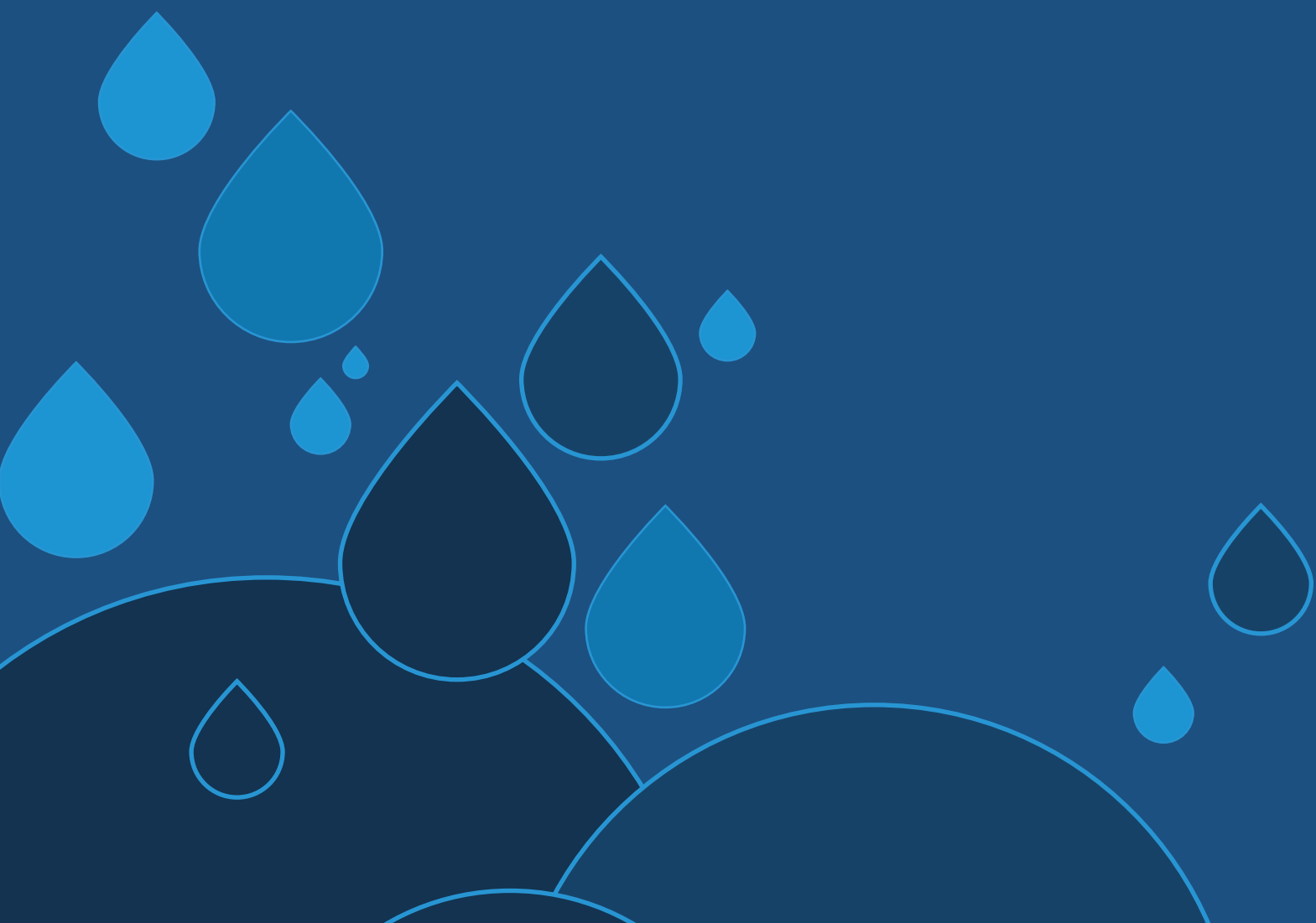


UNFCCC Standing Committee on Finance

Seventh Biennial Assessment and
Overview of Climate Finance Flows



United Nations
Framework Convention on
Climate Change

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EXECUTIVE SUMMARY BY THE STANDING COMMITTEE ON FINANCE OF THE SEVENTH BIENNIAL ASSESSMENT AND OVERVIEW OF CLIMATE FINANCE FLOWS

Abbreviations and acronyms

AF	Adaptation Fund
AFOLU	agriculture, forestry and other land use
Annex I Party	Party included in Annex I to the Convention
Annex II Party	Party included in Annex II to the Convention
BA	biennial assessment and overview of climate finance flows
BTR	biennial transparency report
CFU*	Climate Funds Update
CIV*	collective investment vehicle
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CPEIR	climate public expenditure and institutional review
CPI	Climate Policy Initiative
DAC	Development Assistance Committee
DFI	development finance institution
ETF	enhanced transparency framework under the Paris Agreement
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	greenhouse gas
LAC	Latin America and the Caribbean
LDC	least developed country
LDCF	Least Developed Countries Fund
MDB	multilateral development bank
NAP	national adaptation plan
NCQG	new collective quantified goal on climate finance
NDC	nationally determined contribution
non-Annex I Party	Party not included in Annex I to the Convention
OECD	Organisation for Economic Co-operation and Development
SCCF	Special Climate Change Fund
SCF	Standing Committee on Finance
SIDS	small island developing State(s)
SPV*	special purpose vehicle

* Used exclusively in figures.

I. Introduction

A. Context and mandates

1. The seventh BA conducted by the SCF provides an updated overview of the latest data and trends on climate finance flows up until 2024, and an assessment of the implications of these flows for international efforts to address climate change. The seventh BA includes:

- (a) Information on recent developments in methodologies related to tracking climate finance at the international and domestic level, the operational definitions of climate finance in use, the indicators for measuring the impacts of climate finance, and improvements in tracking climate finance flows and measuring impacts and outcomes, as well as in methodologies for integrating climate change considerations into insurance, lending and investment decision-making processes and that include information relevant to tracking consistency with the long-term goal outlined in Article 2, paragraph 1(c), of the Paris Agreement;
- (b) An overview of global climate finance flows and of climate finance flows from developed to developing countries,¹ as well as available information on domestic climate finance and on South-South cooperation on climate finance;
- (c) An assessment of the effectiveness, ownership, accessibility and magnitude (in the context of broader flows) of climate finance flows;
- (d) Reflections on data and information therein that could inform the preparation of the first report on progress towards achieving the NCQG.

2. Since the first BA in 2014, the preparation of BAs has been guided by mandates from the COP and the CMA to the SCF.² Following the sixth BA in 2024, the COP and the CMA provided further guidance to the SCF in the context of preparing the seventh BA,³ in particular on:

- (a) Continuing ongoing technical work on operational definitions of climate finance;
- (b) Continuing to consider the balance of mitigation and adaptation finance and the assessment of both public and private finance;

- (c) Considering further expanding the sources of information, as appropriate.

3. The seventh BA comprises this summary and recommendations prepared by the SCF, and a technical report prepared by experts under the guidance of the SCF.⁴ The technical report was subject to extensive stakeholder input and expert review, but remains a product of the external experts.

B. Scope and approach

4. The seventh BA focuses on climate finance flows in 2023–2024 and identifies trends in relation to previous years where possible. It draws on quantitative data from a wide range of sources, including but not limited to Parties' BTR1s and preliminary and partial data from forthcoming BTR2s, supplemented with other data from international organizations, international financial institutions, United Nations organizations, academia, non-governmental organizations, think tanks and the private sector, in order to provide the most comprehensive assessment from available information and provide detailed insights into climate finance flows.

5. In compiling the estimates, efforts have been made to ensure that they are based on activities that align with the updated operational definition of climate finance of the SCF:⁵ Climate finance aims at reducing emissions and enhancing sinks of GHGs, aims at reducing vulnerability, increasing adaptive capacity, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, and includes financing for actions identified in a country's NDC, adaptation communication, NAP, long-term low-emission development strategy or other national plan for implementing and achieving the goals of the Paris Agreement and the objective of the Convention.

6. The technical report does not aim to pre-empt the manner in which Article 2, paragraph 1(c), of the Paris Agreement is being implemented but is rather illustrative and demonstrates how countries may methodologically group approaches for making finance flows consistent with their national low GHG emissions and climate-resilient development pathways.

1) For the purpose of the overview of climate finance in the BA, various data sources are used to illustrate flows from developed to developing countries, without prejudice to the meaning of those terms in the context of the Convention and the Paris Agreement, including but not limited to flows from Annex I and Annex II Parties to non-Annex I Parties and MDBs; flows from OECD members to non-members; flows from OECD Development Assistance Committee members to countries eligible for OECD Development Assistance Committee official development assistance; and other relevant classifications.

2) Decisions 2/CP.17, para. 121(f); 1/CP.18, para. 71; 5/CP.18, para. 11; 3/CP.19, para. 11; 4/CP.24, paras. 4, 5 and 10; 11/CP.25, para. 9; and 5/CMA.2, para. 9.

3) Decisions 2/CP.29, para. 13, and 1/CP.30, paras. 11 and 13.

4) The technical report will be made available on the SCF web pages (<https://unfccc.int/SCF>).

5) See document FCCC/CP/2024/6/Add.1–FCCC/PA/CMA/2024/8/Add.1, paras. 11–13.

7. The technical report has also benefited from qualitative information from various sources, including inputs at technical expert meetings, responses to the relevant call for evidence⁶ and reports that explore topics related to climate finance.

C. Limitations to the data and information

8. In preparing the seventh BA, data and information were gathered from a wide range of sources. Gaps in and limitations of data and information on climate finance outlined in previous BAs persist and should be taken into consideration when deriving conclusions and policy considerations from the seventh BA.

9. As the seventh BA was prepared before the deadline for Parties to report information on climate finance provided and mobilized in 2023–2024 in their BTR2s, the SCF invited Parties to provide preliminary data on climate finance provided and mobilized and received for 2023–2024, as it did for the fifth and sixth BAs. The preliminary data are provisional and subject to change once Parties have submitted their BTR2s by the end of 2026. The partial data gathered result in an inconsistent number of reporting Parties over time and limits the confidence in key aggregate trends identified in the data as well as the potential to identify trends by geographical region or instrument. Furthermore, given that the scope of reporting on climate finance provided and mobilized has been expanded under the ETF, caution should be exercised in comparing the trends from before 2020 with those after 2020.

10. In the area of global climate finance, challenges remain in filling gaps in data, particularly on private finance for adaptation activities and for activities in the AFOLU, waste, and water and sanitation sectors. In addition, methodologies for calculating climate finance based on total cost or incremental cost differ and therefore produce different estimates by activity. This places limits on the completeness of the data and interpretation of the relative shares of global climate finance across different thematic areas or sectors. Some data sources, such as those for renewable energy, provide activity-level data but may make country- and technology-level assumptions when addressing data gaps on finance flows.

11. Regarding domestic climate finance, although the number of jurisdictions with climate finance tracking systems in place or under development has increased from 55 to 79 since the sixth BA, publicly available data are limited to only 34 jurisdictions for 2023–2024. In addition, the range of approaches followed by countries and the degree of transparency provided, including on the use of disaggregated data to identify domestic public finance and thematic allocations, limits the ability to aggregate and incorporate such information into global data sets. The tracking of finance related to resilience and loss and damage is nascent, with taxonomies beginning to emerge but yet to drive significant data collection and reporting.⁷

12. Data on international climate finance flows are compiled using various methodologies and have varying interpretations. Flows from developed to developing countries – covering finance provided, mobilized and received – include a mix of reporting practices and points of measurement, including data based on disbursements to projects and recipients in the given year, on financial commitments made in the reporting year to activities that may be implemented over several years and on either inflows to, or outflows from, multilateral institutions. Information on South–South cooperation in relation to climate finance flows has shown continuous improvement but remains underreported.⁸ The level of granularity and details reported, including classifications of data, such as by geographical region and bilateral or multilateral channel, is not uniform across data sources.

13. The SCF will continue to contribute, through its activities, to the progressive improvement of the measurement, reporting and verification of climate finance in future BAs in order to help to address these challenges and limitations.

II. Key findings

A. Methodological issues related to transparency of climate finance

14. Since the first BA (2014), significant improvements have been realized in the tracking of climate finance. Climate finance is regularly reported on by official actors, that is, by Parties, financial institutions and international

⁶ Available at <https://unfccc.int/documents/651991>.

⁷ References to finance for loss and damage do not constitute a determination by the SCF that finance for loss and damage is or is not included in the operational definition of climate finance of the SCF.

⁸ Noting the voluntary nature of the reporting exercise.

organizations, with greater transparency in the definitions and methodologies used. Notable advances have been made towards transparent reporting, with data systems and online portals making available project-level and semi-aggregated information, in particular information related to international climate finance flows, and by data aggregators. Although challenges and data gaps persist across sources of information, source-specific caveats are set out in the technical report where relevant to facilitate appropriate interpretations of the data in the light of their limitations.

15. The quality and coverage of information on financial support provided to developing countries by developed country Parties has improved under the ETF. Fifteen developed country Parties reported finance mobilized by public interventions using the new reporting format as part of their BTRs under the ETF. Eighteen developed country Parties reported grant only or grant-equivalent values of climate-specific finance alongside the face value of their support. More Parties are providing information at the project or programme level and data on disbursements of climate finance in addition to commitments, allowing for more disaggregated information on bilateral and multilateral climate finance flows.

16. Information on financial support provided and mobilized has been reported by more Parties under the ETF than under the previous reporting system. In total, 42 Parties (more than half of which were developed country Parties) reported information on climate finance provided and mobilized in their BTR1s. Five of these Parties provided information on finance provided and mobilized using common tabular formats for the first time.

17. Challenges remain in reporting data on financial support under the ETF. Tracking private finance mobilized remains particularly challenging, with some developed country Parties noting that current methodologies do not fully capture finance mobilized through technical assistance, and others citing banking and commercial confidentiality as a barrier to project-level reporting. Institutional constraints compound these challenges, with smaller administrations citing limited staff capacity to manage the data intensity of the BTR and highlighting the high level of coordination required across numerous government entities. Methodological divergences that hinder the provision of a full overview

of aggregate financial support include differences in reporting commitments and disbursements in a given calendar year, with some developed country Parties reporting both points of measurement. Methods to assess concessionality also differ; nine developed country Parties reported applying a standardized methodology to calculate concessionality for both bilateral and multilateral flows while others reported using their own approach.

18. The coverage of data on financial support received shows improvement, with 73 developing country Parties reporting such information in their BTRs. A total of 30 of the 73 developing country Parties had not submitted similar information in biennial update reports between 2021 and 2023 but did so in their BTRs, and 67 developing country Parties that reported such information in the BTRs improved the data coverage of their information on parameters related to channels, recipients, implementing agencies, instruments, status (committed or received), sector and subsector, and contribution to capacity-building and technology transfer objectives, most of which was reported for the first time using the common tabular format. Reporting on the use, impacts and results of support also improved substantially.

19. Domestic climate finance tracking systems are being rolled out globally, with a 44 per cent increase in countries and jurisdictions, from 55 to 79, identified as having adopted or developed systems as compared with the sixth BA. At least 79 countries and jurisdictions have reported that climate finance tracking systems are in place (41) or are under development (38), although associated financial data are only publicly available for 34 countries and jurisdictions in the 2023–2024 reporting period. Where budget tagging systems are in place, publicly available information is limited and lacks clarity or disaggregated data to distinguish between reported domestic public finance and international finance provided and/or received (only eight jurisdictions provide information for 2023–2024). Recent methodological additions to some climate budget tagging approaches include the coverage of finance related to disaster risk management and to loss and damage (eight countries), as well as harmful expenditure in addition to climate-relevant expenditure (seven countries),⁹ although those additions are not widely adopted.

9) These reflect country-driven definitions and approaches and do not reflect multilaterally agreed criteria and individual country approaches may vary to reflect country circumstances and approaches.

20. The number of jurisdictions publishing green and/or sustainable finance taxonomies and/or frameworks is growing, and they increasingly refer to supporting the goals of the Paris Agreement and considering national circumstances to support implementation of NDCs and NAPs. At least 19 jurisdictions have published new or updated taxonomies, or announced new developments in taxonomies, since the sixth BA, with some jurisdictions looking at the interoperability of their taxonomies under international initiatives respecting their national circumstances. With a coverage of at least 60 jurisdictions, taxonomies have become a widely used methodology across all regions for supporting climate-related investment. Some countries have introduced sustainable finance frameworks as alternative policy tools to taxonomies, providing high-level guidance, principles or strategies for directing capital towards environmental and social goals. Taxonomy development efforts are increasingly shifting to developing country jurisdictions, including the LDCs, which often receive technical assistance and support for this purpose from international financial institutions, MDBs, United Nations agencies, bilateral development agencies and non-governmental organizations. A small but increasing number of published climate-related taxonomies consider adaptation objectives (21), as compared with mitigation objectives (60), which is often the initial focus area of taxonomies. Since the sixth BA, more taxonomies have developed components on transition finance (24) and disaster risk reduction and management or loss and damage (23), either as a stand-alone category or as activities under a diverse set of economic sectors.¹⁰

21. Methodologies for measuring the impacts and outcomes of climate finance continue to evolve across UNFCCC funds and other multilateral climate funds, MDBs and bilateral providers. Institutions are increasingly moving beyond reporting on volumes of finance towards more similarities in their results-based approaches that measure mitigation and adaptation outcomes at the project, portfolio and institutional level. Recent methodological developments include strengthened results frameworks, harmonized indicators, improved portfolio-level reporting, improved monitoring systems and greater transparency through project-level disclosures. While approaches to measuring mitigation outcomes have increasingly become comparable across institutions, methodologies for assessing adaptation

outcomes continue to vary, reflecting the complexity of measuring them and the absence of universally applied metrics for doing so.

22. Despite these advances, important methodological challenges remain. Differences persist in institutional approaches to measuring adaptation outcomes, attributing climate finance results and verifying reported impacts. While mitigation indicators commonly focus on GHG emissions, adaptation indicators remain more diverse, often emphasizing beneficiaries reached, assets made climate resilient, institutions strengthened and adaptive capacity enhanced. Verification practices also differ across institutions, with many relying primarily on implementing entities' monitoring and evaluation systems, while the application of independent verification remains uneven. Continued efforts to improve the consistency, transparency and comparability of outcome measurement would strengthen the assessment of effectiveness of climate finance across institutions.

23. Methods and approaches used by the financial system and financial actors to integrate climate considerations into insurance, lending and investment decision-making, including information relevant to Article 2, paragraph 1(c), of the Paris Agreement, continue to evolve and gain traction across countries and institutions. A growing number of methodologies and tools is being developed and applied to strengthen climate-related information, support decision-making, improve risk management, enhance policy and governance frameworks, facilitate capital mobilization and help guide finance towards nationally determined climate and development objectives. While such approaches continue to evolve, their application must acknowledge the various concerns and safeguards raised by Parties in the context of implementing Article 2, paragraph 1(c), of the Paris Agreement outlined in paragraph 3 of decision 11/CMA.7. Additionally, it is important to note that there is no common interpretation of the scope of Article 2, paragraph 1(c), or the manner of its implementation.

B. Overview of climate finance flows in 2023–2024

24. Global climate finance flows in 2023–2024 increased by 32 per cent compared with those in

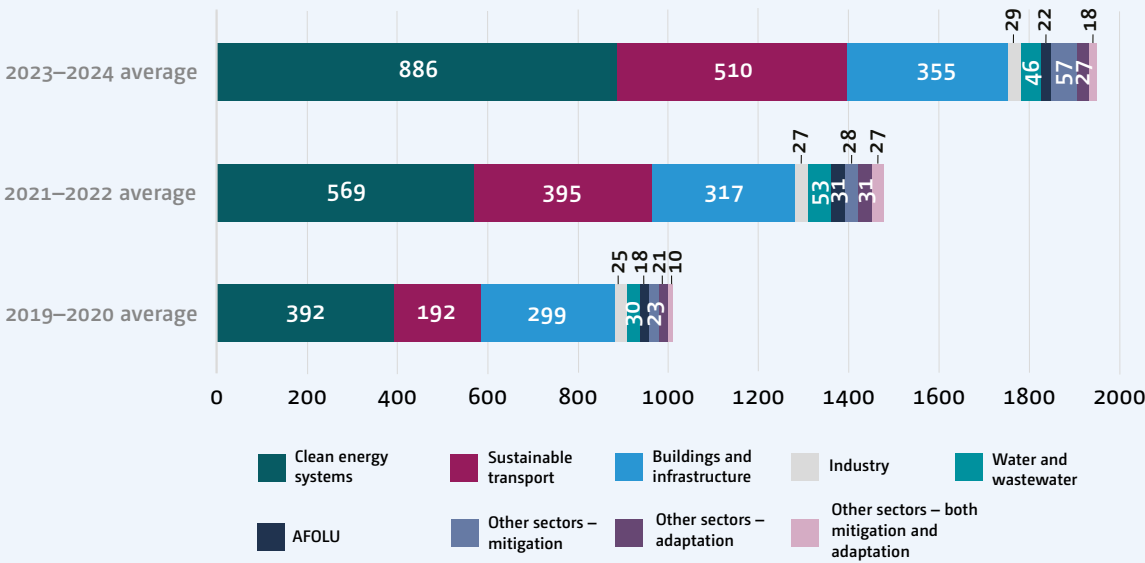
10) The use of such terminology and concepts is typically specific to national contexts and circumstances.

2021–2022, reaching an annual average of USD 1.9 trillion,¹¹ with approximately 9 per cent of global climate finance comprising cross-border flows to developing countries. The growth in finance flows was driven by increased private investment in key low GHG emission technologies, including renewable energy electricity generation, and private household investment in electric vehicles and heat pumps. By sector, while noting that some year-on-year volatility is masked by biennial averages, compared with 2021–2022 global climate finance for clean energy systems increased by

56 per cent, sustainable transport by 29 per cent and buildings and infrastructure by 12 per cent. Global climate finance flows to the AFOLU sector declined by 30 per cent on average over 2023–2024 compared with those in 2021–2022, and finance to the water and wastewater sector declined by 14 per cent over the same time frame. Figure 1 provides a breakdown by sector of the trend in global climate finance flows, and figure 2 provides an overview of global climate finance and finance flows from developed to developing countries in 2023–2024.

Figure 1

Global climate finance flows in 2019–2024 by sector
(Billions of USD)



Source: Climate Policy Initiative. 2026. Global Landscape of Climate Finance 2026. Available at <https://glcf.climatepolicyinitiative.org/>.

Note: “Other sectors” includes policy, budget support and capacity-building; waste; disaster risk management; information and communication technology; and biodiversity, land and marine conservation. It also includes flows for which a specific sector is unspecified or unknown.

11) This figure represents aggregate climate-related investment from a range of domestic and international flows from public and private sources. The estimates on global climate finance are not to be conflated with international climate finance obligations and commitments under the Convention and the Paris Agreement.

25. Tracked global adaptation finance was estimated at USD 63 billion per year on average over 2023–2024, a decrease of 20 per cent compared with 2021–2022.¹²

Of tracked global adaptation finance, public finance amounted to USD 57 billion in 2023–2024. Taking into account cross-cutting finance targeting both adaptation and mitigation objectives, adaptation-relevant finance is estimated to have reached USD 108 billion and USD 101 billion in 2023 and 2024 respectively (compared with USD 126 billion and USD 134 billion in 2021 and 2022 respectively). Overall global climate finance flows are dominated by climate mitigation, with tracked adaptation flows representing 3 per cent of total flows, or 5 per cent when taking into account cross-cutting flows.¹³

26. The majority of adaptation-relevant finance is cross-sectoral, reflecting the intersecting nature of adaptation needs and investments, with some being concentrated in the water and wastewater sector (representing 32 per cent of total tracked adaptation finance over 2023–2024) and AFOLU sector (12 per cent). While some progress has been made in recent years to enhance the tracking of adaptation finance for the water and wastewater sector and for households, significant data gaps persist, limiting the ability to assess global flows, particularly of private finance for adaptation.

27. Eastern Asia, Northern and Western Europe, and North America continue to account for the majority of global climate finance by region, with 38, 17 and 16 per cent of commitments respectively in 2023–2024, primarily driven by domestic commitments in China, the European Union and the United States of America, while other regions, namely Africa, the rest of Asia, the rest of Europe, Latin America and the Caribbean, and Oceania, accounted for the remaining 29 per cent. Overall, 16 per cent of global climate finance in 2023–2024 flowed across borders, with USD 183 billion per year (9 per cent) flowing to developing countries.

28. Global climate finance estimates over 2023–2024 are composed of 62 per cent private finance and 38 per cent public finance; the share of private finance has steadily increased over time, from 55 per cent in 2021 to 62 per cent in 2024. By financial instrument, balance sheet equity and project-level market rate debt represent the largest shares of total global flows, at 35 per cent each, followed by balance sheet debt, at 16 per cent. Grants and low-cost project debt (i.e. public concessional loans) represent 7 and 3 per cent of total flows respectively, with project-level equity accounting for the remaining 4 per cent. Growth in private finance (47 per cent) was greater than that in public finance (12 per cent). Domestic markets and households account for 85 per cent of the growth in investment, which includes increasing household investments in low GHG emission solutions such as electric vehicles, heat pumps and small-scale renewables. Global adaptation finance is predominantly from public sources, at 89 per cent in 2023–2024, composed of concessional and non-concessional loans and grants.

29. Domestic public climate finance remains a significant data gap in global estimates, although country-level tracking by national governments is advancing, particularly in developing countries. Available data remain limited and challenging to include in global estimates, but complementary analysis identifies country-level reporting of at least USD 322 billion per year in 2023–2024 across 38 countries and jurisdictions where data are available (including domestic and international finance). This represents a substantive improvement in reporting compared with available data from 25 countries and jurisdictions over 2021–2022 (USD 275 billion per year). Countries are increasingly adopting climate budget tagging systems as part of national budget planning or conducting research into their climate expenditure, alongside growing consideration for embedding climate finance within broader public financial management systems.

¹² Since the publication of the sixth BA, tracked global adaptation finance estimates in 2021–2022 were revised upward from USD 63 billion to USD 80 billion on average per year owing to an improvement in the tracking of finance flows in the water and wastewater sector and of household investments in adaptation-related products.

¹³ Noting the challenges in data gaps for tracking adaptation finance flows.

Figure 2

Climate finance flows in 2023–2024
(Billions of USD)

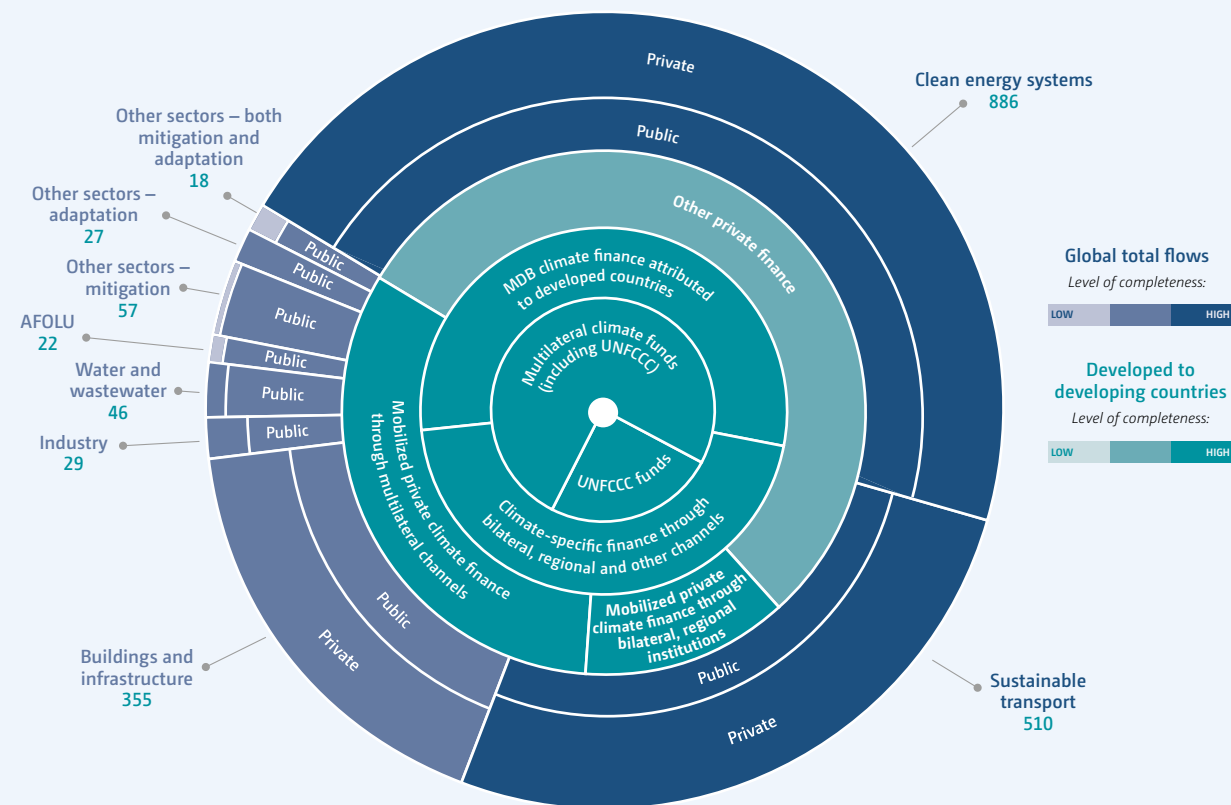


Figure 2 (continued)

Global climate finance flows in 2021–2024

Sector			2021	2022	2023	2024	Data quality	Data completeness	Sources of data and relevant chapter in the BA
Global flows	Clean energy systems	Public	192	249	286	350	High	High	Chapter 2.2.4, CPI (2026a)
		Private	314	383	533	604			
		Total	506	631	818	954			
	Sustainable transport	Public	113	166	147	116	High	High	Chapter 2.2.5, CPI (2026a)
		Private	200	311	376	381			
		Total	313	477	522	497			
	Buildings and infrastructure	Public	134	137	127	128	High	Medium	Chapter 2.2.6, CPI (2026a)
		Private	179	184	220	236			
		Total	314	320	347	364			
	Industry	Public	14	25	19	20	Medium	Medium	Chapter 2.2.7, CPI (2026a)
		Private	8	8	9	9			
		Total	22	32	28	29			
	Water and wastewater	Public	44	51	33	39	Medium	Medium	Chapter 2.2.8, CPI (2026a)
		Private	3	8	13	6			
		Total	47	59	47	45			
	AFOLU	Public	30	22	20	18	High	Medium	Chapter 2.2.9, CPI (2026a)
		Private	7	4	4	2	Medium	Low	
		Total	37	26	23	21	–	–	
	Other sectors – mitigation ^a	Public	20	18	51	50	High	Medium	Chapter 2.2.10, CPI (2026a)
		Private	9	10	9	3	High	Low	
		Total	28	28	61	53	–	–	
	Other sectors – adaptation ^a	Public	37	25	25	28	High	Medium	
		Private	0	1	1	0	High	Low	
		Total	37	26	25	29	–	–	
	Other sectors – both mitigation and adaptation	Public	19	27	15	13	High	Medium	
		Private	7	1	5	3	High	Low	
		Total	26	27	20	16	–	–	

Figure 2 (continued)

Sector		2021	2022	2023	2024	Data quality	Data completeness	Sources of data and relevant chapter in the BA
Developed to developing countries	UNFCCC funds (AF, GCF, GEF, LDCF, SCCF) ^b	3.4	1.9	2.4	2.9	High	High	Chapter 2.3.2, CFU, OECD DAC CRDF
	Multilateral climate funds (including UNFCCC)	4.6	3.6	8.7	7.5	High	High	Chapter 2.3.2, CFU, OECD DAC CRDF
	Climate-specific finance through bilateral, regional and other channels	35.8	45.8	44.8	37.1	High	Medium	Chapter 2.3.1, BTRs, preliminary and partial data subject to change
	MDB climate finance attributed to developed countries	34.3	46.9	48.2	50.5	High	High	Chapter 2.3.2, OECD (2026)
	Mobilized private climate finance by bilateral, regional institutions	5.6	9.2	6.5	8.6	High	High	Chapter 2.3.4, OECD (2026)
	Mobilized private climate finance by multilateral channels	8.8	12.7	16.3	21.9	High	High	Chapter 2.3.4, OECD (2026)
	Other private finance ^b	19.9 – 32.6	16.3 – 26.3	34.2	29.7	Medium	Medium	Chapter 2.3.4, CPI (2026a)

Source: Climate Policy Initiative, 2026. *Global Landscape of Climate Finance 2026*. Available at <https://glcf.climatepolicyinitiative.org/>; OECD DAC, 2026. *Climate-related Development Finance Dataset*. Paris: OECD. Available at <https://www.oecd.org/en/topics/development-finance-for-climate-and-the-environment.html>. Data accessed 18 July 2026; CFU, 2026. *Climate Funds Update*. Available at <https://climatefundsupdate.org/>.

Notes: (a) "Other sectors" includes policy, budget support and capacity-building; waste; disaster risk management; information and communication technology; and biodiversity, land and marine conservation. It also includes flows for which a specific sector is unspecified or unknown. (b) Estimates for UNFCCC funds and other private finance cannot be aggregated with other channels. See section 2.3 of the technical report of the seventh BA for further information.

30. Climate finance from developed to developing countries can be estimated from a number of relevant sources of information. In line with previous BAs, different sources and channels are described below and no aggregate view is assessed. Therefore, these estimates differ from aggregate flows referred to in paragraph 24 above or in the SCF third progress report on the USD 100 billion goal.¹⁴

31. **Preliminary data from developed country Parties on climate finance provided and mobilized to developing countries in 2023–2024 reported climate-specific financial support of USD 58.5 billion on average per year.** These data have been gathered on a preliminary basis and are partial, given that not all Parties have yet reported, and reporting does not include all channels (in particular multilateral outflows and private finance mobilized by multilateral institutions). On a comparative basis, with the same set of reporting Parties, this amount represents a 7 per cent increase compared with the annual average of USD 54.4 billion in 2021–2022 in BTR1 data.

32. Financial support provided by developed country

Parties through bilateral, regional and other channels is reported at USD 40.9 billion per year on average over 2023–2024, a similar annual level to 2021–2022 (USD 40.8 billion). USD 6.6 billion on average annually was reported as finance mobilized, primarily by bilateral finance agencies and institutions. Financial support provided through multilateral channels, which generally is reported as contributions or inflows to UNFCCC funds and other multilateral climate funds and multilateral financial institutions, including MDBs, reached USD 11.0 billion on average annually. These preliminary data largely exclude outflows from multilateral institutions, which are significantly larger in scale than inflows and do not include private finance mobilized by multilateral institutions.

33. **UNFCCC funds and other multilateral climate funds¹⁵ approved a combined USD 8.7 billion and USD 7.5 billion for climate change projects in 2023 and 2024 respectively.**¹⁶ The annual average for 2023–2024 (USD 8.1 billion) is almost double the 2021–2022 average (USD 4.1 billion) owing to a significant scale-up of the level of project approvals from the GCF, the International Fund for Agricultural Development and the International

14) SCF, 2026. *Third report on progress towards achieving the goal of mobilizing jointly USD 100 billion per year to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation*. Bonn: UNFCCC. Available at <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/standing-committee-on-finance-scf/progress-report>.

15) UNFCCC funds and other multilateral climate funds refer to the GCF and the GEF (operating entities of the Financial Mechanism), the LDCF and the SCCF (funds serving the Convention and the Paris Agreement), the AF (fund established under the Kyoto Protocol and also serving the Paris Agreement) and others, including those operating under the Climate Investment Funds. See annex G to the technical report for more details.

16) Climate projects are projects listed by multilateral climate funds. Projects funded by the GEF reflect projects listed in the climate change focal area only.

Monetary Fund Resilience and Sustainability Trust. Together, UNFCCC funds such as the GCF, the GEF, the AF, the LDCF and the SCCF committed USD 2.4 billion in 2023 and USD 2.9 billion in 2024 to climate projects. In terms of contributions to UNFCCC funds, the period since the sixth BA has seen the announced pledges for the second replenishment of the GCF (for 2024–2027) decline from USD 13.6 billion to USD 10.6 billion. Although the number of contributing countries has risen from 32 to 35, one country communicated the withdrawal of its announced pledge for the second GCF replenishment, resulting in a noticeable reduction in contributions. As at 31 July 2026, received contributions for the second GCF replenishment amount to USD 5.6 billion. A recent announcement by a developed country of its intent to reduce its original pledge to the second GCF replenishment would lead to a reduction in confirmed pledges from USD 10.6 billion to approximately USD 9.6 billion. Twenty-two governments pledged an initial USD 3.9 billion for the ninth replenishment of the GEF (covering 2026–2030), which is a decrease of 27 per cent on the eighth replenishment, with expected pledges of several key donors not available as of June 2026. In 2025, the AF received USD 138 million in pledges from 11 countries, which was an increase from USD 133 million in 2024 but down from USD 188 million in 2023. In fiscal year 2025, the LDCF received USD 77 million in contributions, which was a substantial decrease compared with the contributions of USD 211 million in 2024 and USD 103 million in 2023. The SCCF received USD 39 million in contributions in fiscal year 2025, which was an increase from USD 32 million in 2024 and USD 14 million in 2023.

34. MDBs channelled USD 77.2 billion and USD 87.5 billion in climate finance to non-Annex I Parties in 2023 and 2024 respectively.¹⁷ The attribution of these

flows to developed countries, excluding externally managed resources, is estimated at USD 48.2 billion and USD 50.5 billion for 2023 and 2024 respectively. The annual average of USD 49.4 billion over this period represents a 22 per cent increase compared with the 2021–2022 level (USD 40.6 billion).

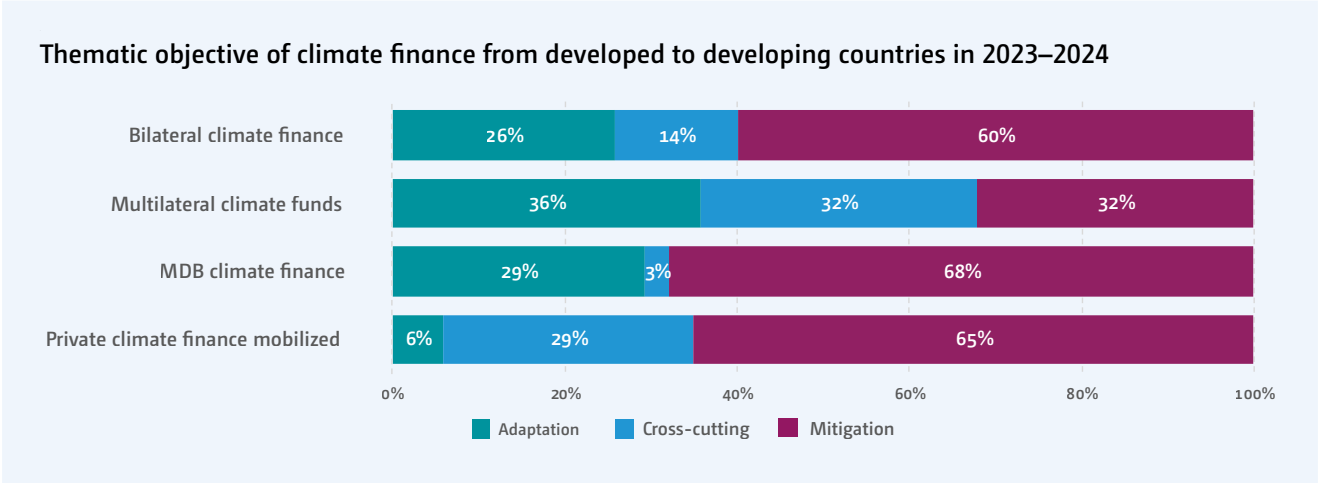
35. Private finance mobilized through bilateral and multilateral channels attributed to developed countries has continued to rise since 2021, increasing to USD 22.9 billion in 2023 and USD 30.5 billion in 2024. Private finance mobilized through bilateral channels reached USD 7.6 billion on average over 2023–2024, which ended the trend of low averages of between USD 4 billion and USD 5 billion over 2016–2020. Private finance mobilized by UNFCCC funds and other multilateral climate funds reached USD 3.3 billion on average per year, and that mobilized by MDBs reached USD 15.9 billion per year over 2023–2024.

36. The thematic distribution of finance from developed to developing countries in 2023–2024, through all channels of bilateral finance, the outflows of multilateral climate funds and MDBs, and private finance mobilized, shifted towards greater allocations of climate finance targeting mitigation objectives compared with in 2021–2022, while finance to both adaptation and cross-cutting objectives decreased as a relative share but increased modestly in absolute terms. Across finance channels, estimated thematic allocations varied: on average, mitigation attracted a 60 per cent share of bilateral climate finance, 32 per cent of multilateral climate fund finance, 68 per cent of MDB climate finance and 65 per cent of private climate finance mobilized. Corresponding numbers for adaptation are 26, 36, 29 and 6 per cent (see figure 3).¹⁸

17) Estimated from country-level data from joint reporting by MDBs and including externally managed resources in addition to their own accounts.

18) Data on the distribution of financial instruments by thematic area and by channel are not available for 2023–2024.

Figure 3



Source: OECD DAC. 2026. Climate-related Development Finance Dataset. Paris: OECD. Available at <https://www.oecd.org/en/topics/development-finance-for-climate-and-the-environment.html>. Data accessed 18 July 2026; OECD DAC. 2026. Mobilisation of Private Finance for Development. Paris: OECD. Available at <https://www.oecd.org/en/data/dashboards/mobilisation-of-private-finance-for-development.html>. Data accessed 24 July 2026.

Note: For bilateral climate finance, preliminary and partial estimates gathered from Parties in preparing the seventh BA were used.

37. Over 2023–2024, an estimated 38 per cent of public bilateral climate finance was provided through grants and an estimated 57 per cent through loans (see figure 4). Estimates show that 73 per cent of loans were extended on a concessional basis by bilateral climate finance providers.

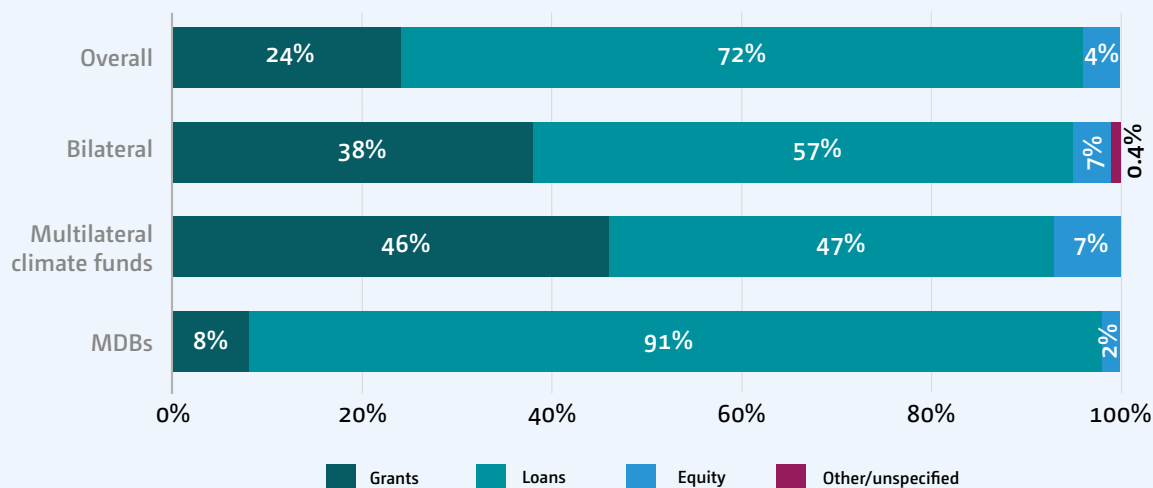
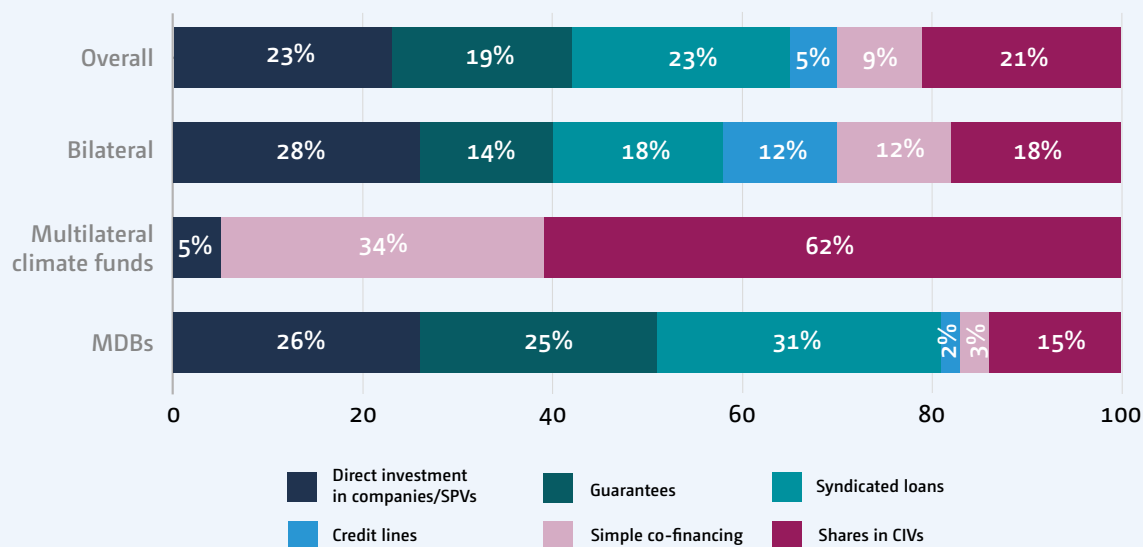
38. Forty-six per cent of public finance provided through UNFCCC funds and other multilateral climate

funds in 2023–2024 was grant based, while 47 per cent was loan based. MDB finance is predominantly loan based, with 91 per cent of public finance provided through the MDBs extended through loans over 2023–2024. Approximately half of the loans provided by UNFCCC funds and other multilateral climate funds and a quarter of loans from the MDBs are concessional in nature, consistent with trends seen since 2021.

Figure 4

Finance provided and mobilized by developed countries by channel and financial instrument or leveraging mechanism

(Per cent distribution of annual average for 2023–2024 in United States dollars)

Public climate finance**Private finance mobilized**

Source: OECD. 2026. Climate Finance Provided and Mobilised by Developed Countries in 2013–2024. Paris: OECD Publishing. Available at <https://doi.org/10.1787/ab5eb9ad-en>.

Note: Percentages may not add up to 100 per cent owing to rounding.

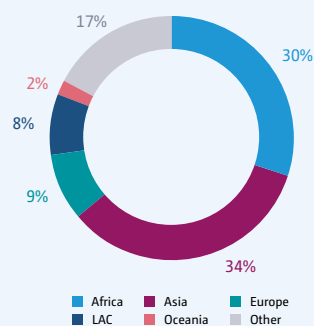
39. Across all channels, private climate finance was mobilized by public finance providers through a diverse range of instruments in 2023–2024, depending on the providers' mandate, and the country and sectoral context. Instruments, as illustrated in figure 4, included direct investments in companies or special purpose

vehicles (23 per cent), syndicated loans (23 per cent), shares in collective investment vehicles (21 per cent) and guarantees (19 per cent). While direct investments in companies or special purpose vehicles were made by all public finance actors, their use of other instruments varied.

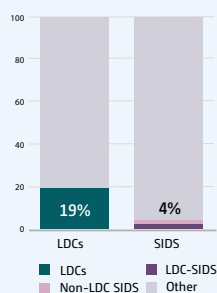
Figure 5

Geographical distribution of climate finance from developed to developing countries by volume and on a per capita basis by channel in 2023–2024

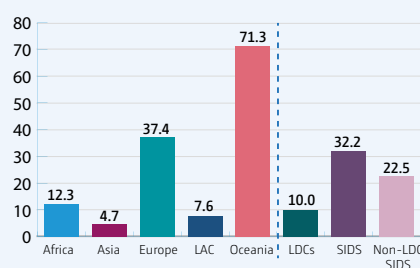
Bilateral public finance



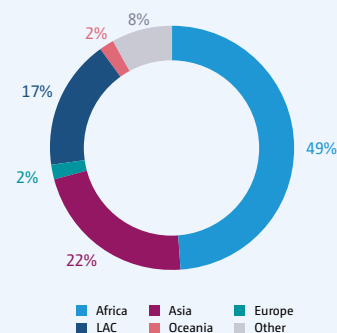
Share of LDCs and SIDS



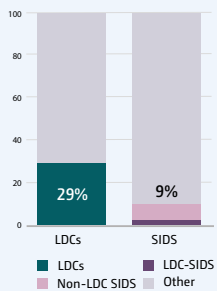
Per capita climate finance 2023–2024 per year (USD)



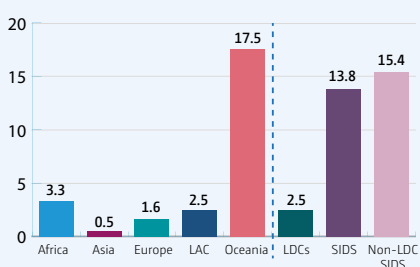
Multilateral climate funds



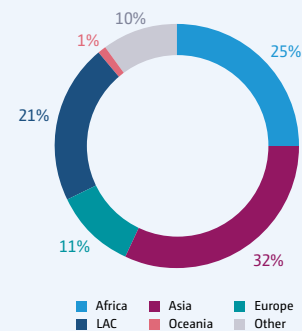
Share of LDCs and SIDS



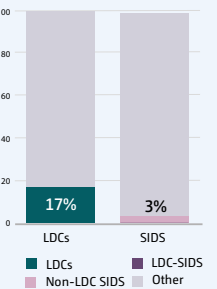
Per capita climate finance 2023–2024 per year (USD)



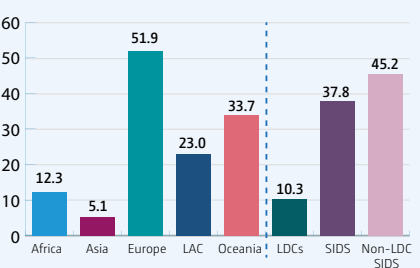
MDBs



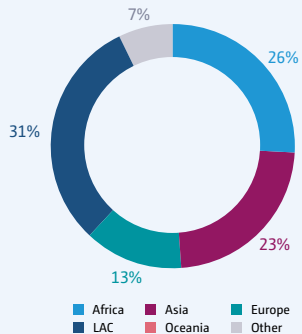
Share of LDCs and SIDS



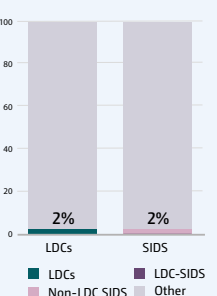
Per capita climate finance 2023–2024 per year (USD)



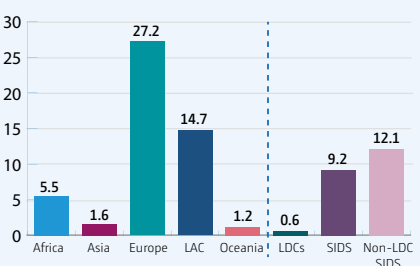
Private finance mobilized



Share of LDCs and SIDS



Per capita climate finance 2023–2024 per year (USD)



40. Asia and Africa continue to receive the highest share of public climate finance from bilateral providers, UNFCCC funds and other multilateral climate funds and MDBs, while Latin America and the Caribbean received the most in climate finance from private finance mobilized. Asia and Africa secured 34 per cent and 30 per cent of finance from bilateral providers, and Africa and Asia secured 49 and 22 per cent of finance from UNFCCC funds and other multilateral climate funds respectively. Most MDB finance was directed to Asia and Africa (32 and 25 per cent respectively), while most private finance mobilized went to Latin America and the Caribbean (31 per cent), Africa (26 per cent) and Asia (23 per cent) (see figure 5).

41. UNFCCC funds and other multilateral climate funds increasingly provide the highest share of targeted support to SIDS and the LDCs. The amount of climate finance from UNFCCC funds and other multilateral climate funds to SIDS rose to 9 per cent over 2023–2024 and climate finance from UNFCCC funds and other multilateral climate funds to the LDCs rose to 29 per cent. Climate finance from bilateral providers and MDBs to SIDS reached 4 and 3 per cent respectively over 2023–2024, while support provided from bilateral providers and MDBs to the LDCs was 19 and 17 per cent respectively.

42. South–South cooperation finance flows provided through MDBs continued to increase from USD 19.2 billion in 2022 to USD 20.8 billion in 2024, and information on South–South cooperation on climate finance is improving but remains partial depending on the channel of reporting. In their BTR1s, a growing number of other Parties reported information on climate finance provided and mobilized on a voluntary basis, where such partial reporting aggregates to USD 1.5 billion and USD 2.2 billion in 2021 and 2022 respectively. Many Parties report on their voluntary South–South cooperation through other publicly available channels and such voluntary support continues to increase.

C. Assessment of climate finance flows in 2023–2024

43. Aligning international climate finance with the needs and priorities of developing countries and strengthening country ownership remain central to enhancing the effectiveness of international climate finance. UNFCCC funds and other multilateral climate funds, MDBs and bilateral providers increasingly seek to align their support with countries' NDCs, NAPs, long-term low-emission development strategies and other national

climate and development priorities. Many providers have strengthened country engagement processes, drawing on national planning instruments, consultation with governments and stakeholders, and country-led programming approaches to guide investment decisions. Country platforms and other coordination mechanisms are also becoming more prominent as vehicles for strengthening national ownership, improving coordination among public and private actors and aligning climate finance with broader development objectives. Nevertheless, approaches to assessing needs and operationalizing country ownership continue to vary across institutions and financing channels, and gaps remain in ensuring that finance, particularly for adaptation, reaches the countries and sectors with the greatest needs. More work is needed to assess effectiveness of climate finance by degree of alignment or ownership based on available heterogeneous data and information among climate finance providers.

44. UNFCCC funds and other multilateral climate funds, MDBs and bilateral providers continue to strengthen their measurement and reporting of the impacts and outcomes of climate finance. Recent updates to institutional results frameworks place greater emphasis on demonstrating climate-related results through the use of standardized indicators and portfolio-level reporting, rather than focusing on financial inputs and project activities. Increasing attention is being given to measuring GHG emission reductions, resilience-related outcomes, improvements to institutional capacity and impacts on beneficiaries, while digital monitoring systems and improved disclosure practices are enhancing transparency and accountability. At the same time, considerable differences remain across institutions in the methodologies used to measure adaptation outcomes, and verification approaches continue to vary, limiting the comparability of reported results across institutions.

45. Procedural and institutional reforms to enhance access to climate finance have improved flexibility and speed but structural barriers and fragmentation persist. UNFCCC funds and other multilateral climate funds have continued to strengthen access to climate finance through expanded readiness support mechanisms, project preparation facilities, simplified accreditation procedures and higher funding ceilings for vulnerable countries. MDBs and bilateral providers have also expanded support for project preparation, institutional capacity strengthening and investment planning. Several funds and MDBs have also shortened approval-to-disbursement cycles. Despite these efforts, many developing countries continue to face challenges related to limited institutional capacity, lengthy

approval processes, complex application requirements and high transaction costs. MDB concessional windows have shifted eligibility towards debt-sustainability and creditworthiness criteria rather than climate vulnerability. Systematic disbursement data across institutions remain scarce. Overall, a fragmented landscape of access arrangements across institutions and financing channels persists. Broader macroeconomic conditions, including a constrained fiscal space, debt vulnerabilities and the high costs of capital, are also increasingly recognized as important determinants of a country's ability to access investment capital for climate action.

46. Global total climate finance flows remain well below available estimates of the investment needed to meet the goals of the Paris Agreement (see figure 6) and represent aggregate climate-related investment from a range of domestic and international flows from public and private sources. As per estimates from CPI, although climate finance has continued to increase, current levels remain substantially below estimated investment needs for achieving the objective of the Convention and the goals of the Paris Agreement, as well as the national goals of developing countries. Of the USD 1.9 trillion in global climate finance flows in 2023–2024, USD 183 billion is cross-border finance to developing countries, and USD 63 billion per year on average over 2023–2024 is adaptation finance. As noted by the IPCC, sufficient global capital exists in principle to meet these needs, highlighting that the principal challenge lies in improving the allocation of capital towards low GHG emission and climate-resilient development pathways. In the context of downward trends in overall development

finance flows and in foreign direct investment, it remains to be seen to what extent climate-related finance flows will be affected.

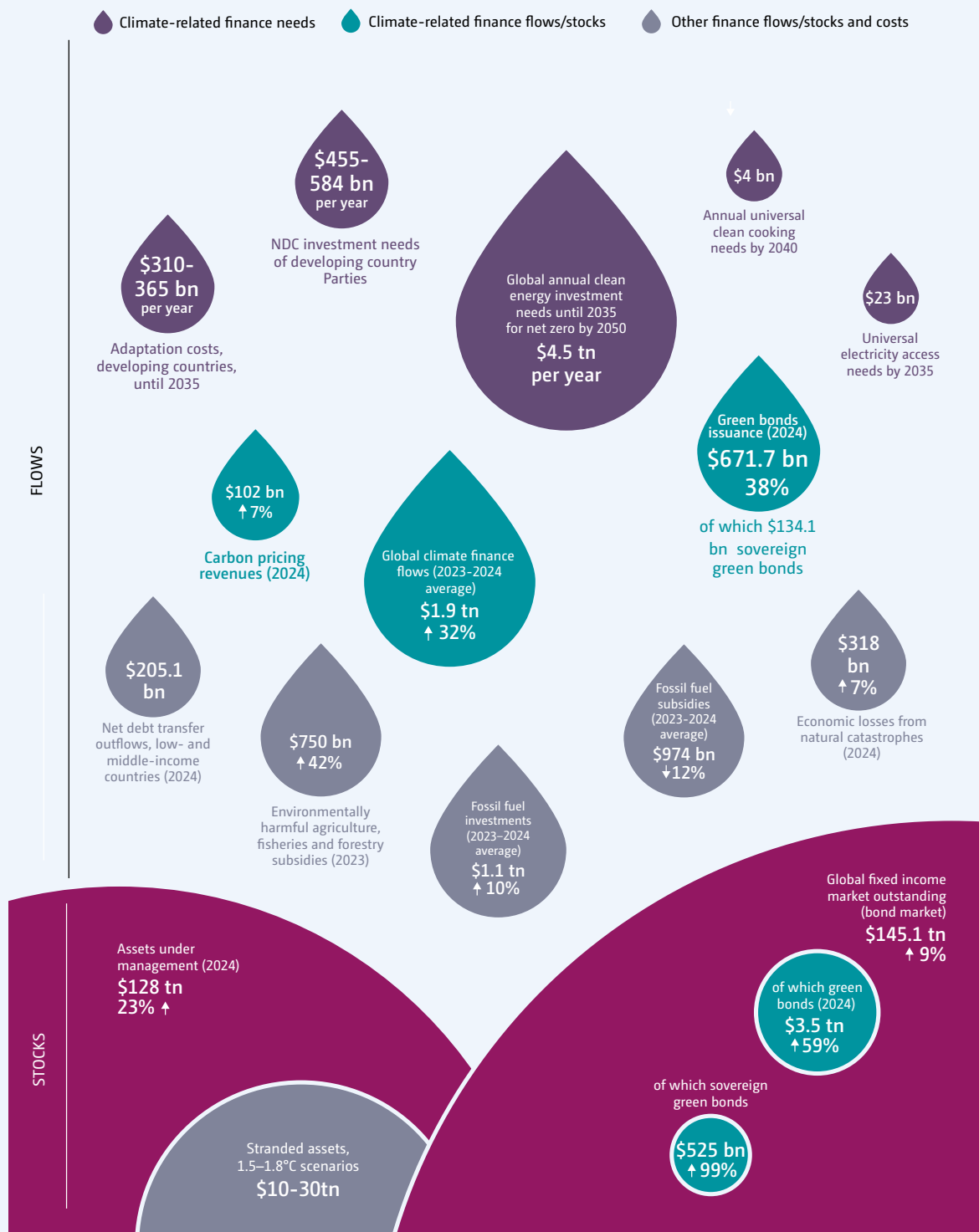
47. A range of drivers and barriers continue to influence the scale of climate finance flows. Policy and regulatory signals provide direction for scaling up climate finance flows where they are needed, but the implementation of national climate strategies, sustainable finance frameworks and international initiatives – with diverse but incomplete participation – have shown uneven momentum in directing climate finance flows at the scale required. Public fiscal space remains under strain in many countries, with responses such as green bonds and climate-resilient debt clauses expanding in number and reach. The costs of capital remain a central constraint, as shown by the borrowing costs for renewable energy projects in developing countries being approximately twice those in developed countries.

48. Reflections on potential information and data to inform the preparation of the biennial report on the NCQG are provided in the seventh BA. The SCF was requested in paragraph 30 of decision [1/CMA.6](#) to prepare a report biennially, commencing in 2028, on collective progress towards all elements of that same decision, on the NCQG for consideration by the CMA. The technical report of the seventh BA provides reflections on quantitative and qualitative information relating to the preparation of the report on the NCQG,¹⁹ and information contained therein does not prejudice the approach of the SCF for the first report on progress towards achieving the NCQG.

19) See chapters 2.5 and 3.6 of the technical report of the seventh BA.

Figure 6

Global climate finance in the context of broader finance flows, opportunities and costs (United States dollars)



Notes: The substantive information contained in this figure is based on analysis from the technical report and is without prejudice to the views or interpretations of Parties..

III. Recommendations

49. On the basis of the key findings herein, the SCF invites the COP and the CMA to consider the following recommendations:

- (a) Encourage Parties to better track and report on climate finance provided, mobilized, needed and received in the common tabular format for their BTRs to the highest level of granularity possible, taking into account the flexibility for those countries that need it in the light of their capacities, in accordance with the modalities, procedures and guidelines of the ETF, in particular to report annual activity-level data;
- (b) Encourage Parties and climate finance providers to enhance their reporting on domestic and international climate finance in order to address data gaps;
- (c) Encourage climate finance providers and recipients to enhance their methodologies for measuring and reporting on portfolio-level results in terms of the impacts and outcomes of climate finance and to advance the development of indicators for measuring the outcomes of climate finance interventions;
- (d) Encourage climate finance providers to continue to enhance access to climate finance by promoting the complementarity and coherence of multilateral climate funds, to enhance country ownership, including through supporting modalities such as direct access entity and national implementing entity accreditation, and to improve the balance between support for mitigation and adaptation at the global level, taking into account country-driven approaches, capacities and priorities.



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Framework Convention on
Climate Change