CLIMATE FINANCE SHORT-CHANGED, 2026 UPDATE

Estimating the real value of the $100 billion commitment for 2023-24

Climate-Specific Net Assistance (CSNA) Methodology Note

Written by Jan Kowalzig, Tallulah Cherry-Virdee, Rasmus Bo Sørensen and Steve Cutts. Based on research and extensive calculations by Tallulah Cherry-Virdee, Rasmus Bo Sørensen (INKA Consult) and valuable insights and technical advice by Steve Cutts (independent consultant) on the methodology to assess the financial effort in official loans; commissioned by Oxfam Germany.

www.oxfam.org

OXFAM

INTRODUCTION

International climate finance is critical to a just and adequate global response to climate change. It is for this reason that the Paris Agreement not only reaffirms the principle of common but differentiated responsibilities and respective capabilities, originally enshrined in the UN Framework Convention on Climate Change (UNFCCC), but also renews the obligation of developed countries, which bear the greatest responsibility for climate change, to provide financial resources to assist developing countries' efforts to confront the climate crisis. For the sake of trust and global cooperation, it is vital that developed countries are visibly fulfilling these obligations and related commitments. Climate finance also matters materially: In many communities, in many countries, it is what makes climate action possible.

In 2009, developed countries committed to increase their financial support for climate action in developing countries, setting a goal of reaching $100 billion per year by 2020. It was later agreed to maintain that level through to 2025. At COP29, a new target was set as part of the New Collective Quantified Goal (NCQG), to reach at least $300 billion a year by 2035 in climate finance to developing countries, with developed countries taking the lead in achieving it.[1]

Even by developed countries' own reporting practices, the $100 billion goal was missed in 2020 and 2021, reaching overall levels of $83.3 billion and $89.6 billion, respectively. It was met in 2022, 2023 and 2024 with overall reported volumes of $115.9 billion, $132.8 billion and $136.7 billion, respectively (OECD (2026a)). Having missed the $100 billion goal for 2020 and 2021 is of significant concern, not least because $100 billion per year, even if entirely provided in the form of grant finance, is far below the level of support that developing countries need to confront the climate crisis. Meeting and even exceeding the $100 billion goal in the years 2022-2024 may seem like cause for relief, but it is of equal importance to ensure the goal is reached in a way that is fair and robust.

There is no agreed definition for how finance contributing to the $100 billion goal or the $300 billion target should be counted with respect to fulfilling the obligations of developed countries to provide financial resources under the UNFCCC or the Paris Agreement. This has led to reporting practices that overstate the value of support provided by a significant margin.

The problem arises from two key issues: Firstly, climate finance continues to be dominated by loans (including a large share of non-concessional loans), contributing to the worsening debt crisis in many lower income countries. Under the Enhanced Transparency Framework (ETF) of the Paris Agreement, such instruments are usually reported at their face value, rather than by the underlying financial effort of developed countries (i.e., the amount being given away in a loan or other instrument by a developed country) or the financial benefit for developing countries. Reporting climate loans on a grant-equivalent is voluntary and does not happen consistently. Secondly, the climate-relevance of reported finance is often exaggerated, so that reported volumes do not reflect amounts specifically directed at climate action.

Oxfam's estimate of *Climate-Specific Net Assistance* (CSNA) is an attempt to account for these two issues, with a view to better reflect the actual financial effort made by developed countries to provide finance in support of climate action.[2] It is important to note that our

[1] The decision adopting the NCQG leaves it unresolved what proportion of the $300 billion target developed countries are expected to provide by 'taking the lead'. In contrast to the $100 billion goal, all finance via the multilateral development banks (MDBs) will be counted towards the $300 billion target, but it has remained ambiguous if or if not voluntary climate finance by developing countries to other developing countries will be part of, or come on top of, the $300 billion target.

[2] Oxfam also considers CSNA to better measure progress towards developed countries' obligations under Articles 4.3 and 4.4 of the UNFCCC and Article 9.1 of the Paris Agreement to provide financial support to meet the cost of action in developing countries.

estimates are not contesting the technical quality of consolidating reported climate finance figures as, for instance, undertaken by regular reports by the OECD on progress towards the $100 billion goal. But our CSNA estimates indicate that the actual financial effort by developed countries to support climate action in developing countries is vastly lower than the reported figures seem to suggest.

We consider this an important addition to the debate on the adequacy of provided climate finance, given that developed countries do not report their climate finance consistently on a grant-equivalent despite the option to do so under the ETF. Accounting practices that overstate the actual value of provided funds, be it in terms of effort or benefit, may give a misleading impression on the state of global cooperation or of fulfilling respective obligations under the UNFCCC and the Paris Agreement and ultimately risk neglecting the urgent needs of vulnerable communities, peoples and populations on the frontlines of the climate crisis. Moreover, it is concerning that the overcounting of developed countries' effort linked to loans when reporting climate finance provides an incentive for developed countries to extend climate finance as loans rather than as much-needed public grant finance.

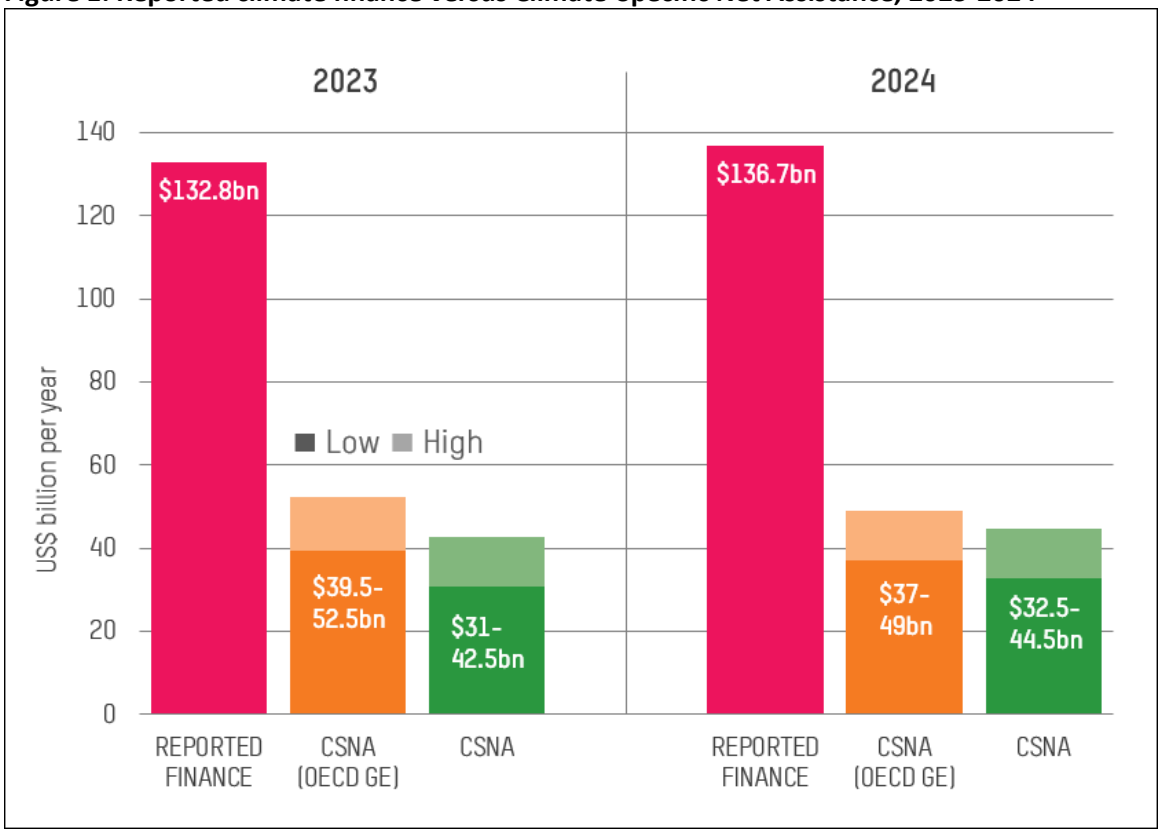
Our work is intended to help enhancing accountability, quality and transparency of the actual effort undertaken by developed countries when providing and mobilising future climate finance as countries redirect their focus from the $100 billion goal for the 2020-2025 period to the new $300 billion target of the NCQG for the 2026-2035 period.

KEY RESULTS

Our estimate for Climate-Specific Net Assistance (CSNA) is calculated based on the OECD's climate related development finance dataset as found in OECD (2026b), covering finance provided by developed countries and via multilateral channels attributable to developed countries.[3]

The estimate first consolidates the data, then discounts for the climate-relevance of reported funds contained in the dataset and then discounts projects financed through non-grant instruments by estimating their grant equivalents. The result is, in our view, a reasonable approximation of the actual financial effort undertaken by developed countries to support developing countries efforts to confront the climate crisis. The methodology is described below. The key results are shown in Figures 1 and 2, with further details in the Annex.[4]

Figure 1: Reported climate finance versus Climate-Specific Net Assistance, 2023-2024



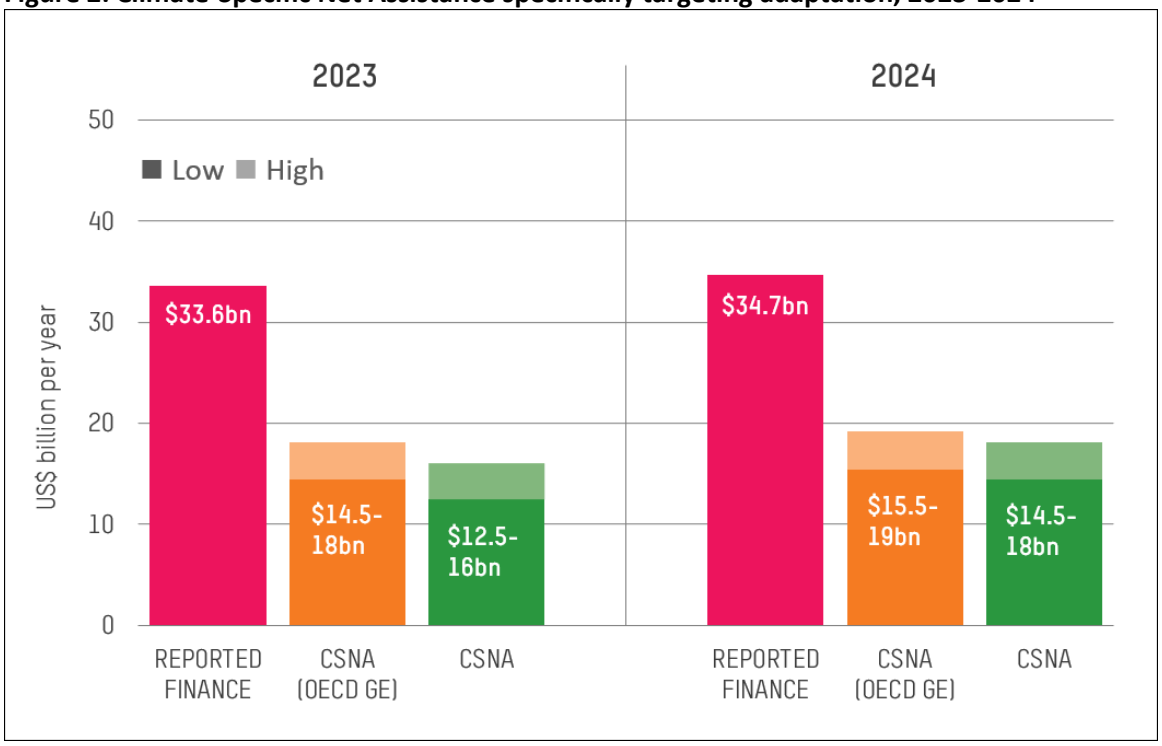
The red bars show reported climate finance as compiled by OECD (2026a). The orange and green bars show estimates of CSNA, rounded to the nearest 0.5 billion US$ and based on the climate-related development finance dataset found in OECD (2026b). The orange bars use the flawed standard OECD method for grant equivalent accounting. The green bars use Oxfam's more robust grant equivalent methodology for more accurate accounting of financial effort by contributors. Lighter shading indicates the range between low and high estimates.

[3] The estimate covers all developed countries, not only those listed in Annex II of the UNFCCC, since both the $100 billion goal and the $300 billion target of the NCQG refer to developed countries in general rather than the Annex II subset. Also, it can be argued that the financial obligation of Article 9.1 of the Paris Agreement applies to all developed countries and not only Annex II countries, despite the article's 'in continuation of …' subclause (see LRI (2019)).

[4] The 2023 and 2024 estimates are broadly comparable with the 2021 and 2022 estimates in Oxfam (2024), as they follow the same overall CSNA approach. They are not a strict like-for-like time series, however, because the methodology has been refined, particularly regarding the approach to calculate the grant-equivalents of multilateral development bank finance.

As shown in Figure 1 above, we estimate that Climate-Specific Net Assistance amounted to 31-42.5 billion US$ in 2023 and 32.5-44.5 billion US$ in 2024 (figures rounded to the nearest 0.5 billion US$). Figure 2 below shows our estimate on Climate-Specific Net Assistance specifically targeting adaptation, amounting to 12.5-16 billion US$ in 2023 and 14.5-18 billion US$ in 2024.

Figure 2: Climate-Specific Net Assistance specifically targeting adaptation, 2023-2024



The red bars show reported adaptation finance as compiled in OECD (2026a). Figures show adaptation-only finance, not including (as sometimes seen in the literature) 50% of cross-cutting finance. The orange and green bars show estimates of CSNA specifically for adaptation, rounded to the nearest 0.5 billion US$ and based on the dataset on climate-related development finance as compiled in OECD (2026b). The orange bars use the standard OECD method for grant equivalent accounting. The green bars use Oxfam's more robust methodology for more accurate accounting of financial effort by contributors. Lighter shading indicates the range between low and high estimates.

Our CSNA estimates are far below the reported climate finance totals shown in red, mostly because the CSNA estimates account for loans by their grant equivalents and not by their face value. These grant equivalents are not calculated using the standard OECD methodology that has a history of overvaluing financial effort of developed countries by over-discounting their returns. Instead, we use a more accurate calculation based on the OECD's own, regularly revised, Differentiated Discount Rates (which for decades have been the international standard for determining tied aid loans' concessionality level) and Minimum Premium Rates.

Also, our approach to account for the climate-relevance of provided funds (i.e., what proportion of a project' funding volume can reasonably be considered to specifically support climate action) is more (but not dramatically more) conservative than the relatively lenient practice shown by developed countries in their reporting. Hence, this also contributes to the difference between reported figures and our CSNA estimates, but to a lesser extent.

For comparison we also show an estimate based on the OECD standard methodology for calculating grant equivalent. While both approaches have led to significantly different results in the past (see Oxfam (2024)), the difference is no longer as pronounced as it used to be. This is mainly because the market rates for donor borrowing (used in our approach) have increased, bringing them closer to the inflated fixed rates that the OECD/DAC uses for the calculation of grant equivalents in their approach.

Our results do not mean that reported figures, e.g. through the reporting mechanisms of the Paris Agreement or the UNFCCC, are erroneous or that they are not in line with the way developed countries have agreed to measure progress against their $100 billion goal. But it does mean that reported figures do not reflect the true financial effort of contributors. For instance, non-concessional loans are often extended at terms that can even lead to a profit for the issuing country. Clearly, reporting such loans at their face value is not a reflection of effort by a contributor. This is acknowledged by the reporting system of the Paris Agreement, that invites developed countries to also report the grant equivalents of climate finance provided, albeit only on a voluntary basis, due to the heavy resistance of developed countries to make such reporting mandatory.

We believe that the assumptions and approach used to estimate Climate-Specific Net Assistance are robust and justified. Naturally, our calculations on climate relevance and the grant equivalence of reported funds involve aggregating data, and as with any methodology this has its own limitations, including potential data gaps. However, we contend that our figures are a far closer approximation of the financial effort developed countries are making towards their climate finance commitments and goals than the total figures reported to the UNFCCC or compiled by the OECD.

Several findings emerge from this work. Clearly, the most important one is that the real value of climate-specific support provided by developed countries in 2023 and 2024 is far lower than suggested by officially reported figures. As shown in Figure 1, the true effort by developed countries in 2023 and 2024 was about 31% and 32%, respectively, of officially reported totals. If we consider adaptation only, as shown in Figure 2, the effort was, at best, about 47% and 52% of the reported totals; conversely, if we consider mitigation activities only, the effort is, at best, about 20% and 19% of the reported totals. See Table A1 in the Annex for the exact figures.

The sources and channels of climate finance also differ in their ratio between climate finance as reported and our CSNA estimates. Table A2 of the Annex shows that, for bilateral finance in 2024, financial effort was, at best, about 64% of reported totals, whereas for finance via the multilateral development banks (MDBs), it was, at best, about 22%. This means that while more climate finance was provided via multilateral channels in nominal terms, the bulk of financial effort is coming through bilateral channels, because developed countries offer both more grants and higher grant element in their loans than the MDBs.

Table A3 of the Annex allows for a closer comparison between the OECD's method for calculating grant equivalent and our method using more realistic, market-derived discount rates. Our estimate of the financial effort in 2024 bilateral loans is about 82% of the OECD-style estimate. This is consistent with other studies which have shown that, even allowing for loan risk, the OECD method is overscoring true financial effort by developed countries.[5]

[5] See for instance Ritchie (2020). Mismeasuring ODA – How Risky Actually Are Aid Loans? Center for Global Development. https://www.cgdev.org/sites/default/files/Ritchie-Mismeasuring-ODA.pdf.

METHODOLOGY: CALCULATING CLIMATE-SPECIFIC NET ASSISTANCE

Climate-Specific Net Assistance (CSNA) is estimated using the OECD's climate-related development finance datasets, which includes data on both bilateral and multilateral finance from a recipient perspective (OECD (2026b)). The average grant element percentages are estimated using the Creditor Reporting System (CRS) aid activity database (OECD (2026c)), which provides data on grant equivalent values and loan conditions of disbursed climate-related Official Development Assistance (ODA) loans, something that is missing in the datasets.

Our CSNA estimates are *not* based on the reports submitted by contributor countries under the UNFCCC (i.e., the Biennial Reports) or the Paris Agreement (i.e., the Biennial Transparency Reports) – because these reports do not contain the information needed for our estimates.

The OECD datasets differ from the reports to the UNFCCC and the Paris Agreement. For instance, the OECD dataset only covers finance provided to countries eligible to receive ODA. Also, projects listed in the OECD dataset for any given year may not appear, at least not for the same year, in the climate finance reporting under the UNFCCC or the Paris Agreement, and vice versa, due to varying reporting rules and practices. The OECD dataset lists the overall volume of an activity while for their climate finance reporting under the UNFCCC or the Paris Agreement, contributors may only report a proportion of an activity's overall volume – often depending on the Rio Marker assigned to the activity but without transparency on the details.[6] We address this latter problem by applying our own discounting for climate-relevance based on the Rio Markers found in the OECD dataset.

Note that multilateral finance as contained in the OECD dataset mostly matches the amounts the OECD is using in their regular progress reports on the $100 billion goal (after calculating attribution to developed countries, see below).

Using the OECD datasets means that while our estimate is not analysing climate finance as reported under the Paris Agreement, our figures offer a more robust estimate of the real effort by developed countries to provide support to specifically support climate action in developing countries. Consequently, they *can* be compared with climate finance totals as reported under the UNFCCC and the Paris Agreement and consolidated in, e.g., OECD (2026a).

CONSOLIDATING THE BASE DATA

For the calculations, we use the OECD all-years climate related development finance (CRDF) dataset covering 2001-2024 (OECD (2026b)), processed consistently for both 2023 and 2024. The CRDF dataset was downloaded on 5 June 2026. The OECD will sometimes update their datasets, correcting for inconsistencies or errors, which means that future downloads may differ to what we have used.

We have consolidated the data as needed, including removing all entries where the provider is not a developed country, deriving concessionality from the Type of Flow Name column where the legacy concessionality field is absent in the CRDF dataset, etc.

[6] When reporting climate-related development finance to the OECD, countries use the Rio Marker system, whereby it is indicated where projects pursue climate action as a principal goal (Rio Marker for Adaptation or Rio Marker for Mitigation set at 2) or a significant (albeit secondary) goal (corresponding Rio Marker set at 1). In reporting climate finance under the UNFCCC and the Paris Agreement, many countries use the Rio Markers to decide what percentage of a project's financing volume to report as climate finance. These percentages can be found in OECD (2024).

All multilateral finance data found in the datasets is adjusted to reflect only those shares of the outflows that are attributable to developed countries. To do this, we use the same percentages also used by the OECD in their regular report on the $100 billion goal as compiled in OECD (2026a). Beyond the percentages found there, we apply an attribution percentage of 0% for the Islamic Development Bank since no developed countries are contributors to the bank, and 100% for the Food and Agriculture Organisation and the Global Green Growth Institute, to give the benefit of the doubt. The percentage for CGIAR is based on information reported online (CGIAR (2026)).

THEMATIC ALLOCATION

For activities that are reported with their Rio Markers for adaptation and for mitigation in the dataset (i.e., bilateral finance and some of the multilateral channels), we apply the following method:

- Activities with only one of the two Rio Markers set at 1 or 2, and the other one set at 0, are considered contributing to either adaptation or mitigation accordingly.

- Activities with both Rio Markers set at 1 or both Rio Markers set at 2 are considered to serve cross-cutting purposes (i.e. contributing to both adaptation and mitigation).

- Activities with one Rio Marker set at 2 and the other one at 1 are considered to completely contribute to the purpose indicated by the Rio Marker that is set at 2.

Some multilateral institutions, including the MDBs, do not use Rio Markers. Instead, they report separate amounts for adaptation, mitigation and activities contributing to both objectives, referred to in the CRDF dataset as overlapping amounts. We treat the overlapping amount as cross-cutting finance. The overlapping amount is deducted from the reported adaptation and mitigation amounts before the remaining finance is allocated to either adaptation or mitigation. Where the overlapping amount is zero, no finance is counted as cross-cutting; where the overlapping amount is equal to both the reported adaptation and mitigation amounts, the full activity is counted as cross-cutting.

DISCOUNTING FOR CLIMATE RELEVANCE

For activities for which Rio Markers are included in the dataset (i.e., bilateral finance and some of the multilateral channels), we apply the following method:

- For our low-end estimate, projects with one of the two Rio Markers set at 1 (signalling that mitigation or adaptation were a significant objective) and the other one at 0, the climate relevance is assumed to be 30% of the overall project volume. This corresponds to the most conservative coefficient used by contributors, namely New Zealand and Canada, when reporting climate finance based on these Rio Markers. See Table 1 of OECD (2024) for an overview. Projects with at least one Rio Marker set at 2 (marking projects where mitigation or adaptation were the principal objectives), are considered to have a climate relevance of 85%, corresponding to the most conservative coefficient used by any one country (namely Switzerland). We consider these low-end values defensible since it is well documented that developed countries have been overly generous in both their coding with Rio Markers and the chosen coefficients, especially

for projects with one of the Rio Markers set at 1.[7] Since assigning Rio Markers 1 and 2 to projects should be an objective exercise based on provisions adopted by the OECD, we consider the most conservative coefficients used by countries (30% and 85%) as defensible default values for our low-end estimate.[8]

- For our high-end estimate, projects with one of the two Rio Markers set at 1 and the other one at 0, the climate relevance coefficient is assumed to be either 50% or equal to the co-efficient used by the contributor, whichever is lower. Projects with at least one Rio Marker set at 2 are considered to have a climate relevance co-efficient of 100% or equal to the coefficient used by the contributor, whichever is lower. We consider this adjustment to what contributors themselves are using as coefficient robust as we can assume that no contributing country will deliberately under-estimate the climate relevance of funded activities, while at the same time we recognise that we need to give other countries the benefit of the doubt.[9]

- For projects with both Rio Markers set at 1, we use a climate relevance co-efficient range of 30% for the low-end estimate and, for the high-end of the estimate, either 100% or whatever co-efficient the contributor is using in such a situation.

- This means that for contributors reporting on Rio Markers but not using such coefficients, we apply a 30-50% range for projects with one Rio Marker set at 1 (and the other at 0), an 85-100% range for projects with at least one Rio Marker set at 2, and a 30-100% range for projects with both Rio Markers set at 1.

We consider the above to result in a defensible range based on the varying relevance of such projects to climate change, as well as the varying percentages that are applied to such projects by developed countries to calculate climate relevance as seen in OECD (2024).

For activities financed via the multilateral development banks (MDBs) and other multilateral channels, for which no Rio Markers are provided in the dataset (because they do not use the Rio Markers but use their own system for reporting the climate components of provided funds), we do not discount for climate relevance at all. In these cases, we use the amounts as contained in the dataset. This could potentially overestimate the credit these institutions deserve, but we opted to give them the benefit of the doubt.

ESTIMATING GRANT EQUIVALENTS

A key step in estimating Climate-Specific Net Assistance is to estimate the grant equivalents of various funding instruments as a proxy for financial effort of contributors. For

[7] See for instance Lottje, C. (2017): Anpassung an den Klimawandel: Wie gut unterstützt Deutschland die Entwicklungsländer? Brot für die Welt, Oxfam, CARE, Germanwatch, and Heinrich-Böll-Stiftung. https://www.deutscheklimafinanzierung.de/blog/2017/12/anpassung-an-den-klimawandel-wie-gut-unterstuetzt-deutschland-die-entwicklungslaender; CARE (2021): Climate Adaptation Finance – Fact or Fiction? CARE Denmark & CARE Netherlands, Copenhagen/Den Haag. https://careclimatechange.org/climate-adaptation-finance-fact-or-fiction; Toetzke, M., A. Stünzi and F. Egli (2022): Consistent and Replicable Estimation of Bilateral Climate Finance. Nature Climate Change, 12, 897–900. https://www.nature.com/articles/s41558-022-01482-7; Borst J., Th. Wencker and A. Niekler (2022): Using text classification with a Bayesian correction for estimating overreporting in the creditor reporting system on climate adaptation finance. A preprint. https://arxiv.org/pdf/2211.16947.pdf. All accessed 20 June 2026.

[8] That developed countries each use different shares, ranging from 30% to 100%, for Rio Marker 1 projects could already indicate overly generous accounting by some. Technically, the percentage spread could equally indicate that some countries' accounting is too conservative. Given the political pressure to demonstrate high levels of support, we consider this unlikely.

[9] This of course makes this approach unsuitable for comparing countries as it penalises countries using more conservative coefficients – but our methodology is not designed for such comparisons.

loans, the grant element is calculated as one minus the present value of expected repayments divided by the loan face value; the grant-equivalent amount is then the climate-specific loan amount multiplied by that grant element.

Grants are counted at 100% as the entire grant can be considered financial effort, with no repayments back to the contributor country.

For **bilateral loans,** including loans labelled **concessional** and **non-concessional** in the source data, we estimate the grant equivalent as the financial effort made by developed countries in providing those loans.[10] This is done in several steps:

- For those bilateral providers where sufficient data is available, we calculate the grant equivalent of loans,[11] separately for concessional and non-concessional loans, using information on loan disbursements, loan conditions reported in the CRS database, and discount rates based on the long-term cost of borrowing funds for the issuing country at the time the loan is committed. We keep concessional and non-concessional loans separate because the CRDF dataset distinguishes between ODA and OOF flows and because their typical terms often differ substantially.

- The split we make based on the CRDF dataset can differ from the concessionality derived from the CRS data. The CRS Type of Flow (ODA/OOF) label shows how a loan is reported in the aid database; our split is used only to calculate separate weighted averages for later use (see below). A small number of rows reported as ODA loans in the CRS data fall below the modelled concessionality threshold in this reconstruction. We retain them as ODA in the source-flow classification but treat them as non-concessional for the weighted averages where that better reflects the modelled loan terms.

- Where public CRS loan terms are sufficient for a given provider, we calculate a grant equivalent for each row using its repayment period, grace period, interest rate and repayment pattern.[12] The grant equivalents are summed for each provider, year, and concessionality category and divided by the loan disbursements, leading to provider-specific average grant element. This approach was possible for Australia, Canada, Finland, France, Germany, Hungary, Italy, Japan, Poland, Portugal, Spain, and the United States (2023 only). The resulting average grant element percentages can be found in Table 1.

- However, we do not use the same discount rates that the OECD uses as these are higher than the cost expended by donors in extending the loans, exaggerating the “real” donor

[10] Note that in the past (Oxfam (2024)) non-concessional loans were treated as to have a grant equivalent of zero. Until a few years ago discount rates based on the long-term cost of borrowing funds for the issuing country at the time the loan was committed were at levels that it was a defensible assumption that no-concessional loans, on average, included no financial effort by the issuing country. This has now changed as the long-term cost of borrowing funds have generally increased for many developed countries.

[11] The formulas calculate the grant equivalent value of the loan, which is the sum of the present value of the debt service to be made by the borrower, and then express these grant equivalent values as grant element percentages, which is the grant equivalents expressed as a percentage of the face value of the loan. The formulas can be found here: https://thedocs.worldbank.org/en/doc/287062306faaab990e9ea7a5deb0ace8-0410012017/original/grant_element_calculation_formula_2013.pdf and further detail on grant equivalent and element calculation can be found here: https://one.oecd.org/document/DEV/DOC/WKP(2017)5/En/pdf.

[12] When the type of the repayment structure is not specified as one of these and there is no information to deduce it, we have used the lowest grant element resulting from using either the EPP, annuity, or lump sum repayment structure, as the grant elements resulting from the three different types can vary substantially and over-estimate donor effort. In any case, there are very few instances where loan repayment is not specified, so the overall figures are not sensitive to this assumption.

effort.[13] Instead, we have used discount rates derived from the OECD's own Differentiated Discount Rates (DDRs), which the OECD uses to calculate the concessionality level of tied aid, and which are based on the real long-term borrowing rates of individual donors (i.e., the market yields of their long-term sovereign bonds).[14] The 1% margin added to bond yields in the DDRs to reflect the additional cost of commercial borrowing was deducted to reflect more accurately the provider's cost of funds. We add a margin to the DDR-derived Euro discount rate for European donors whose borrowing costs are different from this benchmark, using historic bond market data.[15]

- We add margins to the discount rates for all donors to reflect the risk of non-repayment of loans. These margins are derived from the OECD's minimum country risk premium benchmarks[16] which are designed to cover the long-term operating costs and losses of official export credits to different recipient countries (OECD countries deem that these are adequate to cover the risk of non-repayment of export credits – as required by the WTO – and this is the same risk of non-repayment of climate loans). Adding margins for credit risk means that we are estimating the full long-term fiscal cost of all loans, including the cost of eventual debt relief on any loans that may not be fully repaid. It is important to note that this assumes that contributing countries will not be allowed to claim any future debt relief for these loans as climate finance, as this would be to count the same risk twice.

- A weighted average is calculated from the average bilateral grant elements for each year across all providers, where available. This weighted average is used as a proxy for those providers where provider-specific grant equivalents could not be calculated due to insufficient data.

- We then use the 2023 and 2024 average grant element percentages to calculate the grant equivalent value of loans as found in the climate-related development finance dataset, OECD (2026b). To do so, we multiply the relevant grant element percentages with the total face value amount of climate-related ODA loans for each country in 2023 and 2024. Concessional and non-concessional loans are therefore treated through the same net-present-value framework where usable evidence exists, while rows without sufficient evidence are handled through the documented fallback or disclosure rules.

[13] The discount rates used are 6% for upper-middle-income countries (UMICs), 7% for lower-middle-income countries (LMICs), and 9% for Least Developed Countries (LDCs) and other low-income countries (LICs), see https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/03/development-co-operation-tips-tools-insights-practices_d307b396/terms-and-conditions-of-aid_d1ba42a8/ac733951-en.pdf.

[14] Historical DDRs can be found here: https://www.oecd.org/trade/topics/export-credits/aid-and-export-credits.

[15] The margin is based on the average ten year spread versus German rates for the years 2023 and 2024. Data is sourced from https://www.investing.com.

[16] Historical country risk classification can be found here: https://www.oecd.org/trade/topics/export-credits/arrangement-and-sector-understandings/financing-terms-and-conditions/country-risk-classification. For risk classifications 1 through 4, a margin of 1% was added; for classifications 5 and 6, a margin of 2% was added; and for classification 7, a margin of 3% was added. For risk classification 0, no margin was added.

Table 1: Estimated average bilateral grant element percentages

Provider	2023		2024	
	Concessional	Non-concessional	Concessional	Non-concessional
Australia	34.8%	n/a	18.7%	n/a
Canada	31.2%	n/a	27.9%	11.0%
France	25.5%	19.7%	33.0%	n/a
Finland	70.9%	n/a	n/a	n/a
Germany	24.4%	12.6%	24.0%	17.6%
Hungary	n/a	n/a	36.2%	n/a
Italy	55.5%	n/a	30.1%	n/a
Japan	39.3%	-1.6%	41.9%	n/a
Poland	58.7%	n/a	64.4%	n/a
Portugal	7.5%	n/a	43.2%	n/a
Spain	38.1%	n/a	34.7%	n/a
United States	63.1%	n/a	n/a	n/a
Weighted bilateral average	31.9%	18.0%	34.2%	11.2%

The table lists average grant element percentages as estimated for providers for which sufficient data can be found in the CRS dataset, and the averages weighted by the face values of the loans. Negative percentages in the table mean that the lending provider can expect to make a profit on loans issued in 2023 and/or 2024, after allowing for its borrowing costs and the risk of default. To be clear, this is not to be confused with realised accounting profit, but rather on modelled risk-adjusted net present value basis. 'n/a' means the CRDF dataset does not include loans of a given category by a provider in a given year. Source: Own calculations using OECD (2026b) and OECD (2026c).

For **multilateral loans**, we estimate the grant equivalent as the financial effort by multilateral entities in providing those loans, attributable to developed countries.[17] This is done in several steps:

- For multilateral loans, individual loan terms are often not easily accessible. In those cases, we use a low and high scenario for calculating grant equivalents. The upper end uses the benefit-of-doubt metric scenario, assuming an upper bound of general loan terms as found on the website of a given multilateral provider. The lower end uses a conservative metric scenario, applying the lower bound of loan terms as found on the provider's website.[18]

- Wherever data includes (or allows us to derive) loan terms of the provider, year, recipient category, product or fund/window, we use those terms to calculate the average grant element with an equivalent approach as described above for bilateral loans but applying it using information available on each provider's lending terms. Table 2 below shows the results for each multilateral provider where this was possible.

[17] In previous estimates (e.g., Oxfam (2024)), some loans via multilateral channels were valued using the weighted averages from bilateral providers when provider-specific public terms were not available. The 2026 estimate uses provider-specific available information on loan terms where possible, so multilateral loans are no longer assumed to have terms similar to bilateral loans.

[18] For instance, if a provider offers loans with maturity of 20-25 years, we assume the maturity is 25 years for all loans for the upper end of the range and 20 years for all loans for the lower end of the range. Where only the upper end of the range is given (e.g., up to 25 years), we use it for the upper bound and infer a lower bound based on what we know from comparable providers.

- As we do for bilateral loans, we use a market-derived funding-cost basis and add a recipient-risk premium to reflect expected non-repayment risk, to calculate grant elements of multilateral loans, using the relevant provider funding-cost or benchmark information and recipient-risk assumptions available for each provider or scenario.

Table 2: Estimated multilateral average grant element percentages

Provider	2023		2024	
	Concessional	Non-concessional	Concessional	Non-concessional
AfDB	n/a	13.7%	12.0%	15.8%
ADF	43.4%	n/a	47.6%	n/a
AsDB	41.8%	-14.0%	n/a	-5.5%
AIIB	n/a	3.6% to 6.6%	n/a	-5.2% to 0.4%
CDB	47.2% to 64.8%	n/a	47.2% to 64.8%	7.5% to 8.2%
CABEI	n/a	-21.0%	0.0%	-11.4%
CIF	59.1%	n/a	47.7% to 52.0%	n/a
EIB	n/a	n/a	31.1%	-20.5%
GCF	33.7% to 64.4%	n/a	33.7% to 64.4%	n/a
IFAD	47.8%	42.3%	57.5%	51.6%
IMF/RST	n/a	12.0%	n/a	19.0%
IADB	7.3%	5.3%	11.7%	8.2%
IBRD	n/a	-9.0%	n/a	-4.6%
IDA	56.3% to 73.8%	-10.7%	56.3% to 73.8%	-5.7%
NDF	40.6% to 54.5%	n/a	n/a	n/a
Weighted multilateral average	52.1% to 66.9%	-5.8% to -3.8%	49.1% to 62.8%	0.2% to 1.5%

The table lists average grant elements as estimated for multilateral providers where available data is sufficient, weighted by the face values of the loans; ranges show the spread between conservative and benefit-of-doubt scenarios where applicable. Negative percentages in the table mean that the lending provider can expect to make a profit on loans issued in 2023 and/or 2024, after allowing for its borrowing costs and the risk of default. To be clear, this is not to be confused with realised accounting profit, but rather on modelled risk-adjusted net present value basis. 'n/a' means the CRDF dataset does not include loans of a given category by a provider in a given year. Source: Own calculations using loan term information found on individual providers' websites.

- For the EIB specifically, the CRS dataset holds specifications for loans. Therefore, we have used the available EIB loan specifications to calculate grant equivalents. The method for finding discount rates and risk premiums is the same as for other MDBs.

- As we do for bilateral loans, we also build a weighted average that we use to infer grant elements for providers not listed in Table 2 or for whom grant elements could not be calculated for a given loan category or year from available data. These weighted averages are not representing exact provider-specific loan terms; they are used to avoid treating loans as grants or as zero effort simply because public project-level terms are missing.

Equity, Export Credits, Guarantees, Insurances, and **Shares in Collective Investment Vehicles** are counted at 0%. Returns on these instruments are unpredictable (unlike in the case of loans with pre-agreed schedules for repayment of capital and interest), rendering upfront net present value calculations impossible. However, investors, including developed country governments through their development finance institutions (DFIs), design these instruments with the expectation of commercial viability. Hence, we assume the financial effort to be zero, even though we recognise that equity provided by developed countries can play a crucial role in mobilising additional finance, including private finance, and hence can contribute to efforts to low-emission development.

Finally, while **mobilising (and shifting) private investments** are key to transforming our economies, private investments as such do not constitute assistance to developing countries from developed countries to meet any costs associated with climate action. Hence, the resulting mobilised private finance is considered to have zero grant equivalent/financial effort by the contributing country, although, of course, it is not possible to calculate a grant equivalent of private investments.[19]

FOR COMPARISON: OECD STYLE GRANT EQUIVALENTS

For comparison, we also provide an estimate for CSNA where the grant equivalent values of concessional debt instruments are calculated using the overly generous OECD methodology applied when reporting to the CRS database (while other instruments such as grants or non-concessional loans are treated the same way as in our central estimate). This leads to the orange bars in Figures 1 and 2 and is done as follows:

- We first calculate the average grant element percentage for all bilateral providers who have reported sufficient detail on their climate-related ODA loans in the CRS database. To do so, we divide the grant equivalent value of all climate-related ODA loan disbursements by the total face value of those disbursements. This approach was possible for Australia, Canada, Finland, France, Germany, Hungary, Italy, Japan, Poland, Portugal, Spain, and the United States (2023 only). The results are displayed in Table 3 below.

- To fill gaps for countries listed in Table 3, we use the weighted average of bilateral providers for which data on climate-related loan disbursements was available in the CRS database.

- As per the central estimate above, we then multiply the average grant element percentages with the total face value amount of climate-related ODA loans in 2023 and 2024 as found in the climate-related development finance dataset, OECD (2026b).

[19] Note that the public finance from climate finance providers that is used to do the mobilising might well have a grant equivalent, depending on instruments used. Usually, one would expect such efforts to be reported separately as public finance provided.

Table 3: Estimated average grant element percentages, OECD method

Provider	2023		2024	
	Concessional	Non-concessional	Concessional	Non-concessional
Australia	37.7%	n/a	17.9%	n/a
Canada	32.9	n/a	26.6%	9.2%
Finland	79.5%	n/a	n/a	n/a
France	38.0%	35.8%	39.7%	n/a
Germany	29.6%	28.1%	23.2%	28.1%[20]
Hungary	n/a	n/a	32.4%	n/a
Italy	54.6%	n/a	34.7%	n/a
Japan	69.9%	3.5%	69.7%	n/a
Poland	64.3%	n/a	65.6%	n/a
Portugal	25.3%	n/a	52.4%	n/a
Spain	41.3%	n/a	36.2%	n/a
United States	66.7%	n/a	n/a	n/a
Weighted bilateral average	48.7%	33.7%	47.9%	9.6%

The table lists average grant element percentages as estimated for providers for which sufficient data can be found in the CRS database, plus the averages weighted by the face values of the loans. 'n/a' means the CRDF dataset does not include loans of a given category by a provider in a given year. Source: Own calculations using OECD (2026b) and OECD (2026c).

- For MDB concessional loans, we apply an equivalent approach as described above for our central estimate, except using the same discount rates as the OECD based on income groups and applying published provider terms where available. The same principle applies to non-concessional MDB debt with usable terms: the concessionality label determines the reporting category, but the grant element is still calculated from the modelled present value of repayments. Table 4 below shows the results.

[20] For Germany, the grant element for non-concessional loans in 2024 is higher than for concessional loans. This should not be read as Germany's non-concessional lending generally being softer than its concessional lending. The reason is that Germany's non-concessional loans are often for recipients, for which the applied discount rate is relatively high.

Table 4: Estimated multilateral average grant element percentages, OECD method

Provider	2023		2024	
	Concessional	Non-concessional	Concessional	Non-concessional
AfDB	n/a	34.6%	22.1%	25.8%
ADF	68.2%	n/a	66.6%	n/a
AsDB/ADB	63.7%	8.2%	n/a	4.5%
AIIB	n/a	-9.1% to -2.0%	n/a	-18.7% to -8.6%
CDB	40.7% to 58.0%	n/a	40.7% to 58.0%	-0.8% to -0.3%
CABEI	n/a	-9.3%	0.0%	-4.9%
CIF	59.1%	n/a	47.7% to 52.0%	n/a
EIB	n/a	n/a	38.8%	-7.0%
GCF	27.0% to 57.6%	n/a	27.0% to 57.6%	n/a
IFAD	72.1%	63.0%	70.1%	59.9%
IMF/RST	n/a	33.6% to 33.7%	n/a	35.3%
IADB	34.2%	17.0%	28.7%	11.8%
IBRD	n/a	11.5%	n/a	6.9%
IDA	50.4% to 68.0%	22.6%	50.4% to 68.0%	17.4%
NDF	33.5% to 47.4%	n/a	n/a	n/a
Weighted multilateral average	51.3% to 66.1%	13.7% to 16.0%	47.6% to 61.3%	10.0% to 11.9%

The table lists average grant elements as estimated for multilateral providers where available data is sufficient, weighted by the face values of the loans; ranges show the spread between conservative and benefit-of-doubt scenarios where applicable. 'n/a' means the CRDF dataset does not include loans of a given category by a provider in a given year. Source: Own calculations using loan term information found on individual providers' websites.

ANNEX: DISAGGREGATING THE NUMBERS

The following tables provide additional details to our estimates.

Table A1: Climate-Specific Net Assistance (CSNA) by theme, 2023-2024

Thematic area	2023			2024		
	Reported Climate Finance	CSNA (OECD GE)	CSNA	Reported Climate Finance	CSNA (OECD GE)	CSNA
Adaptation	33.6	14.5-18.1	12.5-16.0	34.7	15.3-19.3	14.4-18.2
Mitigation	87.3	20.9-25.0	14.4-17.7	86.9	16.2-19.7	13.6-16.8
Cross-cutting	11.9	4.4-9.7	4.0-8.9	15.1	5.1-10.3	4.8-9.8
Total	**132.8**	**39.8-53.1**	**30.8-42.6**	**136.7**	**36.6-49.3**	**32.7-44.7**

Amounts in billion US$. 'CSNA' shows our central estimate, 'CSNA (OECD GE)' shows the estimate using the standard OECD method for calculating grant equivalents. Totals may not add up due to rounding. Source: Reported climate finance from OECD (2026a), own calculations.

Table A2: Climate-Specific Net Assistance (CSNA) by channel, 2023-2024

Channel	2023			2024		
	Reported Climate Finance	CSNA (OECD GE)	CSNA	Reported Climate Finance	CSNA (OECD GE)	CSNA
Bilateral finance	50.2	25.4-35.4	21.6-30.7	43.9	19.8-29.3	18.9-28.0
Multilateral Development Banks	48.2	11.7-13.3	6.9-8.5	50.5	12.7-14.1	9.9-11.3
Multilateral climate funds and other multilateral	5.9	2.7-4.4	2.4-3.4	7.2	4.1-5.8	4.0-5.4
Export credit	5.6	-	-	4.6	-	-
Mobilised private finance	22.9	-	-	30.6	-	-
Total	**132.8**	**39.8-53.1**	**30.8-42.6**	**136.7**	**36.6-49.3**	**32.7-44.7**

Amounts in billion US$. 'CSNA' shows our central estimate, 'CSNA (OECD GE)' shows the estimate using the standard OECD method for calculating grant equivalents. Totals may not add up due to rounding. Source: Reported climate finance from OECD (2026a), own calculations.

Table A3: Climate-Specific Net Assistance (CSNA) by channel and instrument, 2023-2024

Channel	2023		2024	
	CSNA (OECD GE)	CSNA	CSNA (OECD GE)	CSNA
Bilateral grants	14.7-21.9	14.7-21.9	14.8-22.1	14.8-22.1
Bilateral non-grants	10.7-13.5	6.9-8.8	5.0-7.2	4.1-5.9
MDB grants	3.0	3.0	4.7	4.7
MDB non-grants	8.7-10.3	3.9-5.5	8.0-9.5	5.2-6.6
Multilateral climate funds and other multilateral grants	1.9-2.4	1.9-2.4	2.8-3.6	2.8-3.6
Multilateral climate funds and other multilateral non-grants	0.8-1.9	0.5-1.0	1.4-2.2	1.2-1.8
Total	**39.8-53.1**	**30.8-42.6**	**36.6-49.3**	**32.7-44.7**

Amounts in billion US$. 'CSNA' shows our central estimate, 'CSNA (OECD GE)' shows the estimate using the standard OECD method for calculating grant equivalents. Totals may not add up due to rounding. Source: Own calculations.

Table A4: Climate-Specific Net Assistance (CSNA) by provider, 2023-2024

Provider	2023		2024	
	CSNA (OECD GE)	CSNA	CSNA (OECD GE)	CSNA
Australia	0.40-0.89	0.40-0.89	0.33-0.70	0.33-0.70
Austria	0.09-0.12	0.09-0.12	0.07-0.10	0.07-0.10
Canada	0.75-0.86	0.75-0.86	0.15-0.17	0.15-0.17
Denmark	0.23-0.32	0.23-0.32	0.45-0.60	0.45-0.60
EU institutions	2.93-3.62	2.93-3.62	4.12-5.14	4.12-5.14
France	1.66-2.26	1.25-1.70	1.75-2.55	1.54-2.26
Germany	3.64-5.77	3.47-5.54	2.96-5.04	2.98-5.07
Italy	0.11-0.13	0.11-0.13	0.28-0.34	0.27-0.33
Japan	7.94-9.67	4.74-5.83	1.98-2.90	1.26-1.84
Netherlands	1.15-1.44	1.15-1.44	0.57-0.70	0.57-0.70
Norway	0.91-1.08	0.91-1.08	0.48-0.59	0.48-0.59
Spain	0.06-0.10	0.06-0.10	0.14-0.22	0.14-0.22
Sweden	0.28-0.35	0.28-0.35	0.20-0.25	0.20-0.25
Switzerland	0.23-0.30	0.23-0.30	0.22-0.26	0.22-0.26
United Kingdom	1.15-1.69	1.15-1.69	1.86-2.85	1.86-2.85
United States	1.95-3.91	1.95-3.91	2.09-3.54	2.09-3.54
Other developed countries	1.94-2.91	1.86-2.79	2.15-3.38	2.17-3.41
Bilateral total	**25.4-35.4**	**21.6-30.7**	**19.8-29.3**	**18.9-28.0**
Multilateral development banks (MDBs)	11.69-13.29	6.90-8.48	12.69-14.13	9.86-11.30
Multilateral climate funds and other multilateral	2.73-4.35	2.37-3.41	4.15-5.79	3.98-5.40
Multilateral total	**14.4-17.6**	**9.3-11.9**	**16.8-19.9**	**13.8-16.7**
Total	**39.8-53.1**	**30.8-42.6**	**36.6-49.3**	**32.7-44.7**

Amounts in billion US$. 'CSNA' shows our central estimate, 'CSNA (OECD GE)' shows the estimate using the standard OECD method for calculating grant equivalents. Note that, because of using OECD data from the recipient perspective as the basis of the calculations, amounts from bilateral providers in this table do not include contributions from those countries to multilateral channels. Totals may not add up due to rounding. Source: Own calculations.

BIBLIOGRAPHY

LRI (2019). Interpretation of Article 9.1, Paris Agreement. Legal Response International, London, https://legalresponse.org/resource/interpretation-of-article-9-1-paris-agreement.

OECD (2024). Results of the survey on the coefficients applied to Climate Change Rio marker data when reporting to the UNFCCC, DCD/DAC/STAT(2024)28/REV1, OECD Publishing, Paris, http://one.oecd.org/document/DCD/DAC/STAT(2024)28/REV1/en/pdf.

OECD (2026a). Climate Finance Provided and Mobilised by Developed Countries in 2013-2024, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris, https://www.oecd.org/en/publications/climate-finance-provided-and-mobilised-by-developed-countries-in-2013-2024_ab5eb9ad-en.html.

OECD (2026b). Development Finance for Climate and Environment. Climate-related development finance datasets, recipient perspective, https://www.oecd.org/en/topics/sub-issues/development-finance-for-climate-and-the-environment.html (accessed 5 June 2026).

OECD (2026c). Creditor Reporting System. https://data-explorer.oecd.org/vis?lc=en&df%5Bds%5D=DcdDisseminateFinalDMZ&df%5Bid%5D=DSD_CRS%40DF_CRS&df%5Bag%5D=OECD.DCD.FSD&dq=DAC..1000.100._T._T.D.Q._T..&lom=LASTNPERIODS&lo=5&to%5BTIME_PERIOD%5D=false (accessed 5 June 2026).

Oxfam (2024). Climate Finance Short-Changed, 2024 Update. Estimating the real value of the $100 billion commitment for 2021-22. Oxfam, Nairobi, https://oxfam.box.com/s/q32guouexhj6proorwm8f14sv6nvan77.

CGIAR (2026). CGIAR Trust Fund Dashboards. https://www.cgiar.org/funders/trust-fund/trust-fund-contributions-dashboard (accessed 25 March 2026).

Written by Jan Kowalzig, Tallulah Cherry-Virdee, Rasmus Bo Sørensen and Steve Cutts. Based on research and extensive calculations by Tallulah Cherry, Rasmus Bo Sørensen (INKA Consult[21]) and valuable insights and technical advice by Steve Cutts[22] (independent consultant) on the methodology to assess the financial effort in official loans; commissioned by Oxfam Germany. Oxfam would like to further thank Hans Peter Dejgaard (INKA consult) for his esteemed contribution to realising this publication.

The methodology for calculating *Climate Specific Net Assistance* was originally developed by Oxfam and subsequently refined jointly by Oxfam and INKA consult.

For further information on the issues raised in this publication please email advocacy@oxfaminternational.org.

The information in this publication is correct at the time of going to press.

Published by Oxfam International.

OXFAM

Oxfam is an international confederation of 21 organizations, working with its partners and allies, reaching out to millions of people around the world. Together, we tackle inequalities to end poverty and injustice, now and in the long term – for an equal future. Please write to any of the agencies for further information or visit www.oxfam.org.

Oxfam America (www.oxfamamerica.org)
Oxfam Aotearoa (www.oxfam.org.nz)
Oxfam Australia (www.oxfam.org.au)
Oxfam-in-Belgium (www.oxfamsol.be)
Oxfam Brasil (www.oxfam.org.br)
Oxfam Canada (www.oxfam.ca)
Oxfam Colombia (lac.oxfam.org/countries/colombia)
Oxfam France (www.oxfamfrance.org)
Oxfam Germany (www.oxfam.de)
Oxfam GB (www.oxfam.org.uk)
Oxfam Hong Kong (www.oxfam.org.hk)
Oxfam IBIS (Denmark) (www.oxfamibis.dk)
Oxfam India (www.oxfamindia.org)
Oxfam Intermón (Spain) (www.oxfamintermon.org)
Oxfam Ireland (www.oxfamireland.org)
Oxfam Italy (www.oxfamitalia.org)
Oxfam Mexico (www.oxfammexico.org)
Oxfam Novib (Netherlands) (www.oxfamnovib.nl)
Oxfam Québec (www.oxfam.qc.ca)
Oxfam South Africa (www.oxfam.org.za)
KEDV (www.kedv.org.tr)

[21] See https://inkaconsult.dk.

[22] Founder of https://www.odareform.org.