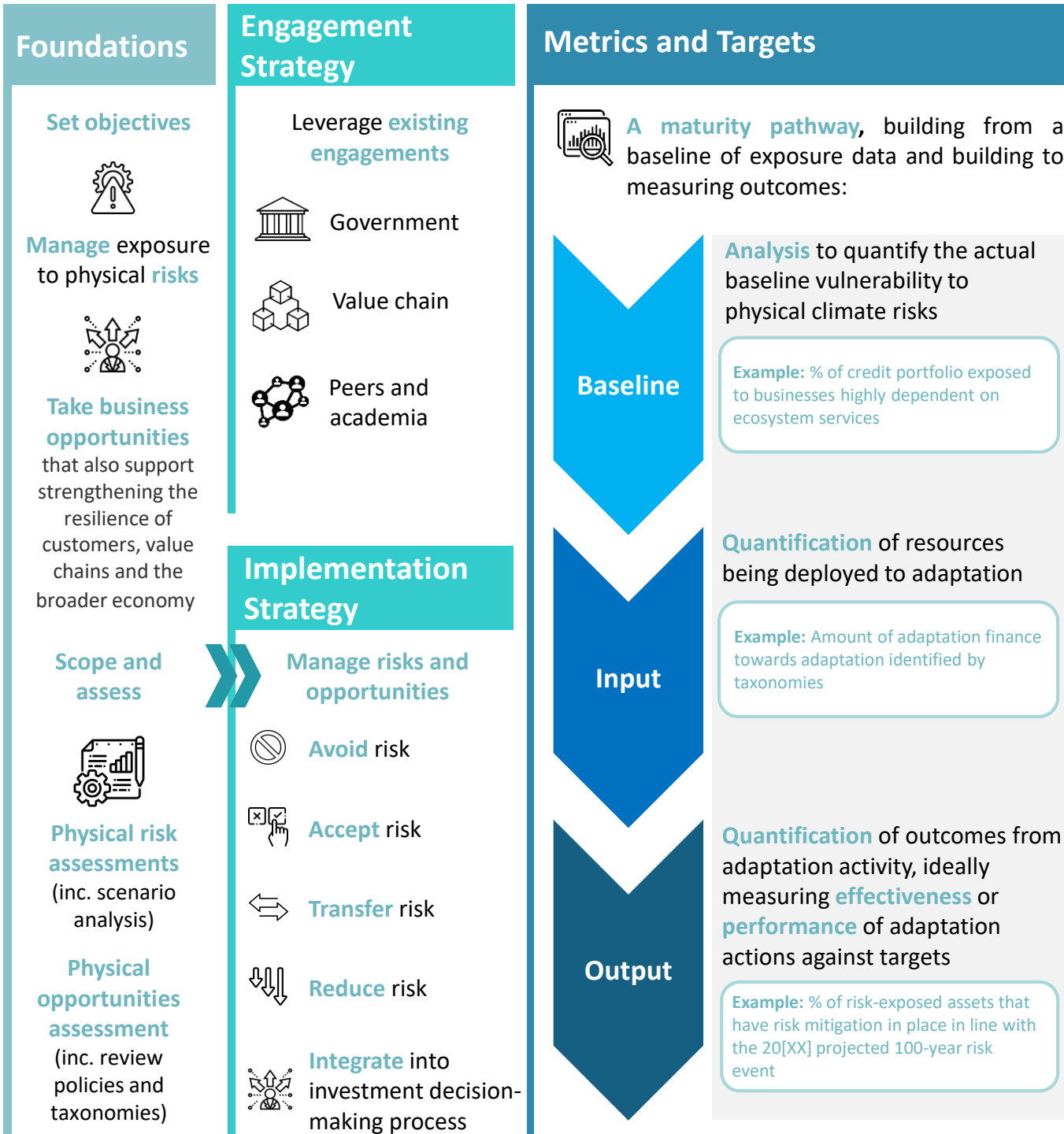
A strategic tool to facilitate risk management and investments

- Support a **forward-looking approach to manage physical risks and opportunities**, alongside transition risks
- **Guide capital toward resilience-building investments**
- This requires a strong **enabling environment**, including clear government policies and plans (e.g., national adaptation plans), to give the private sector confidence to invest



How adaptation and resilience can be integrated into transition plans

Ambition Action Accountability



Governance

Leverage **existing transition planning frameworks and processes**, which oversee and manage mitigation efforts, to track progress against adaptation targets, once set.



Find out more in the note