

Classification System for Economic and Social sectors

Innovative Financial Instruments for Climate Adaptation

Measures to increase resilience to climate change are needed in a broad array of economic and social sectors. Innovative financial instruments can play a role in helping to scale up financing for these measures. Some instruments, though, are better suited for use in some sectors compared to others.

The inventory of Innovative Financial Instruments for Climate Adaptation draws upon the standardized list of sectors and subsectors below to identify those in which a particular instrument is better suited to be used. For each instrument within the inventory, there may be:

- Current examples of how an instrument has been used to increase financing for adaptation in the indicated sector.
- Potential for the instruments to help finance adaptation actions based upon the instrument's characteristics and/or prior use in the sector for a purpose other than climate adaptation.

List of sectors and subsectors used within the inventory of Innovative Financial Instruments for Climate Adaptation

Sector	Illustrative subsectors
Crop and food production	<ul style="list-style-type: none"> • Primary agriculture/crop production (including agroforestry) • Livestock production • Fisheries (marine, fresh water, and aquaculture) • Irrigation
Ecological services/nature-based infrastructure	<ul style="list-style-type: none"> • Forest management (including afforestation and reforestation) • Wetlands • Ecosystem and biodiversity protection, conservation, and enhancement • Fire management • Watershed management • Rangeland management • Soil conservation measures

Sector	Illustrative subsectors
Water supply (infrastructure)	<ul style="list-style-type: none"> • Water storage • (Rain)water harvesting • Water management • Water conservation
Coastal and riverine protection and management	<ul style="list-style-type: none"> • Coastal defences or flood-protection barriers • River flood protection measures
Disaster risk reduction	<ul style="list-style-type: none"> • Early warning and observation systems • Climate information services
Energy infrastructure	Increasing the climate resilience of <ul style="list-style-type: none"> • Energy generation (including renewables) • Energy transmission
Transport infrastructure	Increasing the climate resilience of <ul style="list-style-type: none"> • Roads or bridges • Airports and related built aviation infrastructure • Rail infrastructure • Ports and other marine infrastructure
Other built environments and infrastructure	Increasing the climate resilience of <ul style="list-style-type: none"> • Urban development • Tourism (generally referring to tourism infrastructure, such as roads and lodges) • Solid waste management • Wastewater systems • Information and communication technology infrastructure
Social infrastructure	<ul style="list-style-type: none"> • Education facilities • Health facilities • Housing • Social protection services (including social assistance, insurance, and labour market interventions)
Industry and manufacturing	Engaging private sector entrepreneurs to increase the climate resilience of <ul style="list-style-type: none"> • Manufacturing • Food processing, distribution, and retail • Trade

For more information visit: <https://www.iisd.org/innovative-financing>