Views on the Vision, Modalities and Elements for the Second Year of the Work Programme on Climate Finance, Including on Article 9, Paragraph 1, of the Paris Agreement in the Context of Article 9 of the Paris Agreement as a Whole

Submission by members of the Community of Practice on Environment, Climate, Conflict, and Peace (ECCP)

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Introduction

Members of the Community of Practice on Environment, Climate, Conflict, and Peace (ECCP) welcome the opportunity to submit further views on the work programme on climate finance, including on Article 9, paragraph 1, of the Paris Agreement. We thank the co-chairs for their continued commitment to inclusive, participatory and transparent facilitation, and for the engagement workshops held with Parties and non-Party stakeholders during SB 64 in Bonn.

The ECCP is a network of more than 1,300 individuals across over 400 organisations worldwide, working at the intersection of environment, climate, conflict, and peace. This submission builds on the views ECCP members contributed during the first round of the work programme in April 2026. While it does not represent the views of all members, many have come together to submit these views to ensure that, as the programme moves from its initial framing to a concrete second-year work plan, it addresses a gap the current climate finance architecture was not built to close. Climate finance is weakest in the places where climate vulnerability, conflict and fragility overlap, and that gap is now widening.

Vision, modalities and elements for the second year

The first year of the work programme has established the diagnosis. The task for the second year is to turn it into outcomes that reach the contexts the system currently bypasses. We offer three points on vision and modalities.

- **From conflict-sensitive to peace-positive climate finance.** Conflict sensitivity, which ensures that climate finance does no harm, is necessary but not sufficient. Where climate vulnerability and fragility overlap, finance can be designed to strengthen social cohesion, inclusive governance and trust, producing gains for both climate and stability. We encourage the work programme to make peace-positive climate finance an explicit element of its second-year vision, recognising that in fragile and conflict-affected settings (FCAS) the effectiveness of finance depends on the stability of the context it enters.
- **Fragile and conflict-affected settings as a structural feature, not a special case.** Up to two-thirds of the world's extreme poor are projected to live in fragile and conflict-affected settings by 2030 (World Bank). Treating FCAS as an exception to be handled separately, rather than a central design consideration, is a central blind spot in the current architecture. We recommend a dedicated thematic stream on climate finance in FCAS within the second-year work plan.
- **Additionality and the protection of existing finance.** Provision cannot be discussed only in terms of mobilising new flows while existing flows are being cut at the fastest rate on record. A credible second-year vision has to address the erosion of the finance base, not only its expansion.

We structure the remainder of this submission around the three guiding questions considered at the multi-stakeholder engagement workshop.

1. Provision and mobilization of climate finance

How can we scale up the provision and mobilization of climate finance from a wide variety of sources, instruments and channels to support climate action in developing countries?

The provision question is usually framed around mobilising new and additional finance. We ask the work programme also to confront a countervailing trend: the largest existing source of grant-based bilateral climate finance is contracting sharply, at the same time as military expenditure reaches record levels.

- **Official development assistance, the main source of adaptation finance in the poorest and most fragile countries, is in record decline.** According to OECD preliminary data, ODA fell 23.1% in 2025, to USD 174.3 billion, the largest annual contraction on record, with a further 5.8% fall projected for 2026. Bilateral ODA, the principal channel for grant-based adaptation finance in low-income and fragile states, fell further still, by 26.4%. Because these states attract very little private investment, cuts of this scale translate directly into a widening adaptation finance gap in FCAS.
- **This coincides with record military spending.** Global military expenditure rose to USD 2,887 billion in 2025, its eleventh consecutive annual increase and, at 2.5% of global GDP, the highest military burden since 2009 (SIPRI). European military spending rose by 14% in a single year and Germany's by 24%, and NATO members have agreed to raise defence-related spending to 5% of GDP by 2035. In several cases the two trends are directly connected. The United Kingdom, for example, has cut its aid budget to 0.3% of gross national income to help fund an increase in defence spending. The effect is to move public finance away from the channels that reach climate-vulnerable, conflict-affected populations and toward military expenditure, which is itself a source of emissions that is not systematically reported internationally.

We recommend that, under the provision and mobilization pillar, the work programme:

- recognise additionality, and the protection of grant-based and concessional finance, as a provision question in its own right, and examine how the contraction of ODA and the rise in defence spending affect the availability of climate finance for the most vulnerable and fragile contexts;
- prioritise grant-based and highly concessional, non-debt-inducing instruments for FCAS, where debt distress is widespread and loan-based finance is often counterproductive;
- examine, constructively, the scope for directing a share of rising military and security budgets toward adaptation and peace-positive climate finance in fragile settings, on the basis that stability and climate resilience reinforce one another rather than compete for public funds; and
- diversify sources and channels so that provision does not depend on a small number of donors whose budgets are volatile, including through instruments such as debt-for-climate swaps and solidarity levies, and through locally accessible finance.

2. Access to climate finance

What are the concrete procedural, institutional and capacity barriers that prevent developing countries from accessing available climate finance, and how can these be addressed?

Even where finance is available, it does not reach the countries most exposed to combined climate and conflict risk. This is the ECCP's central concern, and the evidence is well established.

- **The mismatch between vulnerability and finance is documented.** Analysis by the Center for Global Development and the International Rescue Committee finds that conflict-affected countries are, on average, the most climate-vulnerable group of countries, more vulnerable than both least developed countries and small island developing states. Yet between 2016 and 2023, fragile and conflict-affected states received only about two-thirds of the per-capita adaptation finance that LDCs received, and about one-third of the level received by SIDS. The same analysis finds little correlation between adaptation finance per capita and climate vulnerability, which indicates that allocations are not responsive to need.

- **The barriers are structural.** Finance flows toward contexts where delivery is straightforward, such as those with stable governance, established national implementing entities and strong fiduciary and absorptive capacity, and away from fragile settings that lack them. Accreditation requirements, fiduciary standards, co-financing expectations, readiness demands and risk-averse institutional cultures combine to exclude the countries that need finance most. The perception that fragile contexts are too difficult or too risky to invest in reinforces the pattern.

We recommend that the second-year work plan address access barriers in FCAS specifically, including by:

- developing proportionate, risk-informed accreditation and fiduciary standards for fragile contexts, and moving the operating entities of the Financial Mechanism from risk-averse toward risk-informed approaches that recognise that the highest-need settings often appear the highest-risk on paper;
- strengthening direct and enhanced direct access, including for sub-national, non-state and locally led entities, in contexts where national implementing entities are weak or absent;
- establishing or expanding dedicated access windows for FCAS and LDCs at the operating entities of the Financial Mechanism and the Fund for responding to Loss and Damage, with simplified modalities and readiness support suited to fragile settings;
- embedding conflict-sensitivity and peace-positive criteria as a quality standard in access and delivery, drawing on established practice in the humanitarian, development and peacebuilding sectors; and
- producing, as a concrete second-year output, a synthesis or mapping report on climate finance in fragile and conflict-affected states, quantifying the gap between vulnerability, need and finance received, to inform the second Global Stocktake.

3. Transparency and measurement

How can we enhance the transparency of climate finance and the measurement of progress on the impacts, results and outcomes of climate finance?

Transparency is the pillar that makes the other two enforceable. The provision and access problems set out above are, in the end, questions of what the system measures. We make two recommendations.

- **Disaggregate climate finance data by fragility and conflict status.** The mismatch between vulnerability and finance is hard to see in standard reporting because climate finance is not tracked against the fragility of recipient contexts. If the work programme's transparency and measurement efforts do not disaggregate flows to FCAS, the gap cannot be monitored and progress in closing it cannot be verified. We recommend that transparency arrangements under the work programme, and the measurement of progress on results and outcomes, distinguish finance reaching fragile and conflict-affected settings, and measure it against best-available estimates of need and vulnerability rather than volume alone.

- **Improve transparency of military and defence-related expenditure and emissions where they bear on climate finance.** Progress on provision is hard to assess if the budgetary trade-offs shaping finance decisions, and a growing source of emissions that is not systematically reported, remain outside the frame. We encourage the work programme to recognise military and defence-related expenditure and emissions as a transparency gap relevant to the mobilization and additionality of climate finance.

Transparency should also be understood as a matter of process. Measurement frameworks should capture not only the volumes disbursed but whether finance reaches local and community-level actors, and whether it strengthens or weakens social cohesion and trust in the contexts it enters.

Conclusion

Climate finance that bypasses the world's most climate-vulnerable, conflict-affected populations falls short of the promise of the Paris Agreement, and it is doing so more sharply now, as record military spending coincides with the steepest fall in development finance on record. As the work programme designs its second year, we urge the co-chairs to treat fragility, conflict and peace as central to a finance system that can reach those most in need, and to build in the provision safeguards, access reforms and transparency measures required to move from commitment to implementation. Members of the ECCP stand ready to contribute expertise on conflict-sensitive and peace-positive approaches to climate finance.