

# The Investors Resilience Challenge

## *Guidance for Investors*

Introducing and Applying the Investor's Resilience Challenge Criteria



Adaptation &  
Resilience Investors  
Collaborative

# Unlocking investment for A&R outcomes and impact

A common approach is needed to accelerate investment and mobilise private capital at pace and scale

Climate hazards—floods, droughts, storms, extreme heat—are intensifying, creating mounting risks for economies, companies, and communities. Adaptation and resilience (A&R) investment is essential, yet flows remain far below what is needed. There is both a **significant market opportunity, estimated at USD \$1 trillion today**, and a major financing gap, with emerging and developing economies alone facing **USD \$200–350 billion annually** in unmet adaptation needs.

The A&R investment landscape is less mature than mitigation. Outcomes are harder to standardize, business models are less familiar, and the pipeline of investable opportunities is diverse and often unclear. Multiple taxonomies, definitions, and methodologies, including those developed by DFIs and MDBs, are emerging, each useful in its own way, but often too complex for private investors to easily understand or adopt. Together, this makes it difficult to establish a simple baseline of what counts as credible A&R finance. This creates barriers to scaling:

**Inconsistent qualification approaches:**  
When investors assess A&R investments differently, it is harder to learn from each other, co-finance, and move quickly on deals together.

**Unclear signals for finance-seekers:**  
Without a shared lens across investors, finance-seekers face varying expectations—making it harder to demonstrate alignment, shape their strategies, and attract capital.

**No simple on-ramp for new investors:**  
Complex and evolving taxonomies and frameworks across public and private investors make it harder for first-time investors to understand A&R investing and engage effectively.

There is an urgent need and opportunity to increase investment into adaptation and resilience, but scaling at the pace required will depend on a **clearer, common approach** that better aligns the incentives and capacities of public and private investors to more easily mobilise capital into A&R at speed and scale.

# Introducing the Investor's Resilience Challenge

A common approach to scaling adaptation and resilience finance by helping investors qualify, align, and communicate credible A&R investments across public and private markets

The **Investor's Resilience Challenge** is a collaborative initiative developed to help overcome barriers that currently limit the scale of adaptation and resilience (A&R) finance. It provides a **common approach**: a flexible set of criteria that aim to make it easier for public investors to work together, for private sector co-investors and investees to engage on deals with greater clarity, and ultimately to mobilise more private capital into A&R.

The Challenge helps investors not only integrate resilience into their own portfolios, but also demonstrate to partners and markets how resilience is being delivered. It applies across investment types and is designed to capture the two main pathways through which A&R investment happens:

- **Resilience of investments** refers to investing in, advising, or influencing the resilience of an investment or asset thereby managing and reducing vulnerability to physical climate risks, addressing the **risk side** of A&R
- **Resilience through investments** refers to investments that enable resilience through businesses, products, and services that deliver adaptation benefits to communities, customers, and systems, capturing the **opportunity side** of A&R.

Modelled on the **2X Challenge** for gender finance, the Investor's Resilience Challenge is expected to initially be adopted and piloted by a coalition of leading DFIs from the Adaptation and Resilience Investors Collaborative (ARIC). The intent is to provide a practical, credible approach that can be adopted and adapted over time—helping to align diverse investors, mobilise capital, and scale A&R finance more quickly and effectively.



# How the Investor's Resilience Challenge Works

DFIs lead with common criteria, calling on peers and private investors to align and scale A&R finance



The Investor's Resilience Challenge will launch at COP30 as a DFI-led initiative and a call to action. An initial coalition of leading DFIs will apply the Investor's Resilience Challenge's criteria to their own transactions, qualifying investments against them and demonstrating how credible A&R finance can be identified. An investment is considered challenge-aligned if it **meets at least two of the [five criteria](#)**.



Over the following year, **DFIs will pilot the criteria in live transactions**, building experience, creating a more common language for co-financing, and demonstrating these practices to co-investors and investees. The challenge also aims to raise the bar for DFIs themselves, encouraging **alignment on emerging good practices**, particularly in tracking the outcomes of A&R investments.



Founding DFIs that commit to piloting will **share learnings collectively** and review whether, and how, the criteria should be refined, particularly to make them more applicable and relevant for private sector investors. This ensures the criteria remain both practical for DFIs and adaptable to a wider range of investment strategies and products.



The aim is that by COP31, founding DFIs, joined by MDBs and private investors, will be able to formalize commitments to finance volumes aligned with the Challenge. Over time, the criteria are intended to become a recognised reference point for credible A&R finance, helping to mobilise private capital, bring greater visibility to qualified deals, and keep raising expectations for best practice.

# Investors Resilience Challenge statement

## A DFI-led commitment to scale private capital for climate adaptation and resilience

At COP30, a coalition of development finance institutions (DFIs) and investors intend to step up collaboration to mobilise private finance and investment towards climate adaptation and resilience (A&R). This responds to the increasing urgency for addressing climate risk and pursuing A&R opportunities in support of countries resilient development pathways. It demonstrates how DFIs and investors are working to align finance to the goals of the Paris Agreement, including the Global Goal on Adaptation and the Baku-to-Belem Roadmap.

Akin to the gender lens investing 2X Challenge, DFIs are working towards an Investors Resilience Challenge for scaling private investment for A&R results.

The Investors Resilience Challenge aims to mobilise more private capital for A&R through two paths:

- Increasing the resilience of assets, companies, and portfolios ('Resilience of investments') by investing in, advising, or influencing the resilience of an investment or asset thereby managing and reducing vulnerability to physical climate risks, addressing the **risk side** of A&R.
- Investing more in assets, companies and portfolios ('Resilience through investments') that deliver A&R benefits to communities, customers and systems, capturing the **opportunity side** of A&R.

DFIs and investors will continue to collaborate to promote common good practice for A&R investing and strengthen the bridge between DFIs and commercial investors, increasing transparency of approaches and building coherence in how these are applied by DFIs and commercial investors to further mobilise capital for A&R results in developing and emerging economies.

Through the Adaptation and Resilience Investors Collaborative (ARIC), DFIs have developed the ARIC Resilience Framework as guidelines that demonstrate how to align investing for climate A&R under the Investors Resilience Challenge. This framework builds on existing tools and the common MDB-IDFC<sup>1</sup> principles for climate finance used by DFIs as well as frameworks and methodologies used by the wider investment community including IIGCC's<sup>2</sup> CRIF<sup>3</sup> and PCRAM 2.0<sup>4</sup>.

Today ARIC is launching the Investors Resilience Challenge and the ARIC Resilience Framework for public consultation, with the aim of fostering collaboration to develop an industry standard on A&R finance practices.

Further progress towards this will be reported at COP31.

This collaboration signals growing momentum among DFIs and investors to build more resilient portfolios, partner with the wider private sector to scale solutions, and demonstrate climate resilience impact for people, planet, and economies.

1. Multilateral Development Bank-International Development Finance Club, 2. Institutional Investors Group on Climate Change, 3. Climate Resilience Investment Framework, 4. Physical Climate Risk Appraisal Methodology

# The ARIC Resilience Framework

A common framework to qualify and communicate credible climate adaptation and resilience investments. Utilised by ARIC DFIs to align and report on A&R finance, an investment is considered Investor’s *Resilience Challenge-aligned* if it meets at least two of the five ARIC Resilience Framework criteria.

#	Criteria	Explanation
<u>1</u>	<b>Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	Applies where physical climate hazards are material. Requires a structured <b>Physical Climate Risk Assessment (PCRA)</b> and integration of findings into design, structuring, or operations. All investments or activities should be reviewed against this criterion as a first step, confirming that material physical climate risks are addressed or found immaterial.
<u>2</u>	<b>Measuring Physical Climate Change Risk Management Outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Criterion 1 is a prerequisite. At least one <b>metric or KPI</b> is applied to track how identified risks are being managed over time (e.g., % downtime reduced, avoided losses).
<u>3</u>	<b>Adaptation Enabling Activities:</b> Investments delivering resilience through the production, distribution, sale of A&R solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	Applies where financing supports companies, projects, or funds that deliver A&R solutions, mapped to a <b>recognised taxonomy</b> relevant to the investment context. Such activities should also demonstrate Criterion 1 review, showing that material physical risks are addressed or immaterial.
<u>4</u>	<b>Measuring Adaptation Enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments.	Criteria 3 is a prerequisite. At least one <b>outcome indicator</b> is used to demonstrate adaptation benefits for people, assets, or ecosystems (e.g., households protected, hectares under resilient practices). Ensures benefits are evidenced, not just assumed.
<u>5</u>	<b>Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	Primarily relevant for DFIs/public investors. Focused on <b>direct mobilisation</b> of private finance into resilience (e.g., blended finance, guarantees, co-investment).



#	Criteria 1
1	<b>Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA

Focus & Rationale	<p>This criterion focuses on strengthening the resilience of investments. It applies across investment types but is most relevant where financing, advising, or influencing builds the adaptive capacity of an entity or asset—such as upgrading infrastructure, improving operations, or enhancing a company’s ability to withstand climate shocks.</p> <p>Material physical hazards (e.g., floods, droughts, storms, extreme heat) should be assessed through a <b>Physical Climate Risk Assessment (PCRA)</b> and integrated into design, structuring, or management. All investments or activities should be reviewed against this criterion as a first step, confirming that material risks are either addressed or found immaterial before applying other criteria.</p>	
Guiding Principles	<p><b>Applies where risks are material:</b> This criterion is most relevant where climate hazards (floods, droughts, storms, heat) are significant enough to affect investment viability.</p>	<p><b>Screening is baseline, not alignment:</b> Climate risk screening is encouraged for all investments, but alignment under this criterion requires showing how material risks are managed, not simply that a screening was performed.</p>
	<p><b>Integration is key:</b> To qualify, investments should demonstrate that identified risks have been addressed or integrated into the investment process and decision making.</p>	<p><b>Flexibility:</b> No single methodology is required; any transparent, fit-for-purpose approach that leverages existing risk management tools or processes is acceptable. See the <a href="#">resources slide</a> for recognised tools.</p>
Application across Investment Types	<p>Investors in different vehicles could qualify under this criterion where physical risks are material and managed:</p> <ul style="list-style-type: none"> <li>• <b>Fund investment:</b> A private equity fund applies PCRA across its portfolio and integrates results into company improvement plans.</li> <li>• <b>Infrastructure project:</b> A loan to expand a water utility integrates drought risk findings into technical standards.</li> <li>• <b>Financial intermediary:</b> A line of credit to a commercial bank includes requirements for screening SME loans in flood-prone regions.</li> <li>• <b>Corporate investment:</b> Financing for a manufacturer in a cyclone zone supports resilient design upgrades to facilities.</li> <li>• <b>Public company investment:</b> Investments in publicly listed entities that have evidenced implementing robust adaptation plans.</li> </ul> <p>For an applied example, see <a href="#">Case 3 - Water Utility Infrastructure Loan</a>, which demonstrates how a USD \$195M loan integrated findings from a Physical Climate Risk Assessment into project design and technical standards.</p>	

#	Criteria 2
2	<b>Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment

Focus & Rationale	<p>This criterion demonstrates that physical climate risks are not only identified but also tracked through performance indicators. It applies across investment types but is most relevant where finance, advisory or influencing strengthens the systems of an asset, company, or intermediary to monitor how risks are managed over time.</p> <p>Following a <b>PCRA under Criterion 1</b>, investments should establish <b>at least one climate risk-management metric</b> at the investment level. This may be in place at approval or reflected in a credible plan to set and track such a metric over time. The goal is to ensure climate risk management is an ongoing process, with evidence that resilience is embedded in practice.</p>	
Guiding Principles	<p><b>Link to risk assessment:</b> Indicators should flow from the risks identified in a PCRA or equivalent process.</p>	<p><b>Keep it proportionate:</b> Metrics should be practical and aligned with materiality of the risks.</p>
	<p><b>Track meaningful change:</b> At least one measure should demonstrate how resilience is being managed (e.g, avoided losses, reduced downtime or % portfolio where material PCRs are being addressed).</p>	<p><b>Flexibility:</b> Different metrics may be appropriate across sectors and instruments; what matters is that monitoring demonstrates progress towards climate risks being managed. Users should draw on established methodologies, links provided in the <a href="#">Resources slide</a>.</p>
Application across Investment Types	<p>Investors in different vehicles could qualify under this criterion where physical risk metrics and outcomes are being tracked:</p> <ul style="list-style-type: none"> <li>• <b>Fund investment:</b> A growth equity fund reports annually on the share of portfolio companies with resilience measures in place.</li> <li>• <b>Infrastructure project:</b> A power utility loan ties disbursement to achieving KPIs such as reduced outage days during heatwaves.</li> <li>• <b>Financial intermediary:</b> A credit line requires SMEs in flood-prone areas to adopt and report on basic risk-management measures.</li> <li>• <b>Corporate investment:</b> Financing for a manufacturer in a cyclone zone supports resilient design upgrades to facilities</li> </ul> <p>For an applied example, see <a href="#">Case 4</a>, where climate risks were identified as material and measurable KPIs were embedded in the financing to an agri-food company to track resilience improvements across the company’s own farms and operations.</p>	



#	Criteria 3	
3	<b>Adaptation Enabling Activities:</b> Investments delivering resilience through the production, distribution, sale of A&R Solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	
Focus & Rationale	<p>This criterion captures the <i>resilience through investments</i> dimension of the framework. It applies where financing supports companies, projects, funds, or intermediaries that deliver goods, services, or infrastructure with clear A&amp;R benefits.</p> <p>The expectation is that the investment’s purpose is <b>aligned with recognised taxonomies or methodologies</b> – such as the MDB Joint Methodology, the EU taxonomy, and others – that define what qualifies as an adaptation-enabling activity. This helps ensure that capital is directed to solutions that increase adaptive capacity for people, businesses, and ecosystems. Even where the focus is on delivering resilience, these investments should also be reviewed against Criterion 1, confirming that physical climate risks are either addressed or immaterial.</p>	
Guiding Principles	<p><b>Intentionality matters:</b> Alignment should be explicit in the investment’s mandate, objectives, or use of proceeds, showing that financing adaptation or resilience outcomes are a central focus.</p>	<p><b>Capacity and governance:</b> Investors should assess whether the investee has the institutional capacity, governance arrangements, and operational systems required to implement the strategy and credibly deliver the intended resilience benefits.</p>
	<p><b>Reference taxonomy:</b> Investors and users should apply the recognised taxonomy most appropriate to the investment context.</p>	<p><b>Flexibility:</b> Multiple recognised taxonomies and methodologies can be applied. Users should reference the framework most relevant to their investment context (e.g., MDB Joint Methodology, EU Taxonomy, Tailwind, CBRT, CRISP). See <a href="#">Resources slide</a> for key references.</p>
Application across Investment Types	<p>Investors in different vehicles could qualify under this criterion where financing enables recognised A&amp;R solutions:</p> <ul style="list-style-type: none"> <li>• <b>Fund investment:</b> A venture capital fund invests in start-ups offering climate-smart agricultural and water efficiency technologies.</li> <li>• <b>Infrastructure project:</b> An urban drainage project is financed to reduce flood risk in vulnerable communities.</li> <li>• <b>Financial intermediary:</b> A green credit line lends to SMEs deploying technologies such as drought-resistant seeds or other climate- resilient inputs.</li> <li>• <b>Corporate investment:</b> A manufacturer expands production of drought-resistant seed varieties that enhance farmer resilience.</li> <li>• <b>Public company investment:</b> Investments in publicly listed entities that generate a meaningful portion of their revenues from A&amp;R solutions.</li> </ul> <p>For an applied example, see <a href="#">Case 1 - A&amp;R Venture Capital Fund</a>, which invests in portfolio companies delivering A&amp;R solutions through a taxonomy-based mandate.</p>	

#	Criteria 4
4	<b>Measuring Adaptation Enabling Outcomes:</b> Incorporate an impact or results metric relating to resilience through investments

Focus & Rationale	<p>This criterion addresses the <i>resilience through investments</i> dimension of the framework. It applies where financing is intended to deliver measurable A&amp;R benefits for people, assets, or ecosystems.</p> <p>Investments should identify at least one <b>outcome indicator</b> at the investment level or present a <b>credible plan to set and measure one</b> during implementation. Examples include farmers adopting climate-smart practices, households with improved water access, or hectares under resilient land management. The aim is to ensure adaptation benefits are <b>demonstrated in practice</b>, providing credibility and comparability across investments.</p>	
Guiding Principles	<p><b>Relevance:</b> Indicators should directly reflect the resilience outcomes the investment is designed to deliver (e.g., hazard reduced, adaptive capacity enhanced).</p>	<p><b>Proportionality:</b> Metrics should be practical and proportionate to the size and complexity of the investment, avoiding unnecessary reporting burdens.</p>
	<p><b>Credibility:</b> Outcomes should be measurable and supported by a transparent methodology; wherever possible, align with recognised indicator frameworks (e.g., MDB methodology, SDG indicators, GCA metrics).</p>	<p><b>Flexibility:</b> Different metrics may be appropriate across sectors and instruments; users should draw on established frameworks, with further links provided in the <a href="#">Resources</a> slide.</p>
Application across Investment Types	<p>Investors in different vehicles could qualify under this criterion where A&amp;R financing outcomes are tracked:</p> <ul style="list-style-type: none"> <li>• <b>Fund investment:</b> An impact-focused equity fund reports the number of smallholder farmers using climate-smart technologies.</li> <li>• <b>Infrastructure project:</b> A flood protection project measures the number of households protected from significant flood events.</li> <li>• <b>Financial intermediary:</b> A credit facility reports hectares of farmland adopting resilient practices through loans to agribusiness SMEs.</li> <li>• <b>Corporate investment:</b> A water utility tracks the percentage reduction in service interruptions during droughts.</li> </ul> <p>For an applied example, see <a href="#">Case 2 - A&amp;R Venture Capital Fund</a>, where lending for climate-smart agriculture was earmarked and outcomes tracked through reporting.</p>	

#	Criteria 5
5	Mobilisation of private investment for A&R: Demonstrate mobilisation of private capital to A&R outcomes

Focus & Rationale	<p>This criterion reflects the importance of scaling A&amp;R finance by leveraging public or concessional investment to attract additional private capital. It is <b>primarily relevant for impact-oriented DFIs, public donors, and philanthropies</b>, who seek to play a catalytic role in structuring transactions that bring in private capital co-investment.</p> <p>The focus is on direct mobilisation; for example, through blended finance, guarantees, syndications, or co-investment structures. Mobilisation helps bridge the adaptation finance gap and demonstrates the added value of public and concessional finance in catalysing private investment.</p>	
Guiding Principles	<p><b>Clarity of mobilisation pathway:</b> Investors should be able to describe how their investment is expected to mobilise private finance (e.g., through risk-sharing, structuring, or concessional capital).</p>	<p><b>Additionality:</b> Mobilised capital should be additional to what would likely have occurred without the public investment.</p>
	<p><b>Evidence of results:</b> Mobilisation may be reported ex-ante (expected leverage) or ex-post (capital actually mobilised) but should follow transparent and credible methodologies.</p>	<p><b>Flexibility:</b> Mobilisation can take different forms across instruments; see <a href="#">Resources</a> slide for methodologies.</p>
Application across Investment Types	<p>Investors in different vehicles could qualify under this criterion where mobilisation of private finance for A&amp;R is demonstrated:</p> <ul style="list-style-type: none"> <li>• <b>Fund investment:</b> A catalytic first-loss stake enables private sector LPs to participate in an adaptation fund.</li> <li>• <b>Infrastructure project:</b> A blended loan facility brings in commercial lenders alongside concessional public finance.</li> <li>• <b>Financial intermediary:</b> A guarantee programme enables a local bank to expand SME lending for climate-smart agriculture with private co-financing.</li> <li>• <b>Corporate investment:</b> A syndicated sustainability-linked loan crowds in commercial lenders to scale company-level resilience measures.</li> </ul> <p>For applied examples, see <a href="#">Case 1 - A&amp;R Venture Capital Fund</a>, where a subordinated equity investment mobilised private commitments alongside DFI capital, and <a href="#">Case 5 - Climate Resilient Infrastructure Facility</a>, which similarly demonstrates capital mobilisation through a blended finance structure.</p>	



# Technical Assistance under the Investor's Resilience Challenge

Support qualifies when it directly enables investments or entities to meet Investor's Resilience Challenge criteria

DFIs and other investors add value in many ways beyond direct financing. Technical assistance (TA) is often critical in helping investments or entities build the A&R capacity needed to qualify under the Investor's Resilience Challenge (RC). For example, TA may enable a bank to integrate adaptation taxonomies into lending, support a fund manager to design impact measurement systems, or guide a utility through a physical climate risk assessment. Recognising this catalytic role ensures that contributions beyond direct finance are visible and valued.

Under the Investor's Resilience Challenge, TA itself can qualify as **Investor's Resilience Challenge-aligned finance**, counted at its face value, when it directly supports an entity or transaction to meet at least two criteria. The linked investment may also qualify, but only the financiers providing direct financing to that transaction should qualify or report those amounts under the Investor's Resilience Challenge.

This approach ensures that TA is recognised for its catalytic role, while maintaining integrity and consistency with established MDB climate finance reporting practice.

## Mini-Case Example: Commercial Bank Credit Line

A DFI provides USD \$2 million in TA to a commercial bank to embed an adaptation taxonomy into its SME lending operations and set up an outcome-tracking system. This support allows the bank to classify climate-smart agriculture loans under a recognised A&R taxonomy (**Criterion 3**) and measure resilience outcomes such as the number of hectares under improved practices (**Criterion 4**) achieved through its lending. The USD \$2 million TA therefore qualifies as Investor's Resilience Challenge-aligned finance in its own right.

This example is **complementary to [Case Study 2](#)**: whereas Case 2 shows how the **credit line financing** itself qualifies, this mini-case illustrates how the **technical assistance offered by the DFI** to the same bank can also qualify—capturing the additional value created beyond direct financing.

# Quantifying Investor's Resilience Challenge-aligned Finance Across Transactions

## Applying proportional approaches and avoiding double-counting

Not every part of a transaction will necessarily align with the Investor's Resilience Challenge. To ensure consistency, institutions should attribute only the share that clearly meets RC criteria and apply proportional approaches.

Sometimes 100% of an investment may qualify; for example, a fund with a dedicated A&R strategy (see [Case Study 1](#)). More often, only part of the financing should be recognised, such as the share of a credit line directed to climate-smart lending, or the portion of a project loan allocated to resilience upgrades. For funds with mixed mandates, it may be reasonable to count only the percentage of capital explicitly committed to A&R activities in line with a recognised taxonomy. The [following slide](#) offers suggestions for how to determine the qualifying share across different types of investments.

Institutions should also take care to **avoid double-counting**, particularly in co-financed transactions, drawing on existing practices and methodologies for guidance.

### Mini-Cases Example: Determining the Qualifying Share

#### Credit line to commercial bank ([Case Study 2](#)):

A USD \$75 million facility is provided to a commercial bank, with 20% of sub-loans dedicated to climate-smart agriculture. Only that 20% (i.e., USD \$15 million) should be recognised as Investor's Resilience Challenge-aligned finance.

#### Mixed-strategy venture fund (complementary to [Case Study 1](#)):

A USD \$50 million DFI commitment to a venture fund includes an ex-ante requirement that at least half of capital flow into A&R solutions aligned with a taxonomy. On this basis, USD \$25 million should be recognised as Investor's Resilience Challenge-aligned finance.

# Investor’s Resilience Challenge and the MDB-IDFC Common Principles

## High-level linkages to guide interoperability

The Investor’s **Resilience Challenge** is designed to build on existing approaches, not to replace them. For DFIs, the *MDB-IDFC Common Principles for Climate Change Adaptation Finance Tracking* remain a central resource. The Investor’s Resilience Challenge (RC) Criteria can be viewed as complementary: while the Common Principles classify activities into three broad types, the RC establishes a practical set of criteria to test whether and how an investment qualifies.

Importantly, the RC goes beyond simply operationalizing the Common Principles. It sets out a higher-level reference framework aimed at aligning DFIs and private investors around shared expectations for climate risk management, adaptation intent, results measurement, and mobilisation of private finance.

The table below highlights **high-level linkages** between CP activity types and RC Criteria. This is intended only as a reference to illustrate interoperability; it is not prescriptive or exhaustive. RC Criteria remain the operative framework for alignment, while the Common Principles continue to provide useful guidance for **reporting and quantification** of adaptation financing.

Common Principles Activity Types	Description (per CPs)	Expected RC Criteria Linkages	Accounting Guidance (per CPs)
Type 1 - Activities that are adapted	Integrate measures to manage risks so project objectives are realized despite climate change. Adaptation is not the primary objective.	Often linked to <b>Criterion 1</b> (risk management) and <b>Criterion 2</b> (reporting/targets).	Usually only a <b>share of finance</b> is counted.
Type 2 - Shared objectives of adaptation & development	Activities that directly reduce risks and build adaptive capacity, with adaptation as one of several objectives.	May reflect aspects of <b>Criterion 1</b> (risk management) and <b>Criterion 3</b> (intentionality).	Usually only a <b>share of finance</b> is counted.
Type 3 - Activities that enable adaptation	Activities that address vulnerability or remove barriers to adaptation. Adaptation is the primary objective.	Often linked to <b>Criterion 3</b> (intentionality) and <b>Criterion 4</b> (outcomes/results).	Typically up to <b>100% of finance</b> may be counted.



# Approaches to Quantification by Investment Type

Suggested methods for determining the Investor's Resilience Challenge-aligned share of different transactions

Direct Investments	
Project finance	<ul style="list-style-type: none"> <li>• <b>'Use of proceeds'</b> approach: counting only financial commitments linked to A&amp;R qualifying activities.</li> </ul>
Corporate debt	<ul style="list-style-type: none"> <li>• <b>'Use of proceeds'</b> approach for contractually ringfenced debt: counting only financial commitments ring-fenced A&amp;R qualifying activities, or</li> <li>• <b>'Use of proceeds'</b> approach for non-ringfenced debt: an estimated portion of capital investment that can be directly linked, or pro-rated, to the qualifying A&amp;R measures based on the information outlined in the business plan, budget, financial agreement</li> <li>• <b>Turnover-based:</b> where a use of proceeds approach is not feasible, the company's A&amp;R-linked turnover may be used as a basis to estimate the proportion of A&amp;R investment</li> </ul>
Equity investment	<ul style="list-style-type: none"> <li>• <b>Turnover-based:</b> if a use of proceeds approach is not feasible, the company's A&amp;R-linked turnover may be used as a basis to estimate the proportion of A&amp;R investment</li> <li>• <b>'Use of proceeds':</b> an estimated portion of capital investment that can be directly linked, or pro-rated, to the qualifying A&amp;R measures based on the information outlined in the business plan, budget, financial agreement, or agreement or bespoke physical climate risk assessment included in the investment documents.</li> </ul>
Intermediated Investments	
Funds: Investment in a fund	The proportion of financial commitment linked to a fund's future investment capital allocation for A&R-aligned activities. This is based on i) a thorough review of the fund's track record, strategy, indicative pipeline and processes and ii) any A&R finance investment targets the fund manager agrees to. The principle of conservativeness should be observed.
Financial Intermediary: Equity investment in a financial intermediary	<b>'Use of proceeds' approach:</b> A&R investment only eligible if the financial intermediary is dedicated to delivering onward A&R-related financing. If a financial institution commits to an A&R finance target by allocating a percentage of its funding to A&R-related activities/transactions, this percentage is used to determine the proportion of the investment eligible for climate finance.
Financial Intermediary: Directed lending	<b>'Use of proceeds' approach:</b> The proportion of financial commitment for the credit line linked to A&R-aligned activities. This is assessed in line with the four areas of the Green Lending Principles (use of proceeds, process for project evaluation, selection management of proceeds and reporting). Other factors considered are the track record, growth ambitions for the climate portfolio and broader A&R strategy.
Financial Intermediary: General purpose loan to a financial intermediary	<b>'Use of proceeds' approach:</b> A&R investment only eligible if the financial intermediary is dedicated to delivering onward A&R-related financing. If a financial institution commits to an A&R finance target by allocating a percentage of its funding to A&R-related activities/transactions, this percentage is used to determine the proportion of the investment eligible for climate finance. This is applicable only to a specialist financial intermediary with focus on A&R-related finance.

# Resources for Applying the Investor’s Resilience Challenge Criteria

recognised frameworks, taxonomies, and methodologies to support consistent, credible, and interoperable application

#	Criteria		Key Resources
<a href="#">1</a>	Managing Physical Climate Change Risk	Use structured frameworks and methodologies to guide Physical Climate Risk Assessments (PCRAs) and ensure findings inform investment design and structuring.	<ul style="list-style-type: none"> <li>ARIC: <a href="#">Physical Climate Risk Assessment and Management: Investor Playbook</a></li> <li>IIGCC: <a href="#">The Climate Resilience Investment Framework (CRIF)</a></li> <li>IIGCC: <a href="#">Physical Climate Risk Assessment Methodology (PCRAM)</a></li> </ul>
<a href="#">2</a>	Measuring Physical Climate Change Risk Management outcomes	Draw on existing indicator frameworks to track how risks are being managed over time, ensuring alignment with broader market practice.	<ul style="list-style-type: none"> <li>ARIC: <a href="#">Adaptation and Resilience Impact: A measurement framework for investors (2024)</a></li> <li>MDBs: <a href="#">A Common Approach to Measuring Climate Results (2024)</a></li> <li>ICMA: <a href="#">Green Bond Principles Impact Reporting Working Group - Suggested Impact Reporting Metrics for Climate Change Adaptation Projects (2020)</a></li> <li>MDB: <a href="#">A Framework and Principles for Climate Resilience Metrics in Financing Operations (2018)</a></li> </ul>
<a href="#">3</a>	Adaptation enabling activities	Reference recognised taxonomies to determine whether activities qualify as adaptation- or resilience-enabling, supporting interoperability across systems.	<ul style="list-style-type: none"> <li>Climate Bonds Initiative - <a href="#">Climate Bonds Resilience Taxonomy</a></li> <li>Tailwind - <a href="#">Tailwind taxonomy for Adaptation and Resilience Investments</a></li> <li><a href="#">EU taxonomy for sustainable finance (adaptation component)</a></li> <li><a href="#">Multilateral Development Bank (MDB) Joint Methodology for Tracking Adaptation Finance</a></li> <li>OECD - Rio Marker for Adaptation - <a href="#">EU guidance</a></li> <li>UNEP-DTU - <a href="#">Taxonomy of Climate Change Adaptation Technology</a></li> <li>GARI - <a href="#">Climate Resilience Investments in Solutions Principles (CRISP)</a></li> </ul>
<a href="#">4</a>	Measuring adaptation enabling outcomes:	Use credible, widely recognised metrics frameworks to evidence adaptation benefits for people, assets, and ecosystems.	<ul style="list-style-type: none"> <li>ARIC: <a href="#">Adaptation and Resilience Impact: A measurement framework for investors (2024)</a></li> <li>MDBs: <a href="#">A Common Approach to Measuring Climate Results (2024)</a></li> <li>ICMA: <a href="#">Green Bond Principles Impact Reporting Working Group - Suggested Impact Reporting Metrics for Climate Change Adaptation Projects (2020)</a></li> <li>MDB: <a href="#">A Framework and Principles for Climate Resilience Metrics in Financing Operations (2018)</a></li> <li>GCA: <a href="#">Adaptation Metrics: Current Landscape and Evolving Practices</a></li> </ul>
<a href="#">5</a>	Mobilisation of commercial investment for A&R	Apply consistent approaches to estimate and report mobilisation, ensuring transparency and comparability across transactions.	<ul style="list-style-type: none"> <li>MDB: <a href="#">Joint Framework for Mobilisation Reporting</a></li> <li>BII: <a href="#">Understanding mobilisation</a></li> </ul>

# The Investor's Resilience Challenge

## *Case Studies*

Applying the Investor's  
Resilience Challenge  
Criteria to  
Real-World Transactions





# Investor’s Resilience Challenge

## Overview of applied case studies against ARIC Resilience Framework

#	Case	Type of Investment	Region	Adaptation Focus	Investor’s Resilience Challenge Criteria Met	Key Features
<a href="#">1</a>	Early-Stage A&R Venture Capital Fund	USD \$5M catalytic equity investment into USD \$50M fund	Sub-Saharan Africa	Tech-enabled adaptation solutions (e.g., agtech, water, insurance)	<ul style="list-style-type: none"> <li>✔ <b>Criterion 3:</b> Adaptation-enabling activities</li> <li>✔ <b>Criterion 4:</b> Measuring A&amp;R outcomes</li> <li>✔ <b>Criterion 5:</b> Mobilisation of private capital</li> </ul>	Demonstrates how a fund can qualify under the Investor’s Resilience Challenge by financing adaptation solutions, even where physical risk to the investment itself is immaterial.
<a href="#">2</a>	Credit Line to Commercial Bank	USD \$75M credit facility	South Asia	Smallholders and climate-smart agriculture	<ul style="list-style-type: none"> <li>✔ <b>Criterion 3:</b> Adaptation-enabling activities</li> <li>✔ <b>Criterion 4:</b> Measuring A&amp;R outcomes</li> </ul>	Demonstrates how Investor’s Resilience Challenge-alignment can be achieved when a DFI combines credit facilities with technical assistance, enabling a bank to integrate A&R into lending operations and reporting.
<a href="#">3</a>	Water Utility Infrastructure Loan	USD \$195M infrastructure loan	Latin America & Caribbean	Urban water resilience	<ul style="list-style-type: none"> <li>✔ <b>Criterion 1:</b> Managing physical climate risk</li> <li>✔ <b>Criterion 2:</b> Measuring physical risk outcomes</li> </ul>	Illustrates how infrastructure finance can qualify under the Investor’s Resilience Challenge by addressing material physical climate risks and embedding resilience KPIs into loan structuring and monitoring.
<a href="#">4</a>	Investment in Vertically-Integrated Agri-Food Company	USD \$30M loan	Eastern Europe	Operational resilience and climate-smart agriculture	<ul style="list-style-type: none"> <li>✔ <b>Criterion 1:</b> Managing physical climate risk</li> <li>✔ <b>Criterion 2:</b> Measuring physical risk outcomes</li> </ul>	Highlights how corporate investments can qualify under the Investor’s Resilience Challenge when financing directly strengthens a company’s internal systems, assets, and supply chains against climate risks.
<a href="#">5</a>	Resilient Infrastructure Fund	USD \$20M catalytic equity investment into USD \$1B blended-finance fund	Africa, Asia, Latin America	Climate-resilient water, waste, and coastal infrastructure	<ul style="list-style-type: none"> <li>✔ <b>Criterion 1:</b> Managing physical climate risk</li> <li>✔ <b>Criterion 2:</b> Measuring physical risk outcomes</li> <li>✔ <b>Criterion 3:</b> Adaptation-enabling activities</li> <li>✔ <b>Criterion 4:</b> Measuring adaptation outcomes</li> <li>✔ <b>Criterion 5:</b> Mobilisation of private capital</li> </ul>	Demonstrates how a DFI fund investment can meet all five Investor’s Resilience Challenge criteria by managing asset-level climate risks while financing infrastructure that delivers adaptation services and mobilizes private capital at scale.



# Case Study I

## *Venture Capital Fund Targeting A&R Solutions*

Application of the Investor's  
Resilience Challenge Criteria  
to assess alignment of an  
investment into a Fund





# Case Study I. Fund Investment

## Climate Adaptation Venture Capital Fund

### Key Case Details

This case demonstrates the process through which a DFI screens an investment into a Fund for Investor’s Resilience Challenge(RC)-alignment. The process outlined is not meant to be prescriptive.

**Case summary.** This case features a USD \$5 million catalytic equity investment into a USD \$50m early-stage adaptation fund targeting tech-enabled A&R AgTech solutions across Sub-Saharan Africa.

**RC-alignment.** The fund does not invest in physical assets, so Criteria 1 and 2 (*Managing Physical Climate Change and Measuring Physical Climate Change Risk Management Outcomes*) are not relevant. Instead, the investment qualifies under:

- ✔ **Criterion 3:** Adaptation-enabling activities
- ✔ **Criterion 4:** Measuring A&R outcomes
- ✔ **Criterion 5:** mobilisation of private capital



**Key takeaway.** DFIs can achieve RC-alignment by investing in funds whose portfolio companies deliver A&R solutions and mobilise private capital, even where the fund itself faces no material physical climate risks.

### Transaction At a Glance



Investor	DFI
Instrument	Equity
Amount	USD \$5 million
Use of Proceeds	First-loss
Type	Adaptation-focused Venture Capital Fund
Fund Size	USD \$50 million
Geography	Sub-Saharan Africa
Stage Focus	Pre-seed and seed-stage ventures
Thematic Focus	AgTech solutions that deliver climate-smart services to smallholder farmers
Fund Structure	Early-stage VC equity fund with blended capital, anchored by DFIs and private LPs
Taxonomy Alignment	Tailwind Taxonomy is applied to assess A&R potential across pipeline



# Criteria 1 & 2: Managing and Measuring Physical Climate Risk

Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>Criteria 1 and 2 were not relevant because the fund does not own or finance physical assets exposed to material climate hazards. Screening confirmed no direct exposure and therefore no outcome metrics were required.</p> <p><b>Key feature:</b> For funds investing primarily in service providers or technology solutions rather than physical assets, physical-risk criteria may not apply beyond initial screening. Such investments can instead qualify under Criteria 3 and 4 (adaptation-enabling activities and outcomes) or Criterion 5 (mobilisation of private capital).</p> <p><i>Note: The questions to the right are intended as guidance to illustrate how investors could assess these criteria. They are not prescriptive requirements.</i></p>	Criterion 1: Managing physical climate risk	Does the investment involve physical assets or sectors exposed to climate hazards (e.g., drought, flooding, extreme heat)?	The DFI reviewed the fund mandate and pipeline and confirmed that the fund invests only in AgTech and service companies, not physical infrastructure.		
		Has a physical climate risk screening been conducted?	Therefore, no direct exposure to material climate hazards was identified via an initial high-level screening process, and there is no possibility of making an investment that would increase the resilience of an asset; Criterion 1 is not relevant.		
		Is physical climate risk integrated into investment and portfolio management?			
	Criterion 2: Measuring physical risk management outcomes	If risks are material, are there metrics to assess/manage physical risks?	Since the DFI determined that physical risk exposure for this investment is immaterial, there is no need to conduct a physical climate risk assessment, test fund manager capacity for managing climate risks, or set or track outcome metrics. Criterion 2 does not apply.		
		Are these metrics integrated into loan/fund agreements or monitoring systems?			
		Does the investee have capacity to track and report on these outcomes?			

# Criteria 3 & 4: Investing in Adaptation-Enabling Activities and Measuring Outcomes

Guidance	Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>The fund intentionally targets A&amp;R solutions, with eligibility boundaries defined against a recognised taxonomy. It has also committed to measure and report outcomes through relevant impact metrics, such as the number of farmers adopting climate-smart technologies.</p> <p><b>Key feature:</b> Alignment was demonstrated through the fund’s taxonomy-based mandate and impact reporting framework, showing that RC-alignment requires clear intentionality and credible outcome measurement, even in diverse venture portfolios.</p>	Criterion 3: Adaptation-enabling activities	Does the fund target A&R solutions (evidenced by pipeline/portfolio)?	The DFI reviewed the fund’s strategy documents, pipeline, and investment thesis, confirming explicit targeting of A&R solutions. The DFI engaged the fund manager to verify use of the Tailwind Taxonomy and portfolio alignment with recognised criteria.	
		Does the fund manager have capacity to identify and quantify eligible A&R solutions?	The DFI also assessed the in-house team’s capacity, confirming that they can apply the taxonomy consistently during pipeline development and due diligence, and quantify the portion of capital directed to A&R investments. Criterion 3 is therefore met.	
	Criterion 4: Measuring adaptation outcomes	Can the fund quantify and report A&R outcomes?	The DFI confirmed that the fund manager has adopted relevant impact metrics for A&R outcomes. The fund has reporting systems in place and capacity to measure and disclose these outcomes to investors. Criterion 4 is therefore met.	
		Have impact metrics been adopted?		
		Are systems in place to measure and report outcomes?		


# Criteria 5: Mobilisation of Private Capital

Guidance

To determine alignment with RC Criterion 5, the investor considered whether the structure created a clear pathway for mobilizing private capital, recognising the [many pathways](#) DFIs can use to catalyse commercial investors.




From its due diligence and structuring, the DFI confirmed that its USD \$5 million subordinated investment enabled USD \$25 million in private commitments – a 5:1 leverage ratio that exceeds RC expectations.

**Key feature:** Alignment was achieved through catalytic structuring, illustrating how DFIs can intentionally use junior capital to mobilise private investment.

Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
Criterion 5: Mobilisation of private capital	Does the investment under consideration have a clear path to private capital mobilisation?	The DFI considers the proposed investment to determine whether its capital has a clear pathway to private capital mobilisation. Through this process, the DFI confirms that the risk profile of the fund is such that private investors are unwilling to invest without de-risking capital.	
	Does the financing structure or investor mix demonstrate a catalytic or crowd-in effect?	The DFI engages with the fund manager and prospective private investors to size the expected contribution from commercial investors. The DFI’s investment is expected to unlock USD \$25 million of private capital, a \$5 to \$1 leverage ratio on the DFI’s USD \$5 million investment.	



# Case Study I. Investor’s Resilience Challenge Assessment Summary

Alignment	Criteria	Explanation
	<b>1. Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	Not relevant because investments not directly subject to physical climate risk
	<b>2. Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Not relevant because investments not directly subject to physical climate risk
	<b>3. Adaptation enabling activities</b> Investments delivering resilience through the production, distribution, sale of A&R Solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	Investments in technology start-ups and growth companies whose products and services (e.g., Agtech) align with A&R outcomes per industry recognised taxonomy (Tailwind)
	<b>4. Measuring adaptation enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments.	Fund manager has impact metrics capacity to track A&R impact indicators (e.g., number of hectares under more resilient agricultural practices).
	<b>5. Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	DFI USD \$5M investment mobilizes \$25M private capital, a 5 to 1 leverage ratio

Assessment Result



The DFI’s USD \$5 million investment satisfies three of the criteria and is qualified as Investor’s Resilience Challenge-aligned.



# Case Study II

## *Credit Line to a Commercial Bank*

Application of the Investor's  
Resilience Challenge Criteria  
to assess alignment of an  
investment into a Financial  
Intermediary





# Case Study II. Financial Intermediary

## Climate-Smart Agricultural Lending

### Key Case Details

**Case Summary:** This USD \$75m credit facility supported agricultural lending in Pakistan, with at least 20% dedicated to climate-smart agriculture such as stress-resilient seeds, solar irrigation, and farm equipment. The facility aimed to strengthen food security, build smallholder resilience to climate shocks, and raise farmer incomes.

**RC-alignment:** The investment qualifies under:

- ✔ **Criterion 3:** Adaptation-enabling activities
- ✔ **Criterion 4:** Measuring A&R outcomes

**Key takeaway:** This case shows how DFIs can align portfolios with resilience goals by structuring credit facilities that channel finance into adaptation-enabling activities.



Complementary TA, focused on strengthening the bank’s E&S systems and climate risk capacity, qualifies separately under the RC ([see TA Guidance](#)), demonstrating how different forms of DFI support beyond direct financing can add value by embedding resilience into an institution’s operations.

### Transaction At a Glance



Investor	DFI
Instrument	Credit Facility
Amount	USD \$75 million
Use of Proceeds	Lending to smallholder farmers and climate-smart agriculture
Type	Financial Intermediary: Commercial Bank Credit Line
Geography	Pakistan
Borrower Focus	Smallholder farmers (<5 ha) and broader agri-lending portfolio
Thematic Focus	Food security and climate-smart agriculture
Facility Structure	Directed lending facility with defined use-of-proceeds aligned to A&R criteria
Taxonomy Alignment	Aligned with MDB-IDFC methodology, national Banking Association taxonomy, and Green Loan Principles



# Criteria 1 & 2: Managing and Measuring Physical Climate Risk

Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>The Bank and DFI screened the agricultural portfolio for climate risks, which were deemed financially immaterial. The focus of this transaction was the credit line, structured to deliver resilience through adaptation-enabling lending, not to manage the Bank’s own risks. Criteria 1 and 2 are therefore not relevant.</p> <p><b>Key feature:</b> DFI technical assistance strengthened the Bank’s E&amp;S systems and capacity to assess and integrate climate risks. While this did not qualify the credit line under Criteria 1 or 2, the TA represents Investor’s Resilience Challenge-aligned value and illustrates how capacity building can support future resilience integration and reporting.</p> <p><i>Note: The questions to the right are intended as guidance to illustrate how investors could assess these criteria. They are not prescriptive requirements.</i></p>		<b>Criterion 1:</b> Managing physical climate risk	<i>Does the investment involve physical assets or sectors exposed to climate hazards (e.g., drought, flooding, extreme heat)?</i>	The bank screened its agriculture portfolio for exposure to drought and flooding and conducted stress testing. Risks were identified but deemed financially immaterial at the institutional level, given diversification, climate-informed lending practices, and bundled insurance products.	
			<i>Has a physical climate risk screening been conducted?</i>		
			<i>Is physical climate risk integrated into investment and portfolio management?</i>	As the credit facility was not designed to address the bank’s own physical risk, <b>Criterion 1 is not relevant</b> in this case.	
		<b>Criterion 2:</b> Measuring physical risk management outcomes	<i>If risks are material, are there metrics to assess/manage physical risks?</i>	While risks were reviewed, no resilience-related outcome metrics (e.g., reduced value-at-risk, % of portfolio stress-tested annually) were defined or tracked.	
			<i>Are these metrics integrated into loan agreements or monitoring systems?</i>		
			<i>Does the investee have capacity to track and report on these outcomes?</i>	As the facility was not designed around managing the bank’s own risk, <b>Criterion 2 is not relevant</b> in this case.	

# Criteria 3 & 4: Investing in Adaptation-Enabling Activities and Measuring Outcomes

Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>The facility meets Criteria 3 and 4: proceeds were earmarked for climate-smart agriculture lending to smallholders and agribusinesses, consistent with MDB and national adaptation taxonomies. The bank committed to report on progress against this target and related outcomes through its annual reporting to the DFI.</p> <p><b>Key feature:</b> The credit facility qualifies by channelling finance into adaptation-enabling activities with reporting commitments. Complementary DFI technical assistance strengthened the bank’s systems, showing how TA can add Investor’s Resilience Challenge-aligned value in intermediary transactions.</p> <p><b>Note:</b> At least 20% of the USD \$75m facility is assumed Investor’s Resilience Challenge-aligned through earmarked climate-smart agriculture lending. Additional volumes may qualify if adaptation benefits are demonstrated in reporting to the DFI.</p>		<b>Criterion 3:</b> Adaptation-enabling activities	Does the investment intentionally target A&R solutions?	At least 20% of the credit line proceeds are earmarked for climate-smart agriculture lending, with 50% directed to smallholder farmers.	
			Are eligible activities defined using a recognised taxonomy or methodology?	Eligible activities are formalized in loan agreements and mapped to the MDB-IDFC methodology, the national climate-smart agriculture list, and the bank’s own green taxonomy.	
			Are adaptation activities formalized in legal agreements or investment mandates?		
		<b>Criterion 4:</b> Measuring adaptation outcomes	Can the financial intermediary quantify and report A&R outcomes?	The bank committed to report on progress toward a 20% target for climate-smart agriculture lending and on financing extended to smallholder farmers, as part of its annual reporting to the DFI.	
			Have impact metrics been adopted?		
			Are systems in place to measure and report outcomes?	Reporting is structured under the Green Loan Principles and integrated into the bank’s credit approval and monitoring systems.	


# Criteria 5: Mobilisation of Private Capital

**Guidance**

Private capital mobilisation was not a central feature of this transaction.



**Key feature:** The value-add came through DFI technical assistance, which enabled the bank to integrate A&R into its credit processes and reporting.

This case shows that not all Investor’s Resilience Challenge-aligned investments will demonstrate mobilisation; TA can add alignment value by strengthening investee capacity to deliver and report A&R outcomes, and by laying the groundwork to attract additional capital in the future.

Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
Criterion 5: Mobilisation of private capital	Does the investment under consideration have a clear path to private capital mobilisation?	The USD \$75 million facility was structured as a direct DFI credit line. Mobilisation of additional private capital was not a central objective of this transaction, and no leverage of private capital was reported.	
	Does the financing structure or investor mix demonstrate a catalytic or crowd-in effect?		



# Case Study II. Investor’s Resilience Challenge Assessment Summary

Alignment	Criteria	Explanation
	<b>1. Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	The Bank screened its overall portfolio for drought and flooding risks, which were deemed financially immaterial. This credit line was not focused on managing the Bank’s own risks, so Criterion 1 is not relevant.
	<b>2. Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Although risks were assessed, the bank did not establish or report a resilience-related outcome metric.
	<b>3. Adaptation enabling activities</b> Investments delivering resilience through the production, distribution, sale of A&R Solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	At least 20% of the credit line proceeds were earmarked for climate-smart agriculture lending, formalized in loan agreements and mapped to MDB-IDFC and national CSA taxonomies.
	<b>4. Measuring adaptation enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments.	The credit line included a commitment to report annually on progress toward the 20% climate-smart agriculture and smallholder lending target.
	<b>5. Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	Mobilisation of additional private capital was not a feature of this transaction.

**Assessment Result**



The DFI’s credit facility satisfies two of the five criteria, with at least 20% of the USD \$75m financing qualifying as Investor’s Resilience Challenge-aligned. Additional volumes may qualify depending on the bank’s reporting of adaptation benefits.



# Case Study III

## *Loan for Climate-Resilient Water Infrastructure*

Application of the Investor's Resilience Challenge Criteria to assess alignment of an investment into an Infrastructure Project





# Case Study III. Infrastructure Project

## Climate-Resilient Water Infrastructure

### Key Case Details

**Case Summary:** This case features a USD \$195 million infrastructure loan to a national water utility, supporting wastewater system upgrades that improve resilience to drought and water scarcity. The project was structured as a Sustainability-Linked Loan with incentives tied to resilience performance metrics.

**RC-alignment:** The investment qualifies under:



- ✔ **Criterion 1:** Managing physical climate risk
- ✔ **Criterion 2:** Measuring physical risk outcomes

**Key takeaway.** This case shows how infrastructure loans can be Investor’s Resilience Challenge-aligned by embedding physical climate risk assessments and resilience KPIs into financing. It demonstrates alignment through strengthening the *resilience of* the utility and its assets, rather than delivering *resilience through* external solutions or mobilisation, highlighting the framework’s flexibility for different investment types and purposes.

### Transaction At a Glance

Investor	DFI
Instrument	Infrastructure Loan
Amount	USD \$195 million
Use of Proceeds	Wastewater system upgrades, including household sewage connections and centralised treatment to improve water quality and drought resilience
Type	Infrastructure Financing: Water and Sanitation Utility
Geography	Brazil
Thematic Focus	Water security, climate resilience, and public health
Facility Structure	Performance-linked loan with adaptation KPIs tied to pricing (Sustainability-Linked Loan structure)
Taxonomy Alignment	Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment

# Criteria 1 & 2: Managing and Measuring Physical Climate Risk

Guidance	Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>The DFI’s risk assessment identified drought and water scarcity as material hazards, and resilience measures were embedded into project design and financing through a Sustainability Linked Loan with measurable KPIs.</p> <p>In parallel, the DFI supported a three-phase capacity-building programme with the utility: (i) diagnostics of priority systems, (ii) water loss analysis, system-level action plans, and regulatory support, and (iii) new methodologies for distinguishing real vs. apparent losses. This strengthened governance and monitoring systems, enabling the utility to deliver and report on resilience KPIs.</p> <p><b>Key feature:</b> The TA component itself represents Investor’s Resilience Challenge-aligned value that can be quantified alongside the direct loan financing.</p>	Criterion 1: Managing physical climate risk	<i>Does the investment involve physical assets or sectors exposed to climate hazards?</i>	<p>The DFI screened the utility’s assets and sector context following the MDB Paris alignment methodology, using internal tools and external hazard datasets. Water scarcity and drought were identified as significant hazards, prompting a detailed vulnerability assessment.</p> <p>A coordinated review by climate, sector, and credit teams confirmed these risks were material to asset performance and project viability.</p> <p>Findings from the assessment directly shaped the loan structuring and project design, which financed wastewater collection and treatment upgrades to mitigate pollution impacts under drought and low-flow conditions.</p>	
		<i>Has a physical climate risk screening been conducted?</i>		
		<i>Is physical climate risk integrated into investment and project management?</i>		
	Criterion 2: Measuring physical risk management outcomes	<i>If risks are material, are there metrics to assess/manage physical risks?</i>	<p>The DFI applied a sustainability-linked loan (SLL) structure with performance incentives tied to adaptation-relevant KPIs. Metrics include reduced water losses and increased household connections to sewage treatment. Impact is tracked through both project-level KPIs and a centralised scorecard.</p>	
		<i>Are these metrics integrated into loan agreements or monitoring systems?</i>		
		<i>Does the project sponsor have capacity to track and report on these outcomes?</i>		



# Criteria 3 & 4: Investing in Adaptation-Enabling Activities and Measuring Outcomes

Guidance

In some cases, infrastructure investments can both strengthen the resilience of the asset itself and provide A&R solutions to users or communities, as illustrated in [Case 5](#).


In this case, however, the primary focus was on enhancing the resilience of the utility’s own infrastructure and operations. Under the RC framework, this is assessed through Criteria 1 and 2, not Criteria 3 and 4.

**Key feature:** This illustrates the distinction between investments focused on *resilience of* assets and systems (Criteria 1 & 2) versus those delivering *resilience through* A&R solutions (Criteria 3 & 4), which are not relevant in this specific investment.



Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
Criterion 3: Adaptation-enabling activities	<i>Does the investment intentionally target A&amp;R solutions?</i>	Expanded sewage connections and treatment plants may indirectly strengthen adaptation capacity for households and communities by improving water quality during drought and low-flow periods.  However, the investment’s primary purpose was to enhance the resilience of the utility’s own infrastructure and operations, rather than the provision of A&R solutions in themselves; <b>therefore, Criterion 3 is not relevant.</b>	
	<i>Are eligible activities defined using a recognised taxonomy or methodology?</i>		
	<i>Are adaptation activities formalized in legal agreements or investment mandates?</i>		
Criterion 4: Measuring adaptation outcomes	<i>Can the financial intermediary quantify and report A&amp;R outcomes?</i>	Outcome metrics (e.g., reduced water losses, increased sewage connections) were designed to measure the utility’s management of physical climate risks.  While these outcomes may indirectly benefit end users and enable increased capacity to climate impacts, they reflect resilience of the utility and its assets, rather than the measurement of adaptation-enabling solutions in themselves; <b>therefore, Criterion 4 is not relevant.</b>	
	<i>Have impact metrics been adopted?</i>		
	<i>Are systems in place to measure and report outcomes?</i>		



# Criteria 5: Mobilisation of Private Capital

Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>Private capital mobilisation was not a feature of this transaction. Instead, the added value came through the integration of climate risk analysis and technical assistance that enabled the utility to strengthen its systems and governance.</p> <p><b>Key feature:</b> RC-alignment does not require every transaction to meet all criteria. Strong performance against Criteria 1 and 2 can qualify investments as Investor’s Resilience Challenge-aligned even without mobilisation, highlighting the framework’s flexibility for diverse lending and project financing contexts.</p>		Criterion 5: Mobilisation of private capital	Does the investment under consideration have a clear path to private capital mobilisation?	The USD \$195 million loan was provided directly by the DFI to the national water utility, without mobilizing additional commercial finance.	
			Does the financing structure or investor mix demonstrate a catalytic or crowd-in effect?	The structuring focused on integrating climate risk assessment and resilience KPIs, rather than on crowding in private co-investors. Therefore, Criteria 5 is not relevant for this investment.	

# Case Study III. Investor’s Resilience Challenge Assessment Summary

Alignment	Criteria	Explanation
	<b>1. Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	Material risks (drought, water scarcity) were identified through a detailed assessment using MDB Paris alignment methodology. Findings informed project design and loan structuring.
	<b>2. Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Resilience KPIs (reduced water losses, increased sewage connections) were embedded in the Sustainability-Linked Loan and tracked through project reporting.
	<b>3. Adaptation enabling activities</b> Investments delivering resilience through the production, distribution, sale of A&R Solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	While wastewater upgrades may indirectly benefit households, the investment focused on resilience of the utility’s own assets; therefore, not relevant.
	<b>4. Measuring adaptation enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments	Metrics reflected asset-level resilience rather than provision of A&R solutions; therefore, not relevant.
	<b>5. Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	No private capital was mobilised; not a feature of this transaction.

Assessment Result



The DFI’s USD \$195 million loan satisfies two of the five Investor’s Resilience Challenge criteria and is qualified as Investor’s Resilience Challenge-aligned.



# Case Study IV

## *Loan to Support Corporate Agricultural Resilience*

Application of the Investor's  
Resilience Challenge Criteria  
to assess alignment of an  
investment into a Company





# Case Study IV. Corporate Investment

## Vertically Integrated Agri-Food Company

### Key Case Details

**Case Summary.** This case involves a USD \$30 million blended finance package to a vertically integrated agri-food company in Eastern Europe. The financing supports modernization of production infrastructure, energy efficiency upgrades, and the adoption of climate-smart agriculture practices across the company’s own farms and facilities. These measures strengthen the company’s resilience to material climate risks, including drought, soil degradation, and supply disruptions.

**RC-alignment:** The investment qualifies under:



- ✔ **Criterion 1:** Managing physical climate risk
- ✔ **Criterion 2:** Measuring physical risk outcomes


**Key takeaway.** This case shows how corporate finance can be Investor’s Resilience Challenge-aligned by targeting the *resilience* of a company’s own assets and vertically integrated operations. While most of the investment strengthens internal resilience, in principle, carve-outs could qualify under Criteria 3 & 4 if financing is clearly directed toward enabling external farmers’ uptake of climate-smart practices.

### Transaction At a Glance

Investor	DFI
Instrument	Loan
Amount	USD \$30 million
Use of Proceeds	Modernization of production facilities, adoption of climate-smart agricultural practices, and energy efficiency upgrades.
Type	Corporate loan
Geography	Eastern Europe
Thematic Focus	Climate-smart agriculture and operational resilience
Facility Structure	Financing package with direct loan and performance-based incentives
Taxonomy Alignment	Not specified

# Criteria 1 & 2: Managing and Measuring Physical Climate Risk

Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>This case shows how RC-alignment can be demonstrated when climate risks are screened, confirmed as material, and explicitly addressed through financing.</p> <p>Because the company is vertically integrated, all of the loan proceeds supported measures that strengthened the resilience of its own farms, production, and operations.</p> <p><b>Key feature:</b> For vertically integrated agribusinesses, RC-alignment under Criteria 1 and 2 reflects how internal resilience measures can affect the entire value chain, even if no external adaptation solutions are provided.</p>		Criterion 1: Managing physical climate risk	Does the investment involve physical assets or sectors exposed to climate hazards?	The DFI and company conducted joint screening of the corporate’s agricultural and processing operations, identifying material exposure to physical climate risks such as drought and heatwaves. A corporate-level vulnerability assessment confirmed the relevance of these risks to operational performance and financial outcomes, warranting a resilience-focused investment response.	
			Has a physical climate risk screening been conducted?		
			Is physical climate risk integrated into investment and project management?		
		Criterion 2: Measuring physical risk management outcomes	If risks are material, are there metrics to assess/ manage physical risks?	Financing supported the modernization of production systems, irrigation, and energy efficiency upgrades to reduce vulnerability. Risk assessment findings were integrated into the structuring of the loan.	
			Are these metrics integrated into loan agreements or monitoring systems?		
			Does the project sponsor have capacity to track and report on these outcomes?		
		The company committed to track indicators such as yield stability, soil health improvements, and water-use efficiency across its farms. These climate-related KPIs were integrated into internal monitoring systems and DFI reporting requirements.			


Adaptation &



# Criteria 3 & 4: Investing in Adaptation-Enabling Activities and Measuring Outcomes



Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>Although a portion of DFI financing supported the adoption of climate-smart agriculture practices, the purpose of the investment was to enhance the resilience of the company’s own vertically integrated operations and farms. They were not structured as adaptation-enabling solutions for external users. Therefore, Criteria 3 and 4 are not relevant.</p> <p><b>Key feature:</b> This case underscores how the RC criteria distinguishes between <i>resilience of</i> an asset or entity and <i>resilience through</i> the provision of A&amp;R solutions. The financing of climate-smart practices can fall under <i>resilience of</i> when confined to a company’s own farms and assets.</p>		Criterion 3: Adaptation-enabling activities	Does the investment intentionally target A&R solutions?	Financing supported the integration of climate-smart agriculture practices (e.g., irrigation efficiency, soil management) across the company’s farms.	
			Are eligible activities defined using a recognised taxonomy or methodology?	However, because the company is vertically integrated, these measures strengthened its own assets and supply chain, rather than providing A&R solutions to external users; <b>therefore, Criterion 3 is not relevant.</b>	
			Are adaptation activities formalized in legal agreements or investment mandates?		
		Criterion 4: Measuring adaptation outcomes	Can the financial intermediary quantify and report A&R outcomes?	Metrics such as yield stability, soil health improvements, and water-use efficiency were tracked. While these outcomes may resemble adaptation-enabling indicators, they reflected resilience within the company’s own farms and vertically integrated operations, rather than benefits delivered to external stakeholders; <b>therefore, Criterion 4 is not relevant.</b>	
			Have impact metrics been adopted?		
			Are systems in place to measure and report outcomes?		

# Criteria 5: Mobilisation of Private Capital


Guidance		Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>This transaction did not mobilise external private investors. However, the financing may have prompted the company to allocate additional own-capital into resilience measures across its farms and operations.</p> <p>Depending on how the DFI defines and tracks mobilisation, such corporate co-investment could be counted if clearly reported in line with existing mobilisation methodologies.</p> <p><b>Key feature:</b> Criterion 5 underscores the need to define mobilisation boundaries. In vertically integrated corporate finance, DFIs may leverage not only external investors but also the company’s own balance sheet toward resilience.</p>	Criterion 5: Mobilisation of private capital	Does the investment under consideration have a clear path to private capital mobilisation?	The USD \$30 million blended finance package was structured primarily with concessional and DFI capital.		
		Does the financing structure or investor mix demonstrate a catalytic or crowd-in effect?	No private co-investors were mobilised at the transaction level. Financing focused on strengthening the company’s internal resilience rather than on catalysing external capital flows.		



# Case Study IV. Investor’s Resilience Challenge Assessment Summary

Alignment	Criteria	Explanation
	<b>1. Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	Material risks (drought, extreme weather) were identified through screening. Financing targeted infrastructure upgrades, efficiency measures, and climate-smart practices to strengthen the resilience of the company’s own farms and operations.
	<b>2. Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Resilience metrics (e.g., yield stability, soil health, energy efficiency) were integrated into management and reporting systems, tracking improvements in operational resilience.
	<b>3. Adaptation enabling activities</b> Investments delivering resilience through the production, distribution, sale of A&R Solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	Climate-smart practices were applied internally to the company’s farms and assets. Since these measures strengthened internal resilience rather than providing external A&R solutions, not relevant.
	<b>4. Measuring adaptation enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments	Metrics reflected resilience of the company’s operations, not adaptation outcomes for external stakeholders; not relevant.
	<b>5. Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	No external private investors were mobilised. Corporate co-investment could qualify if recognised under DFI methodologies.

Assessment Result



The DFI’s USD \$30 million loan satisfies two of the five Investor’s Resilience Challenge criteria and is qualified as Investor’s Resilience Challenge-aligned.

# Case Study V

## *Equity Investment in a Resilient*

## *Infrastructure Fund*

Application of the  
Investor's Resilience  
Challenge Criteria to  
assess alignment of an  
investment into a  
blended-finance vehicle





# Case Study V. Fund Investment

## Climate Resilient Infrastructure Fund

### Key Case Details

**Case Summary.** This case features a DFI equity investment into a blended-finance infrastructure fund that finances mid-scale water, waste, and coastal-resilience projects across emerging markets. The fund develops and operates assets such as desalination plants, wastewater recycling systems, flood-management infrastructure, and distributed renewable energy designed to withstand climate hazards while delivering essential services to vulnerable communities.

**RC-alignment:** The investment qualifies under:



- ✔ **Criterion 1:** Managing physical climate risk
- ✔ **Criterion 2:** Measuring physical risk outcomes
- ✔ **Criterion 3:** Adaptation-enabling activities
- ✔ **Criterion 4:** Measuring A&R outcomes
- ✔ **Criterion 5:** mobilisation of private investment

**Key takeaway.** This case shows how DFIs can align fund investments that both strengthen the resilience of infrastructure assets and deliver resilience through essential services. By combining robust physical-risk management, measurable adaptation outcomes, and large-scale private-capital mobilisation, the fund demonstrates full alignment across the five Investor’s Resilience Challenge criteria.

### Transaction At a Glance

Investor	DFI
Instrument	Equity investment
Amount	USD \$20 million
Use of Proceeds	Catalytic equity contribution supporting climate-resilient infrastructure projects in water, waste, coastal, and energy sectors
Type	Resilient Infrastructure Fund
Geography	Emerging markets in Africa, Asia, Latin America
Thematic Focus	Climate-resilient infrastructure
Facility Structure	Blended-finance vehicle anchored by DFIs with commercial institutional investors as senior-tranche participants
Taxonomy Alignment	EU Taxonomy for Sustainable Activities

# Criteria 1 & 2: Managing and Measuring Physical Climate Risk

Guidance	Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
<p>This case shows how RC-alignment can be demonstrated when climate risks are screened, confirmed as material, and explicitly addressed through investment design and management.</p> <p>Because the fund targets infrastructure sectors directly exposed to physical hazards, all financed projects incorporate measures that strengthen asset and system resilience.</p> <p><b>Key feature:</b> For infrastructure funds, RC-alignment under Criteria 1 and 2 reflects how portfolio-wide screening and design standards can reduce vulnerability across multiple assets and geographies.</p>	Criterion 1: Managing physical climate risk	Does the investment involve physical assets or sectors exposed to climate hazards?	The DFI’s appraisal identified that infrastructure assets in the fund’s target regions face high exposure to flooding, drought, and coastal storms. The fund’s mandate explicitly requires each project to conduct a climate-hazard and vulnerability assessment consistent with the EU Taxonomy for Climate Change Adaptation.	
		Has a physical climate risk screening been conducted?		
		Is physical climate risk integrated into investment and project management?		
	Criterion 2: Measuring physical risk management outcomes	If risks are material, are there metrics to assess/ manage physical risks?	The fund applies a standardized climate-risk-scoring framework to document vulnerability levels, mitigation measures, and expected reductions in asset downtime or damage. Project-level data are integrated into the fund’s environmental and social management system (ESMS) and aggregated into portfolio-level reporting to DFIs and commercial investors.	
		Are these metrics integrated into loan agreements or monitoring systems?		
		Does the project sponsor have capacity to track and report on these outcomes?		





# Criteria 3 & 4: Investing in Adaptation-Enabling Activities and Measuring Outcomes

### Guidance

The fund invests in infrastructure that strengthens resilience through improved and reliable essential services, including flood-control and drainage reducing urban vulnerability, wastewater treatment enhancing public health, and desalination securing water supply during droughts.

Outcomes are tracked through the number of users gaining access to adapted services and improvements in their resilience to climate impacts.

**Key feature:** This case shows how RC-alignment can capture both dimensions of adaptation finance: investments that improve the *resilience of* infrastructure assets and those that deliver *resilience through* expanded access to climate-adapted services.

Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
Criterion 3: Adaptation-enabling activities	Does the investment intentionally target A&R solutions?	The fund finances infrastructure that delivers adaptation benefits: water systems improving drought resilience, drainage reducing urban flood losses, and wastewater treatment protecting health and ecosystems.	
	Are eligible activities defined using a recognised taxonomy or methodology?	Projects are screened using criteria consistent with the EU Taxonomy for Climate Change Adaptation, requiring identification of climate hazards and integration of resilience measures. Adaptation intent is built into the fund's mandate and approval process, ensuring each investment supports both the <i>resilience of</i> assets and the <i>resilience through</i> services provided.	
	Are adaptation activities formalized in legal agreements or investment mandates?		
Criterion 4: Measuring adaptation outcomes	Can the financial intermediary quantify and report A&R outcomes?	The fund measures adaptation outcomes that reflect improved resilience for end-users and communities, such as access to reliable water and waste services, reduced service disruption during climate events, and increased adaptive capacity of local systems. Data are aggregated through the fund's ESMS and independently verified in annual investor reports.	
	Have impact metrics been adopted?		
	Are systems in place to measure and report outcomes?		


# Criterion 5: Mobilisation of Private Capital

**Guidance**

The DFI’s catalytic equity participation provided early-stage capitalization and risk absorption that helped the fund reach more than USD \$800 million in commitments.






The blended vehicle combines a development tranche for early-stage project preparation with a commercial fund for construction equity, channelling capital into water, waste, and coastal-resilience infrastructure across Africa, Asia, and Latin America. The DFI’s anchor role demonstrated the commercial potential of adaptation-focused infrastructure and attracted institutional investors alongside public capital.

**Key Feature:** This case illustrates how DFIs can scale A&R investment by anchoring large blended-finance vehicles, using catalytic equity to mobilise private investors and accelerate capital flows into climate-resilient infrastructure pipelines.

Criterion	Illustrative Assessment Questions	How this was assessed in this case	Result
Criterion 5: Mobilisation of private capital	<i>Does the investment under consideration have a clear path to private capital mobilisation?</i>	The DFI’s catalytic equity investment provided early-stage capitalization and risk absorption that enabled the fund to attract additional private commitments from institutional investors.	
	<i>Does the financing structure or investor mix demonstrate a catalytic or crowd-in effect?</i>	The blended-finance structure increased investor confidence in the fund’s governance, pipeline quality, and climate-risk management approach, allowing commercial capital to participate in financing climate-resilient infrastructure at scale.	



# Case Study V. Investor’s Resilience Challenge Assessment Summary

Alignment	Criteria	Explanation
	<b>1. Managing Physical Climate Change Risk:</b> Investing in, advising, or influencing the resilience of an investment or asset based on findings of a PCRA	Portfolio screening identified material hazards such as flooding, drought, and coastal storms. Projects integrate resilience measures (drainage, flood barriers, and drought-resilient systems) into design and operation to reduce exposure and maintain performance.
	<b>2. Measuring Physical Climate Change Risk Management outcomes:</b> Incorporate a metric relating to the resilience of an investment/asset	Outcomes are tracked through the fund’s ESMS, measuring the number of assets meeting resilience standards and maintaining operations during climate events. Results are consolidated in annual investor reports.
	<b>3. Adaptation enabling activities</b> Investments delivering resilience through the production, distribution, sale of A&R solutions (in line with a recognised taxonomy and/or the MDB methodology for adaptation finance)	The fund finances infrastructure that delivers adaptation benefits such as reliable water supply, improved wastewater treatment, and flood management that strengthen community resilience. Projects are screened using criteria consistent with the EU Taxonomy for Climate Change Adaptation.
	<b>4. Measuring adaptation enabling outcomes:</b> Incorporate an impact or results metric relating to resilience through investments	Outcomes focus on improved resilience for end-users, including access to adapted services, people benefiting from resilient infrastructure, and reliability of essential systems under climate stress. Data are verified and reported annually.
	<b>5. Mobilisation of Private Investment:</b> Demonstrate mobilisation of private capital to A&R outcomes	The DFI’s catalytic equity helped capitalize a blended fund exceeding USD 1 billion, attracting institutional investors to co-finance climate-resilient infrastructure while maintaining strong climate-risk and adaptation standards

Assessment Result



The DFI’s USD \$20 million equity investment satisfies all five Investor’s Resilience Challenge criteria and is qualified as Investor’s Resilience Challenge-aligned.

# The Investor's Resilience Challenge



Adaptation &  
Resilience Investors  
Collaborative