New initiative to help climate-vulnerable countries make use of carbon markets to finance adaptation plans

Voluntary Carbon Markets Integrity Initiative (VCMI) to work with Global Green Growth Institute (GGGI) on research to support climate-vulnerable countries.

LONDON, UNITED KINGDOM, July 30, 2026 /EINPresswire.com/ -- A new initiative will support countries at highest risk from climate change by identifying ways to use carbon credit markets to finance their climate adaptation plans.

> “Carbon markets are one of several key levers that could help unlock an additional US$20 billion in annual financing for climate-vulnerable countries.”
> *George Hodgetts, Manager for Policy and Partnerships at VCMI*

Climate adaptation finance needs in developing countries have been estimated at USD 310–365 billion annually by 2035, 12 to 14 times more than international public flows of just USD 26 billion in 2023, down from USD 28 billion in 2022.

Last year’s UN climate talks in Brazil called for the tripling of adaptation finance by 2035 to support developing countries.

New research by the Voluntary Carbon Markets Integrity Initiative (VCMI) and the Global Green Growth Institute (GGGI), will explore how carbon markets can unlock new streams of capital to finance adaptation needs.

The findings will be used by the GGGI Carbon Transaction Facility (CTF) Readiness program for more targeted and strategic technical assistance for Article 6 strategies and frameworks, and disseminated more broadly through VCMI’s Access Strategies Program’s partners and policymaker networks.

While carbon markets are primarily a climate mitigation mechanism for buyers to reduce or remove emissions from the atmosphere, governments in countries that host carbon credit projects are increasingly exploring how participation can also deliver other priorities, such as climate adaptation benefits.

It comes as new research finds that carbon projects could generate a significant source of adaptation finance, with modelling showing that if carbon credits account for just a fifth of revenue in nature-based resilience solutions, this could amount to as much as $50 billion for climate adaptation.

“Climate-vulnerable countries are on the front line of climate impacts and face a widening adaptation finance gap,” said George Hodgetts, Manager for Policy and Partnerships at VCMI.

“Carbon markets, although not a silver bullet, can serve as an effective tool to help close the gap. Carbon markets are one of several key levers that could help unlock an additional US$20 billion in annual financing for climate-vulnerable countries, provided these countries are strategically positioned to participate. Countries that act now to align their carbon market frameworks with adaptation priorities can shape the market.”

The new research will shed light on the policy options available and the readiness gaps governments face when unlocking the potential carbon markets hold for adaptation finance.

It will address the questions of how vulnerable countries can engage with carbon markets in ways that maximize carbon finance for climate adaptation, and the implications from both a host-country governance perspective and a deal/trade perspective.

“The adaptation finance gap remains substantial, and achieving the goal of tripling adaptation finance will require identifying new sources of funding, including the potential contribution of carbon markets,” said Nicholas Taylor, Adaptation and Resilience Lead at GGGI.

“Stronger policy and supportive regulatory frameworks are indispensable to unlock carbon finance with adaptation co-benefits, with many such projects already in existence.”

Projects that achieve the dual goals of reducing emissions while supporting climate adaptation include those focused on blue carbon, agroforestry and landscape restoration.

The agriculture sector specifically – a primary sector in many climate-vulnerable countries – represents a significant yet often overlooked opportunity to improve climate resilience while generating carbon credits.

Such projects with multiple benefits are already commanding a premium in the voluntary market that can be up to three-fold higher than those with the lowest co-benefit scores, according to Sylvera.

The research is due to get under way over the summer with a report expected by early November.

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