

SUBMISSION

Work Programme on Climate Finance

Submission by the International Centre for Integrated Mountain Development (ICIMOD)

April 2026

The [International Centre for Integrated Mountain Development](#) (ICIMOD) welcomes the opportunity to provide inputs to 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, pursuant to the decision in paragraphs 54–55 of [decision 1/CMA.7](#), taken at [CMA 7](#). ICIMOD is grateful for the [invitation](#) extended by the co-chairs of the work programme on climate finance to provide inputs on the guiding questions drafted by the co-chairs ([MOI/MTP/O/CFWP/Submissions](#)). ICIMOD is an intergovernmental knowledge and learning centre serving the Regional Member Countries (RMCs) of the Hindu Kush Himalaya (HKH): Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal and Pakistan.

At [CMA 7](#), within the Global Mutirao [decision](#), Parties decided to establish a two-year work programme on climate finance to enhance understanding of needs, strengthen the provision and mobilization of climate finance, and support implementation of the [Paris Agreement](#), including through improved alignment with its long-term temperature goal and with the needs and priorities of developing country Parties (paragraphs 54–55).

In their [invitation](#), the co-chairs have presented the following guiding questions:

- (a) What are your overall expectations for the climate finance work programme? What concrete outputs and outcomes should the climate finance work programme deliver?
- (b) What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?
- (c) How should the climate finance work programme be organized to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?

ICIMOD, an intergovernmental organisation with observer status to the United Nations Framework Convention on Climate Change (UNFCCC), takes this opportunity to introduce its mandate and present perspectives rooted in the specific needs, evidence, and experiences of the HKH region, a globally significant mountain system that is warming faster than the global average and faces escalating climate risks that would require significant climate finance and investment in order to build resilience to the impacts of climate change.

Institutional Mandate and Relevance to the Climate Finance Work Programme

ICIMOD's Strategy 2030, [Moving Mountains](#)¹, sets out a vision of a greener, more inclusive, and climate resilient Hindu Kush Himalaya and a mission to build and share knowledge that drives regional policy and

¹ ICIMOD. (2023). ICIMOD Strategy 2030: Moving Mountains. International Centre for Integrated Mountain Development (ICIMOD). <https://doi.org/10.53055/ICIMOD.1027>

action and attracts investment for sustainable mountain development. The HKH provides essential ecosystem services as the source of ten major Asian river systems and as a global “water tower” that supports the wellbeing of almost two billion people downstream.

At the same time, the HKH is among the world’s most climate vulnerable regions, experiencing accelerated cryospheric change, increasing climate extremes, and cascading transboundary risks that threaten water, food, and energy security from mountains to oceans. These dynamics translate into significant and growing climate finance needs, and ICIMOD’s work therefore directly intersects with the objectives of Article 9 of the [Paris Agreement](#) on providing and mobilizing financial resources to assist developing country Parties and is closely aligned with the work programme’s focus on understanding climate finance needs, flows, and gaps and improving the quantity, quality, and accessibility of finance for vulnerable regions.

Context and Scope of Submission

The climate finance work programme is being launched against a backdrop of escalating climate risks, persistent under-delivery on existing finance commitments, and a rapidly widening gap between global needs and actual flows². Mountains cover roughly one-third of the global land surface, host nearly half of all global biodiversity hotspots, and underpin water, food, and energy security far beyond their boundaries³. Yet, mountains remain systematically underserved by climate finance and policy attention, despite contributing the least to global greenhouse gas emissions while being among the most climate-vulnerable regions. As ICIMOD’s [HI-WISE Report](#) notes, the HKH region is a global asset. It contains the largest ice reserves outside the polar regions, is recognised as the “Third Pole”, and is the source of major Asian river systems that support the wellbeing of more than one-third of the world’s population indirectly, even as its communities face mounting climate risks and constrained fiscal space⁴.

ICIMOD’s recent [report](#), titled “Climate Finance Synthesis Report: Assessing the Needs, Flows and Gaps in Climate Financing in the HKH Countries”, provides the empirical foundation for this submission, highlighting the magnitude of climate finance needs, current flows, and persistent gaps across HKH countries and sectors. The report estimates that the HKH countries all together require approximately USD 12.07 trillion in climate finance from 2020 to 2050, equivalent to about USD 768.68 billion per year, when combining adaptation and mitigation needs⁵. Yet climate finance flows to HKH countries remain modest and uneven relative to these needs. Between 2018 and 2021, HKH countries received, on an average, less than 3% of their total disbursed development finance as climate-tagged funding. Adaptation finance, alongside sectors critical for mountain resilience such as agriculture, water resources, disaster risk reduction, and ecosystems, remains underfunded relative to mitigation and infrastructure investments. At the global level, the report notes that annual climate finance flows reached roughly USD 1.3 trillion in 2021/2022, while estimates of financing needs for a low carbon transition range between USD 4–6 trillion

² United Nations Environment Programme (UNEP), *Adaptation Gap Report 2025: Running on Empty*, UNEP, October 29, 2025, <https://www.unep.org/resources/adaptation-gap-report-2025>

³ Hock, R., G. Rasul, C. Adler, B. Cáceres, S. Gruber, Y. Hirabayashi, M. Jackson, A. Kääb, S. Kang, S. Kutuzov, Al. Milner, U. Molau, S. Morin, B. Orlove, and H. Steltzer, 2019: High Mountain Areas. In: *IPCC Special Report on the Ocean and Cryosphere in a Changing Climate* [H.-O. Pörtner, D.C. Roberts, V. Masson-Delmotte, P. Zhai, M. Tignor, E. Poloczanska, K. Mintenbeck, A. Alegría, M. Nicolai, A. Okem, J. Petzold, B. Rama, N.M. Weyer (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA, pp. 131-202. <https://doi.org/10.1017/9781009157964.004>.

⁴ Wester, P., Chaudhary, S., Chettri, N., Jackson, M., Nepal, S., & Steiner, J. F. (2023). Water, ice, society, and ecosystems in the Hindu Kush Himalaya: An outlook. International Centre for Integrated Mountain Development (ICIMOD). <https://doi.org/10.53055/ICIMOD.1028>

⁵ Ali, G., Maurya, A., Venkatramani, S., Lindhard, C., & Thapa, C. (2025). Climate Finance Synthesis Report: Assessing the needs, flows and gaps in climate financing in the HKH countries (p. 61). International Centre for Integrated Mountain Development (ICIMOD). <https://doi.org/10.53055/ICIMOD.1106>

per year, and total climate-related investment needs may reach USD 10 trillion per year by 2030 and beyond. Least developed countries receive less than 3% of global climate finance, and the top ten most climate affected countries receive only about USD 23 billion, illustrating persistent distributional inequities that the work programme must address.

This context informs ICIMOD's broader responses to the co-chairs' three guiding questions. Drawing on HKH-specific evidence, ICIMOD, through its submission, wishes to highlight how the climate finance work programme can take forward pathways and action that reflect regional realities while informing global approaches. They propose a structure that better aligns finance volumes and instruments with quantified needs, foregrounds equity and the adaptation gap, and addresses persistent access and allocation challenges, while also bringing emerging perspectives from mountain regions into wider debates on effectiveness, data, and enabling environments for climate finance.

Overall Expectations from the Climate Finance Work Programme (Question 1)

“What are your overall expectations for the climate finance work programme? What concrete outputs and outcomes should the climate finance work programme deliver?”

ICIMOD believes that the climate finance work programme presents an opportunity to deliver a practical, evidence based pathway for closing the global climate finance gap while explicitly recognising the specific needs and roles of mountain regions and the communities and countries that depend on them.

In terms of overall mission and expectations, the Climate Finance Work Programme should aim to:

- Clarify and quantify the scale and composition of climate finance needs across regions, sectors, and income groups, using robust data and methodologies and paying particular attention to high-risk and previously underrepresented ecosystems such as mountains, cryosphere, and transboundary river basins.
- Identify concrete options to increase the volume, quality, predictability, and accessibility of climate finance for developing countries, including LDCs, land-locked developing countries, and mountainous developing countries, with a balanced focus on adaptation and mitigation and on cross-cutting resilience.
- Generate actionable guidance for aligning public and private finance with Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), long-term low emission development strategies (LT-LEDs, and sectoral transition pathways).
- Identify ways to reform and better coordinate multilateral, bilateral, and domestic finance architectures to address structural barriers to access and implementation, notably for smaller and capacity-constrained states which are more vulnerable to climate change.
- Create a framework for monitoring, reporting, and verifying climate finance that is transparent, comparable, and capable of capturing geographically specific flows.
- Develop and maintain global database of investment ready adaptation projects to help Multilateral Development Banks (MDBs) and private funds to find vetted investment opportunities in underserved regions like the HKH.

In order to translate these expectations into concrete outputs and outcomes, the Climate Finance should seek to aim and deliver the following:

- (a) **Consolidated assessment of global and regional climate finance needs, flows, and gaps:** Building on [UNFCCC Standing Committee on Finance reports](#), the work programme should deliver an updated and disaggregated mapping of climate finance needs by region, sector, and income group.

- (b) **Methodological guidance for assessing and reporting climate finance needs and flows:** The work programme should develop practical guidance to harmonise definitions, methodologies, and taxonomies across Parties, taking into account existing work on climate finance taxonomies, budget tagging, and sectoral classifications. Such guidance would support Parties in incorporating geographically specific needs into national needs determination, NDC and NAP costing, and long-term strategies.
- (c) **Recommendations to improve access, particularly for vulnerable and capacity constrained countries and regions:** Drawing on evidence that many LDCs receive only a small fraction of their committed climate finance⁶ and that adaptation disbursement rates are often low⁷, the work programme should set out options to simplify access procedures, improve investment readiness, and enhance direct access modalities for national and subnational entities. It should recommend targeted support for project preparation, pipeline development, and accreditation for entities in structurally disadvantaged regions, building on emerging [efforts](#) in developing countries to accelerate access to the Green Climate Fund and other sources⁸.
- (d) **Principles and metrics for climate finance quality and effectiveness:** The programme should define criteria for assessing whether climate finance is aligned with 1.5-degree pathways, supports transformational adaptation and resilience, and avoids exacerbating debt burdens and social inequities. It should encourage the use of grant-based and highly concessional finance for adaptation, loss and damage, and resilience in high vulnerability contexts.
- (e) **Menu of financial instruments and structures tailored to different contexts:** The work programme should analyse and promote the use of instruments such as green and blue bonds, blended finance, guarantees, debt-for-climate and debt-for-nature swaps, voluntary carbon markets, and climate resilient debt clauses, highlighting their applicability for different geographical and ecosystem contexts.
- (f) **Guidance on mobilising private sector finance and derisking investments in high vulnerability regions:** ICIMOD's [synthesis](#) underlines that private finance remains limited in many HKH countries, especially for adaptation and resilience. The work programme should present options for addressing the barriers to private finance, including regulatory reforms, risk-sharing facilities, aggregation mechanisms for small scale projects, and catalytic use of public and philanthropic capital.
- (g) **Informing the New Collective Quantified Goal (NCQG) and future replenishments:** The outputs of the work programme should feed directly into the design of the [NCQG](#) and into replenishments of multilateral climate funds and MDB climate strategies, ensuring that global goals and institutional policies reflect the scale, distribution, and nature of needs identified.

Thematic Pillars of the Climate Finance Work Programme (Question 2)

“What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?”

⁶ Kreibiehl, S., T. Yong Jung, S. Battiston, P. E. Carvajal, C. Clapp, D. Dasgupta, N. Dube, R. Jachnik, K. Morita, N. Samargandi, M. Williams, 2022: Investment and finance. In IPCC, 2022: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: 10.1017/9781009157926.017

⁷ United Nations Environment Programme (UNEP), *Adaptation Gap Report 2025: Running on Empty*, UNEP, October 29, 2025, <https://www.unep.org/resources/adaptation-gap-report-2025>

⁸ Accelerating Sustainable Finance for Emerging Markets and Developing Economies: Independent Review of the Vertical Climate and Environmental Funds. G20 Independent High-Level Expert Group (G20 IHLEG, 2024).

ICIMOD recommends structuring the climate finance work programme around six interlinked thematic pillars, each with subtopics that can be addressed through technical workstreams, regional dialogues, and targeted outputs.

Pillar 1: Scaling Climate Finance in Line with Needs and 1.5°C Pathways

This pillar would seek to align the volume, composition, and timing of climate finance with quantified needs at global, regional, and national levels, consistent with the long-term temperature goal. Key subtopics under this pillar should include work on:

- Global and regional finance needs and gaps, including adaptation, mitigation, and loss and damage, building on UNFCCC needs determination and expert analyses.
- Distribution across income groups and geographies, examining disparities in per capita and per GDP finance needs and flows and identifying priority groups such as LDCs, SIDS, landlocked developing countries, mountain communities and other climate vulnerable regions.
- Assessing progress towards a better balance of finance across mitigation, adaptation and loss and damage, including the extent to which adaptation finance in vulnerable regions remains below needs.
- Linkages to the [NCQG](#) and other global goals and ensuring that work under this pillar informs the operationalisation of the [NCQG](#) and global targets for public and private finance.

Pillar 2: Access, Equity, and Allocation of Climate Finance

This pillar would seek to improve the accessibility, equity, and predictability of climate finance, ensuring that resources reach those with the highest needs and least capacity. Key subtopics under this pillar should include work on:

- Barriers to accessing multilateral and bilateral climate finance, including procedural, institutional, and capacity barriers that prevent vulnerable countries and regions from accessing and effectively using climate funds, and options for simplification and support.
- Direct access and country ownership through the strengthening national implementing entities, sub-national governments, and regional networks to access and channel climate finance aligned with national priorities and regional cooperation agendas.
- Equitable allocation frameworks that develop principles and metrics for needs and vulnerability-based allocation, including per capita needs, share of GDP, exposure to climate risks, and the global public goods provided by ecosystems.
- Identifying mechanisms to enhance predictability and stability of financial flows and examining how volatility in climate finance commitments and disbursements undermines planning and implementation.
- Exploring and developing regional aggregation mechanisms for climate finance as individual projects are often too small for international investors through regional co-operation frameworks and institutions.

Pillar 3: Quality, Effectiveness, and Impact of Climate Finance

This pillar would seek to enhance the effectiveness and impact of climate finance in delivering emissions reductions, increased resilience, and co-benefits, while avoiding harm. Key subtopics under this pillar should include work on:

- Defining and measuring effectiveness by developing shared criteria and indicators for mitigation outcomes, adaptation benefits, resilience, and co-benefits tailored to different contexts.
- Avoiding maladaptation and unintended impact by identifying risks where climate investments may increase vulnerability and recommending safeguards and planning approaches.
- Promoting debt relief and reducing financial risk by assessing the implications of increasing reliance on debt-based finance, and exploring alternatives such as grants, highly concessional finance, and debt relief instruments.
- Integration with national planning and budgeting by promoting climate informed public financial management, and the integration of climate risks into macro fiscal planning frameworks.

Pillar 4: Instruments, Innovation, and Private Sector Engagement

This pillar would seek to expand and tailor financial instruments and institutional arrangements to mobilise and channel climate finance effectively, including from the private sector, while safeguarding environmental and social integrity. Key subtopics under this pillar should include work on:

- Examining how multilateral climate funds, MDBs, and Development finance institutions (DFIs) can better support transformative projects in vulnerable regions through grants, concessional loans, guarantees, and results-based finance.
- Exploring the design and application of innovative and blended finance instruments such as green and blue bonds, blended finance structures, debt-for-climate swaps, and voluntary carbon markets.
- Exploring risk-sharing facilities, first loss guarantees and patient capitals, specifically tailored for economies where lack of traditional collateral and high lender risks need to be mitigated.
- Enhancing private sector mobilisation in high-risk context by identifying enabling policies, risk sharing mechanisms, and aggregation models.
- Supporting smallholders, MSMEs, and community organisations through tailored instruments (such as microfinance, climate-smart credit, community funds, crowdfunding)⁹ and capacity support as they are central to climate action in many local contexts but face high transaction costs and persistent access barriers.
- Advancing gender-responsive climate finance, in collaboration with the UNFCCC Gender Work Programme ([FCCC/CP/2025/L.16, annex, table 4, activity D.1](#)). These activities could include promoting gender lens investing frameworks and ensuring that instruments and programmes are explicitly designed to be gender responsive.

Pillar 5: Data, Transparency, and Accountability in Climate Finance

This pillar would seek to strengthen data systems, transparency, and accountability for climate finance, enabling better decision making, trust, and learning. Key subtopics under this pillar should include work on:

- Harmonised definitions and classifications of climate finance, adaptation, and mitigation and to develop interoperable taxonomies usable by Parties, MDBs, and the private sector.
- Support Parties in developing methodologies to track disaggregated climate finance data, including budget tagging, and MRV systems, that can capture both domestic and international flows and reflect sub-national and geographically specific investments.

⁹ One of the examples of such instruments is the HKH-ICE Initiative being undertaken at ICIMOD. HKH-ICE (Hindu Kush Himalaya Innovation Challenge for Entrepreneurs) is an ICIMOD–Global Resilience Partnership initiative that supports climate-resilient, market-ready innovations by local enterprises in sectors such as agriculture, water security, and sustainable tourism across selected HKH countries. For more information, please visit: <https://www.icimod.org/hkh-ice-innovation-challenge-entrepreneurs/>

- Development of harmonised green taxonomies metrics and frameworks to eliminate greenwashing and provide investors with standard definitions to reduce asymmetries, quantify impact, and manage risks.
- Open data and climate finance platforms, encouraging shared databases and platforms, including regional initiatives, to support transparency, research, and coordination.

Pillar 6: Enabling Environments, Institutions, and Regional Cooperation

This pillar would seek to support the creation of enabling environments and institutional capacities that allow countries and regions to plan, access, and effectively use climate finance. Key subtopics under this pillar should include work on:

- Analysing how climate policies, strategies, and institutional arrangements in different national policy and institutional contexts affect climate finance mobilisation and use.
- Examining how climate finance is or can be integrated into sub-national planning, sectoral strategies, and public investment decisions.
- Identifying needs and opportunities for capacity development in climate finance assessment, planning, access, and MRV, and the role of knowledge centres and networks in meeting these needs.
- Leveraging regional organisations to bridge international climate funds with local financial intermediaries and bankable project pipelines, and aggregating small-scale initiatives into investment ready portfolios that meet the scale and de-risking requirements of international private investors.

Organisation of the Climate Finance Work Programme (Question 3)

“How should the climate finance work programme be organized to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?”

ICIMOD welcomes the call of the co-chairs to organise the climate finance work programme in a manner designed to be inclusive, balanced, technically robust, and action-oriented. Drawing on ICIMOD’s experience with regional cooperation, the following design principles are recommended for the co-chairs’ consideration to guide the organisation of work across all pillars:

- **Evidence-informed and iterative:** The work programme may wish to build on, and add value to, existing global and regional assessments of climate finance needs, flows, and gaps, while remaining flexible enough to incorporate new information and lessons as they emerge over the two-year period. This would include openness to inputs from regions where data have historically been limited, especially from the global South, so that the evidence base progressively becomes more representative.
- **Inclusive and equitable participation:** The process should be organised in a manner that facilitates the meaningful participation of all regions and country groupings, including least developed countries, small island developing States, African countries, and land-locked and mountainous developing countries. Particular effort should be made to ensure that the perspectives of Indigenous Peoples, local communities, women, youth, and other often under-represented stakeholders are heard and can inform the evolution of the work programme.
- **Balanced in geography, themes, and institutions:** In organising agendas and workstreams, the co-chairs may wish to strive for balance between mitigation and adaptation, and to accord adequate space to issues such as loss and damage and resilience in sectors that are critical for vulnerable

regions, including water, agriculture, disaster risk reduction, and ecosystems in mountain and downstream areas. Likewise, discussions should draw on the experience not only of Parties and operating entities of the Financial Mechanism, but also of local communities, indigenous groups, regional organisations and knowledge centres which can help reflect lived experiences and regional realities.

- **Oriented towards practical, system-wide outcomes:** Finally, the work programme could be designed with a clear view to generating outputs that are readily usable by Parties and institutions, such as principles, options, and good practices that can inform the New Collective Quantified Goal, replenishments of multilateral funds, MDB strategies, and national efforts to plan, mobilise, and track climate finance in line with nationally determined needs and priorities.

Looking Ahead

ICIMOD is grateful for the opportunity provided by the work programme on climate finance to share perspectives from the Hindu Kush Himalaya (HKH) on how global efforts to understand and mobilise climate finance can better reflect the needs and contributions of climate-vulnerable mountain regions. Despite recent advances, the HKH region remains relatively underserved by climate finance, with high per capita and per GDP needs coexisting with modest, volatile, and mitigation-biased flows that do not yet match the urgency and scale of adaptation and resilience requirements. Many structural barriers to access persist for smaller and fiscally constrained mountain economies, and key sectors for mountain resilience, such as water, agriculture, ecosystems, and disaster risk reduction, continue to receive a limited share of available resources. In this context, the co-chairs' focus on clarifying needs, improving access and allocation, and strengthening data and transparency offers an important platform to integrate critical evidence and diverse experiences into the implementation of Article 9 of the Paris Agreement.

By grounding its work in robust assessments of needs, flows, and gaps, adopting thematic pillars that address access, equity, quality, instruments, data, and enabling environments, and organising its work in an inclusive and regionally balanced manner, the work programme can generate actionable guidance that informs the New Collective Quantified Goal and strengthens Parties' ability to plan, mobilise, and track climate finance.

ICIMOD stands ready to support Parties, the co-chairs, and the UNFCCC Secretariat in implementing the work programme, including by providing HKH-specific data and analysis on climate finance, convening regional dialogues among RMCs and partners, and contributing its technical and policy expertise on mountain resilience, transboundary risks, and climate-finance-relevant implementation of the Paris Agreement. Sustained, predictable, and equitable investment in mountain-relevant adaptation, mitigation, and loss-and-damage responses will be essential to safeguard the HKH as a global asset and to underpin resilient water, food, and energy security for the billions of people who depend on it.