

Community Resilience Partnership Program PARTNERSHIP FORUM 2025

25–26 February 2025 | Bangkok, Thailand

PROCEEDINGS

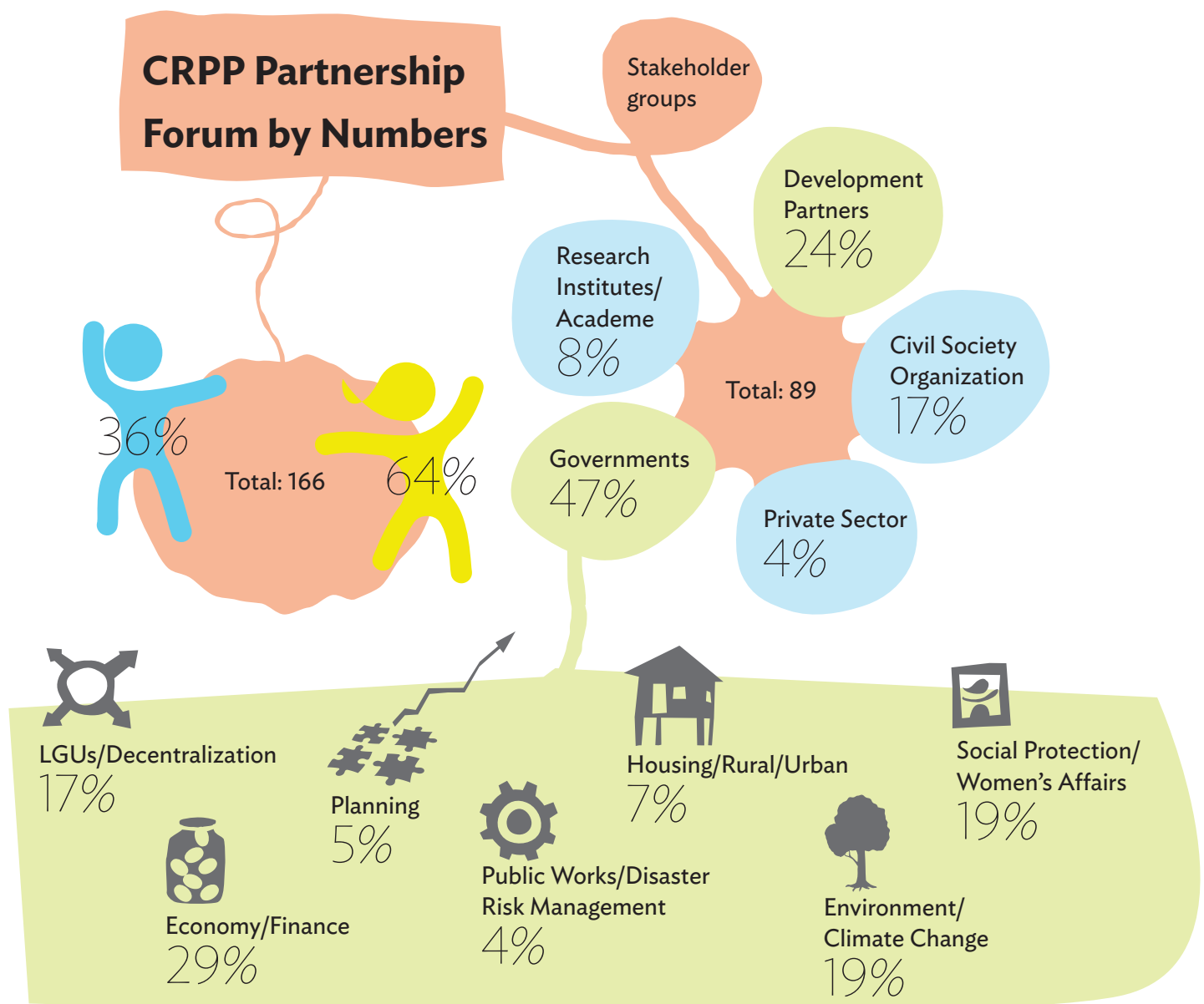


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About the Community Resilience Partnership Program (CRPP) Partnership Forum. The Partnership Forum of the CRPP is an annual event that brings together community leaders from grassroots women's groups, government officials, policy research organizations, development partners, and financial institutions active in Asia and the Pacific region to discuss what role poverty reduction policies and programs can play in building climate resilience in communities. The focus is to identify solutions for climate adaptation that can be implemented through government systems while directly responding to the needs of local communities. Such solutions should address the nexus of climate, poverty, and gender.

Objectives of the 2025 Forum. The objectives of the CRPP Partnership Forum 2025 were to find ways on how urban poverty reduction programs and financial inclusion programs can be leveraged to address climate risk, reduce poverty and promote gender equality in communities. A wide range of CRPP stakeholders discussed practical ways to design and deliver such processes and programs so that they respond to current and future climate risk, address the underlying causes of vulnerability, promote gender equality, and empower communities.



HIGHLIGHTS

As in previous years, the CRPP Partnership Forum 2025 provided a valuable platform for in-depth discussions on two central themes. This year's forum focused on leveraging urban poverty reduction and financial inclusion to build climate resilience, emphasizing innovation, coordinated action, and community empowerment—especially for women and vulnerable groups—through inclusive, context-specific solutions, policy reforms, capacity building, and scalable, community-driven adaptation strategies across Asia and the Pacific. With a format designed to move discussions from experience-sharing and scene-setting to actionable outcomes, the forum produced three key takeaway messages:

Innovative resilience solutions require innovative programming approaches.

Building local resilience in a post-1.5°C world—where poverty and inequality persist—demands innovation in both policy and practice. Forum participants emphasized that effective resilience solutions are locally grounded, context-specific, and centered on the lived realities of climate-vulnerable communities. These approaches address not just physical climate risks but also root causes of vulnerability such as economic insecurity and social exclusion. Running counter to traditional, top-down programming approaches, such solutions must be inclusive, community-driven, and responsive—especially to the voices of women, youth, and marginalized groups. Delivering these tailored solutions requires flexible program design that can adapt to evolving needs, strengthen social capital, build trust, and promote genuine community engagement. It also requires understanding what works, why, and how to apply those lessons elsewhere. CRPP is well-positioned to support this shift by helping governments design and implement programs shaped by communities, pilot new ideas, and foster multi-stakeholder collaboration, dialogue, and evidence sharing.



Coordinated action strengthens resilience programming. Governments, communities, financial institutions, development partners, and the private sector must collaborate and cooperate to develop effective resilience and poverty reduction strategies. Yet many still operate in silos, resulting in fragmented efforts and potential for limited impact. The discussions across both days at the forum highlighted that integrated, systems-based solutions—built on closer partnerships across multiple stakeholders—better reflect local realities and tackle multiple sources of vulnerability. Governments need to pursue both greater horizontal integration (e.g., aligning social and urban infrastructure policies) and vertical integration (e.g., linking national policy with local planning). Financial institutions, policymakers, and development actors must co-create solutions with communities,

embedding collaboration into program design. Civil society organizations play a key role in anchoring these approaches and ensuring inclusive participation. CRPP can accelerate this by aligning incentives through supporting policy reforms, and coordinated strategies among stakeholders for the design and implementation of project and programs that build resilience to climate change.



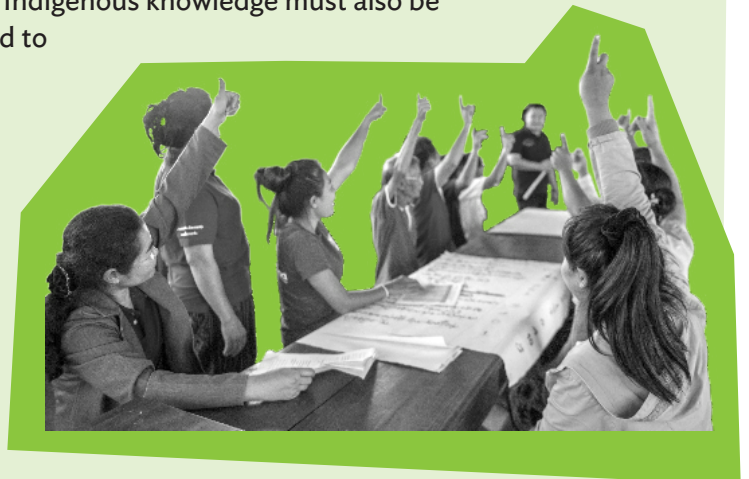
Leverage existing roles and responsibilities of national and local institutions.

A low hanging strategy for undertaking adaptation at scale will be to examine and leverage the existing roles and responsibilities of local authorities and financial mechanisms in administration and service delivery. By understanding the current scope of their responsibilities and its relevance to adaptation, we can better understand the scope and opportunities for integrating adaptation-related needs into their operating procedures.

These could support systemic and systematic investments, rather than project-based investments. By leveraging the established capacities and mandates of national and local institutions, CRPP can better identify and support mainstreaming adaptation initiatives, making them more effective and sustainable.



Empowered communities are key to sustainable resilience outcomes. Building long-term resilience to climate change depends on empowered communities. Investing in knowledge, skills, and systems that support local participation, decision-making, and asset management empowers communities and builds agency—an essential element of long-term resilience. Participants at the forum called for more investment in community capacity to access and use climate information and risk data, manage financial tools, and maintain assets and infrastructure that strengthen their resilience beyond project lifecycles. Community-based education—leveraging trusted local networks and digital tools—can support continuous learning. Local and Indigenous knowledge must also be harnessed. Local institutions must also be equipped to coordinate more effectively with communities and to recognize, interpret, and respond to local needs and challenges in meaningful ways. This shift calls for investments in soft skills, participatory methods, and institutional mechanisms that embed community engagement as a core part of planning and resilience-building processes. CRPP can help build capacity within both governments and communities, and by using local systems to implement adaptation, strengthen long-term resilience from the ground up.



Designing Urban Poverty Reduction Programs that Strengthen Community Resilience



POLICY, LEGAL, AND INSTITUTIONAL REFORMS

Greater policy integration is needed to break siloed approaches and foster holistic, multi-dimensional interventions that address systemic drivers of vulnerability to climate change. In the context of rapid urbanization and increasing climate risk, strong policy and stakeholder coordination is essential to design and implement well-connected urban poverty reduction programs that provide systems-level solutions to human development and resilience building. The plenary discussions on day 1 highlighted the need for better integration between institutional processes and sectoral policies, especially linking social and human development objectives with traditionally engineering-focused urban development initiatives to ensure more sustainable and inclusive outcomes. Greater collaboration across departments and levels of government with stronger vertical integration is also necessary, with improved mechanisms to align national programs with inclusive, multi-stakeholder city-level planning. Closer collaboration must be embedded into policy and program design, with strong partnerships between municipal and national authorities prioritized.

A human-centered policy environment is critical for resilient urban spaces and must be pursued. The issues of land tenure and housing rights highlighted the need for resilient urban spaces. Ensuring security of tenure for housing is considered essential for enabling people to invest in climate adaptation and build resilience. The formalization of informal settlements and the implementation of a continuum of tenure are examples of pathways to greater security, stability, and resilience. Box 1 presents some examples shared by UN-Habitat on innovative approaches to human-centered urban policy that can support resilience building.

Box 1: Innovative Approaches to Human-Centered Housing Policy that Helps Build Resilience

UN-Habitat's Continuum of Land Rights offers a flexible framework that recognizes a spectrum of land tenure—from informal to formal—as legitimate and evolving. This approach allows for the recognition of customary or informal tenure arrangements, providing communities with improved security, access to services, and empowerment without requiring immediate formal titling. It presents a practical, inclusive pathway for formalizing informal settlements.

In Bangladesh, the United Nations Development Programme's Community Housing Development Fund supports climate-resilient housing for low-income communities by enabling access to finance without traditional collateral. This inclusive financing model strengthens shelter security while addressing climate risks like flooding and cyclones. By linking climate adaptation, financial inclusion, and social protection, the initiative demonstrates how tailored, community-based financing can enhance both equity and resilience. It serves as a scalable example of how governments and development partners can support locally appropriate, climate-smart housing solutions.

Source: Asian Development Bank.

Scaling community-based green infrastructure to build resilience requires policy frameworks and financing mechanisms that support long-term, inclusive implementation. The spotlight discussions on advancing resilience of the urban poor through community-based green infrastructure emphasized the need to move beyond isolated pilots to wider application, and that doing so demands institutional backing and alignment with national and municipal strategies. This includes having accessible financing mechanisms that empower local actors and

ensure financial sustainability of grassroots initiatives. Strong partnerships with civil society organizations can help to anchor community-driven approaches and ensure inclusive participation in design and maintenance processes. Institutional support through technical assistance, simplified regulatory procedures, and platforms for knowledge sharing to replicate and adapt successful models can also facilitate scaling. To embed green infrastructure within broader urban systems, policies must also recognize and incentivize the social, environmental, and economic co-benefits of these interventions. This calls for coordinated efforts across planning, housing, environment, and finance sectors, with community-based green infrastructure integrated into mainstream urban development frameworks.

A significant lack of representation and voice from poor and vulnerable segments of society in urban policy and strategy processes compromises achievement of resilience outcomes. Women, children, and youth, often have little to no opportunity to participate in city planning, preparedness, and decision-making. This exclusion exacerbates existing vulnerabilities, as it strips these groups of agency in shaping the environments in which they live. Strengthening meaningful representation of marginalized communities in municipal planning processes alongside building greater trust in the knowledge and capacities of communities themselves is essential to building resilience of the most vulnerable. Promising examples exist where vulnerable groups have effectively contributed to urban planning and resilience efforts. However, these remain isolated and are not mainstream practice. Governments and development partners must take concerted action to prioritize and scale these inclusive frameworks, institutionalizing community-led approaches within urban resilience planning processes and support it with specific resource allocation. Box 2 presents an example of participatory governance from India that was shared during Spotlight 2 on enhancing social systems for urban climate resilience.

Box 2: Participatory Governance Driving More Responsive, Locally Grounded Solutions to Climate Challenges - Jodhpur Nagar Nigam Heat Action Plan

In Jodhpur, one of India's hottest cities, Community Action Groups played a pivotal role in advocating for targeted responses to extreme heat. Responding to persistent community demands, a groundbreaking Heat Action Plan was developed in 2023—marking the first of its kind for the city. This plan was jointly prepared by the Mahila Housing Trust, the Natural Resources Defence Council, and the Jodhpur Nagar Nigam, setting a precedent for inclusive and collaborative climate resilience planning. The initiative demonstrates the power of organized community voices in influencing urban policy and highlights the importance of institutionalizing community-led approaches in climate adaptation. By centering the lived experiences of those most affected by heat stress, the Jodhpur Heat Action Plan serves as a model for how participatory governance can drive more responsive, locally grounded solutions to climate challenges.

Source: Asian Development Bank.

KNOWLEDGE AND CAPACITY

Community empowerment is key. Resilience is fundamentally about having the knowledge and skills to adapt. Discussions on enhancing social systems for urban climate resilience highlighted that resilience efforts do not mean having all the answers. Rather, communities must have the capacity and agency to continuously adapt to evolving challenges. Technical experts and policymakers must effectively engage with communities to help build

the communities' capacity—working with grassroots groups and collectives to enhance practices in participation, community asset management, and collaborative decision-making. Box 3 provides an example from the Philippines on the value of empowered communities shared during Spotlight 1 on advancing resilience of the urban poor through community-based green infrastructure.

Box 3: Social mobilization through the Ugnayang Lakas ng mga Apektadong Pamilya

In the Philippines, the community-led movement Ugnayang Lakas ng mga Apektadong Pamilya (ULAP) demonstrates the power of organized advocacy and people's planning in driving tangible improvements in urban resilience. Through sustained mobilization and local leadership—particularly by women—communities have successfully advanced solutions in critical areas such as sewage treatment, flood control, and the development of safer evacuation centers. Collaborative efforts, including partnerships with the Huairou Commission, have also led to the establishment of urban gardens and rainwater catchment systems, strengthening both food and water security. ULAP representatives—especially women leaders—have engaged in public hearings, local housing boards, or resilience forums to advocate for inclusive policies and secure land tenure, disaster preparedness measures, and infrastructure improvements. These initiatives highlight how social mobilization, when combined with inclusive planning and local leadership, especially by women, can directly influence the design and delivery of resilience infrastructure.

Source: Asian Development Bank.

Developing inclusive and urban solutions for resilience requires building social capital, trust, and capacity across all levels—not just within communities themselves. Local institutions must be equipped to coordinate more effectively with communities and to recognize, interpret, and respond to local needs and challenges in meaningful ways. Designing and delivering urban solutions for resilience that are truly human-centered, rather than narrowly focused on engineering challenges, demands a different skill set—particularly at the local government level. This shift calls for investments in soft skills, participatory methods, and institutional mechanisms that embed community engagement as a core part of urban planning and resilience-building. Governments and development partners must act urgently to support this transformation by strengthening local capacities and fostering trust-based partnerships.

Mechanisms for recognizing, utilizing and scaling local knowledge for building resilience need to be in place. Building social capital and establishing mechanisms that can recognize, sustain, and scale context-relevant best practices and existing community structures is critical. These mechanisms should ensure that local knowledge is not only preserved but actively informs urban resilience planning.

ADAPTATION SOLUTIONS (PROJECTS AND PROGRAMS)

Investments in building sustainable livelihoods and promoting social equity are foundational to building climate resilience in urban centers. Discussion on advancing resilience through community-based green infrastructure emphasized that investments in building resilience in urban centers need to go beyond addressing physical climate risks to also supporting economic stability and social inclusion, especially for vulnerable groups such as women, youth, and low-income households. Embedding livelihood opportunities within resilience

strategies creates tangible co-benefits that reinforce both social and climate outcomes. Green urban livelihood strategies such as urban farming, decentralized waste management, and nature-based microenterprises offer promising pathways to simultaneously reduce physical risks and enhance inclusion and agency for marginalized groups. These approaches not only generate income but also foster local ownership and long-term sustainability. Box 4 presents an example from Bangladesh.

Box 4: Addressing the Livelihood Concerns of the Most Vulnerable in India

The Deendayal Antyodaya Yojana–National Urban Livelihoods Mission aims to reduce poverty and vulnerability among urban poor households by facilitating access to self-employment and skilled-wage employment opportunities. The mission focuses on building strong grassroots-level institutions, providing shelters with essential services to the urban homeless, and addressing the livelihood concerns of urban street vendors by facilitating access to suitable spaces, institutional credit, social security, and skills to access emerging market opportunities. About 10 million urban poor have been mobilized under this program. They are managing infrastructure, quality checking water systems, while being provided finance and capacity support to actively engage in the program.

Source: Asian Development Bank.

Investments in building urban resilience must include direct and targeted action for the most vulnerable.

Women and children face a disproportionate impact of changing climate and extreme weather events, which exponentially amplifies the impact and prevalence of other social challenges such as child marriage, compelled (child) labor, and domestic violence. Therefore, initiatives that seek to build climate resilience in urban areas must include specific activities and strategies that address these, such as ensuring access to safe shelters and services during climate shocks that respond to their specific needs, integrating gender- and child-sensitive approaches into early warning systems and urban planning, and targeted education and awareness initiatives to shift harmful social norms.

Meaningful engagement with communities on adaptation decision-making requires investing in innovative approaches.

Engaging women and youth as active agents in resilience planning—not just as beneficiaries—can foster inclusive, locally-grounded solutions, and was repeatedly highlighted as critical for success. There is huge opportunity for leveraging youth participation in overall climate action. Examples shared included youth participation in awareness building, mobilization, community asset mapping. This should be further explored. Ways and means of engaging meaningfully with communities more generally in design and delivery of urban adaptation initiatives was discussed at length on day 1 of the forum, with specific example provided by UN-Habitat (Box 5).

Longer time horizons, patience, and flexibility are required for meaningful engagement, which is necessary for building resilience.

One of the core messages that came from the plenary was that community organizing requires relying on an iterative process of engagement, and building trust and capacity. Genuine participation takes time and requires flexibility to respond to evolving community needs, priorities, and dynamics. Effective urban resilience planning must therefore embed this flexibility from the outset, acknowledging that meaningful engagement is not linear and must adapt as trust deepens and community capacity grows. Investing in these iterative processes is essential—not only to ensure inclusive outcomes but also to create a foundation of trust

Box 5: UN-Habitat's Community Contracting and Island Development Councils

UN-Habitat's community contracting modality is a participatory approach that empowers local communities to directly engage in the development and upgrading of their neighborhoods. This method involves community organizations entering into agreements with UN-Habitat to utilize grants for addressing specific community needs, such as infrastructure improvements, housing projects, and basic service provision. UN-Habitat community contracting modality has successfully shifted from \$0.22 reaching communities to delivering \$0.75.

The Island Development Councils in the Maldives serve as a unifying platform for diverse community members to come together, reducing social tensions, and empowering local communities to find their own solutions.

Source: Asian Development Bank.

that strengthens the legitimacy and sustainability of interventions. Governments and development partners must recognize that timelines and project frameworks should allow space for this type of community-driven evolution and allocate resources accordingly.

Anticipatory action and forecast-based financing have the potential to be truly transformational in advancing urban resilience. Strengthening social registries and linking them with social protection systems is essential to ensure that forecast-based responses reach those most at risk. Urban poverty data are often fragmented or unreliable, making it difficult to effectively target support. Thus, governments and development partners must invest in robust data systems, inclusive registration processes, and flexible financing instruments that enable early action—ensuring that urban resilience strategies are equitable, timely, and protective by design. By enabling vulnerable populations to protect their lives and assets before a crisis strikes, these approaches shift the narrative beyond reactive recovery to proactive risk reduction. Financial inclusion—through forecast-based financing mechanisms and adaptive social protection programs—is critical for ensuring that poor and vulnerable urban residents have timely access to support when they need it most.

One-off investments in infrastructure are not enough—long-term resilience hinges on the ability of communities to maintain, repair, and sustain these assets over time. Ecosystem-based and green infrastructure solutions are often more adaptable, community-manageable, and cost-effective over time. They can harness local knowledge, require less intensive maintenance than hard infrastructure, and provide co-benefits such as improved biodiversity, microclimate regulation, and social cohesion. A critical challenge lies in establishing systems that can provide sustained technical guidance and financial support, particularly in low-resource urban contexts. Improving long-term maintenance and operational capacity must be a core element of resilience planning. To maximize potential, governments and development partners must design for long-term sustainability from the outset, embedding support systems that endure beyond initial project lifecycles.

Building Community Resilience through Financial Inclusion

Access to affordable financial services—credit, savings, and insurance—is vital for building climate resilience, especially for vulnerable groups and women. Inclusive finance empowers communities to manage and recover from shocks, facilitates investment from individuals in adaptation, and provides critical capital for micro, small, and medium-sized enterprises to grow in a climate-resilient manner. Digitization is expanding access and reducing costs, making services more effective and scalable. If aligned with climate adaptation goals, Asia and the Pacific’s financial innovation offers opportunities to leverage public systems, cooperatives, and microfinance institutions to build resilience. The discussions on this theme at the forum focused on how to advance the design and delivery at scale of tailored financial inclusion solutions that build resilience to climate change—especially solutions that benefit the poor and vulnerable groups.



POLICY, LEGAL, AND INSTITUTIONAL REFORMS

Accelerating innovation and scaling financial inclusion for climate resilience requires a suitable enabling policy, legal, and institutional environment. Discussions across the second day of the forum repeatedly highlighted the urgent need for policy reforms to foster innovation and scale financial inclusion for climate resilience initiatives. A key barrier remains in “Know Your Customer” requirements, which often exclude vulnerable and marginalized populations who lack formal identification. Key priorities include lowering minimum balance requirements and institutionalizing measures that protect and help grow community savings, particularly for women and informal workers. Targeted regulatory reforms, in collaboration with financial institutions and community organizations, can help address current constraints.

Governments, the private sector, and development partners all have critical roles to play—but coherence and coordination of activities is key. A well-aligned ecosystem is essential to ensure that vulnerable populations, particularly women, can access and benefit from inclusive financial systems to help them build resilience to climate change. Governments must lead by enhancing regulatory frameworks; development banks and international partners need to provide highly concessional resources to help de-risk market interventions; while the private sector, banks, and microfinance institutions must invest in developing and supporting innovative financial products that are affordable, accessible, and climate-responsive—that meet the specific needs of poor and vulnerable communities. The key for success is that these are pursued in a coherent and coordinated way based on unified strategy and approaches.

Consumer protection and trust are key to scaling digital solutions. Policy, legal, and institutional frameworks need to be in place to ensure consumer protection and data security in digital financial solutions, to build trust and encourage adoption. Digital payments and infrastructure can accelerate climate resilience by enabling timely, efficient, and transparent financial transfers during climate shocks and supports long-term adaptive social protection. Experience from participants shows that there is often a lack of trust in such digital services. Leveraging digital financial services for building climate resilience is critical. Box 6 summarizes an example from the Better Than Cash Alliance on building trustworthy digital infrastructure.

Box 6: Building Safe, Transparent, Inclusive, and Accountable Digital Infrastructure

The Better Than Cash Alliance’s Responsible Digital Payments Initiative promotes the use of responsible digital payment systems as a critical tool for advancing financial inclusion and climate resilience. The initiative focuses on ensuring that digital financial services are safe, transparent, inclusive, and accountable, especially for vulnerable and underserved populations. By embedding principles of consumer protection, privacy, and equitable access, it supports the development of digital ecosystems that empower individuals—particularly women and informal workers—to access, use, and benefit from financial services. This initiative underscores the importance of building trustworthy digital infrastructure that not only increases financial access but also protects users in increasingly digital economies.

Source: Asian Development Bank.

Governments can leverage existing public digital infrastructure to advance financial inclusion and climate resilience. Examples shared by participants from Vanuatu and Pakistan showcased this potential. Vanuatu is using its national ID system to scale digital financial solutions that support climate adaptation and social protection, ensuring innovation remains accessible, especially for remote communities. Pakistan has integrated its National Socio-Economic Registry with financial systems through programs like the Benazir Income Support Programme and Ehsaas, enabling direct digital cash transfers to low-income households, particularly women. These models improve aid delivery and promote inclusion. Governments should continue strengthening systems for seamless data exchange across welfare and financial institutions, integrating digital finance into broader social protection and resilience strategies.

Targeted policies that actively support women's access to financial services is a key pathway to empowerment and inclusive adaptation. Women—particularly those in poor and vulnerable communities—continue to face systemic exclusion from financial systems, limiting their ability to prepare for and recover from climate shocks and invest in adaptation. Incentivizing investments in financial mechanisms that are women-centered, such as community resilience funds, savings groups, and tailored instruments like parametric microinsurance, will be essential to close this gap and help build agency, and enable women to lead resilience efforts within their communities. Bridging the digital divide must also be treated as a policy priority. National financial inclusion strategies and adaptation plans should explicitly address gaps in digital infrastructure and access for women, Indigenous groups, and other marginalized communities. Embedding gender-responsive financial inclusion in climate adaptation and poverty policies ensures that resilience efforts are equitable, scalable, and grounded in the realities of those most at risk.

KNOWLEDGE AND CAPACITY

Invest in targeted initiatives around building and improving financial literacy. Financial literacy, through targeted capacity building, should be enhanced, to help increase the participation of vulnerable communities in financial systems and support inclusive climate resilience. Many women, senior citizens, and other marginalized groups—particularly those in the rural areas—face barriers not only in accessing financial services but also in understanding and trusting them. To address this gap, sustained investment in financial and digital literacy programs—especially those designed to build confidence, improve decision-making, and enable individuals to manage financial resources more effectively—should be developed and implemented.

Integrate digital tools with tried and tested community-based financial education programs. Community-based education remains a critical foundation, especially when delivered through trusted local networks and tailored to the needs of specific groups. Integrating digital tools into these programs can increase flexibility, allowing individuals to learn at their own pace and on their own terms. Opportunities exist for embedding financial literacy into existing social protection and climate adaptation initiatives, leveraging existing social capital, and supporting the rollout of user-friendly, accessible education platforms. Box 7 presents an example from the Philippines on combining savings and lending communities with digital learning platforms and integrating them within existing government programs.

Box 7: Project RISE by Catholic Relief Services

The Savings and Internal Lending Communities (SILC) model by Catholic Relief Services goes beyond financial inclusion to strengthen livelihoods, community trust, and social cohesion particularly for women and senior citizens. SILC's success in building local financial resilience has led to its integration into the national social protection programs of the Philippines' Department of Social Welfare and Development. Within SILC, Project RISE (Resilience Investment for SMEs that Empower Women) supports women-led small and medium enterprises through modified livelihood insurance and financial support. It also leverages the Bixie digital platform to disburse funds and gamify learning on disaster risk reduction, financial literacy, and business development.

Source: Asian Development Bank.

More investment in knowledge generation, evidence building and shared learning is needed. Case study examples of climate change impacts abound. Despite this, vulnerable communities need to understand how climate change impacts their needs and financial behavior. They need to learn the most appropriate strategies and approaches to respond to the impacts of climate change. More research and evidence are therefore needed to shape effective, inclusive strategies and approaches for building climate resilience through financial inclusion. This includes identifying what works, what does not work, and why, through pilots, testing labs, and practical country-level demonstrations that can inform scalable investment strategies.

Knowledge sharing platforms can facilitate shared learning and advance innovation and scaling of solutions. Communities also need to better understand the current landscape of climate adaptation financial products such as insurance. Developing a clearer picture of available tools and their effectiveness can help inform larger institutions and guide policy and program design. Regional knowledge platforms, coordinated by multi-stakeholder programs such as CRPP, can help advocate for and promote knowledge management and pro-poor financial innovations. By showcasing good practices, fostering shared learning, and supporting evidence-based policymaking, these platforms can help drive more targeted, effective, and inclusive resilience finance.

ADAPTATION SOLUTIONS (PROJECTS AND PROGRAMS)

Promising strategies exist, but a cookie-cutter approach to replication will not suffice. Participants at the forum emphasized that financial services and products must be designed to respond to the lived realities and diverse needs of climate vulnerable communities. Governments and the private sector should be cautious about relying on generic, one-size-fits-all solutions to financial inclusion. Community-based savings groups, cash transfer systems, and digital finance tools that are simple, trusted, and user-friendly—particularly for women and disadvantaged groups—are being tested and expanded. Climate-responsive financial products such as parametric insurance as well as Indigenous community development funds and flexible credit mechanisms tailored to those working in the informal economy are also increasingly available.

Blended approaches ensure broader financial inclusion. Discussions in Spotlight 4 on developing pro-poor climate-resilient financial services for women raised the point about the need for strategies that balance digital and manual delivery approaches—considering the varying levels of digital literacy and infrastructure access. Financial institutions, policymakers, and development actors must co-create solutions with communities, ensuring that financial tools actively support adaptation and empower people to manage climate risks with dignity and choice. While digital payments can improve financial resilience, many marginalized communities, particularly women and the elderly, still prefer manual financial transactions, which require flexible solutions.

Supporting small and medium enterprises and local economic activities is a critical component of building climate-resilient communities. Connecting local enterprises to finance is essential, not only to support livelihoods and economic recovery, but also to unlock the potential of small and medium-sized enterprises (SMEs) as key actors in climate adaptation. Governments, financial institutions, and development partners must work together to design financing pathways that are accessible, affordable, and aligned with the realities of local economies. Forum discussants emphasized the need for targeted financial instruments such as credit line guarantees, concessional lending, and green investment schemes to reduce the cost of capital and de-risk lending to climate-aligned SMEs. Credit guarantee mechanisms, for example, can lower interest rates, making it more feasible for small businesses to invest in resilience-building measures. Box 8 presents a related example from the discussions on developing pro-poor climate-resilient financial services for women.

Box 8: The Macakka Baleta Digital Cooperative Finance Model

The Macakka Baleta Digital Cooperative Finance Model connects local women-led enterprises to finance through a combination of digital tools, targeted training, and community-based strategies. It leverages QRIS digital payment technology to raise venture capital and expand market access to remote areas. By providing training in financial literacy, business management, and climate-adaptive practices, it equips women with the skills to grow sustainable enterprises. The model also includes the “Inratta Feature,” offering flexible loan repayment during climate shocks. This integrated approach strengthens both economic and climate resilience, linking grassroots entrepreneurship with accessible financial services.

QRIS = Quick Response Code Indonesian Standard.

Source: Asian Development Bank.

Dedicated products and strategies are needed for the vulnerable groups. Targeting vulnerable groups, particularly those in the informal economy such as street vendors, transport workers, and others exposed to climate risks like heat stress, is essential for inclusive resilience strategies. Financial inclusion must be aligned with gender equality and tailored to the specific needs of women, marginalized communities, and populations living in high-risk areas, such as coastal or cyclone-prone regions. Barriers such as lack of formal bank accounts, complex documentation requirements, and limited financial literacy continue to exclude many from accessing critical financial tools. Simplified access requirements and the context-responsive financial products are key to amplifying inclusive financing efforts and ensuring that climate resilience strategies reach those who need them most.



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Local communities
are not only 'beneficiaries' —
they are development PARTNERS.

CRPP Vision Board

