



odi.org



Who we are

ODI is a leading global affairs think tank. We inspire people to act on injustice and inequality. We focus on research, convening and influencing, to generate ideas that matter for people and planet.

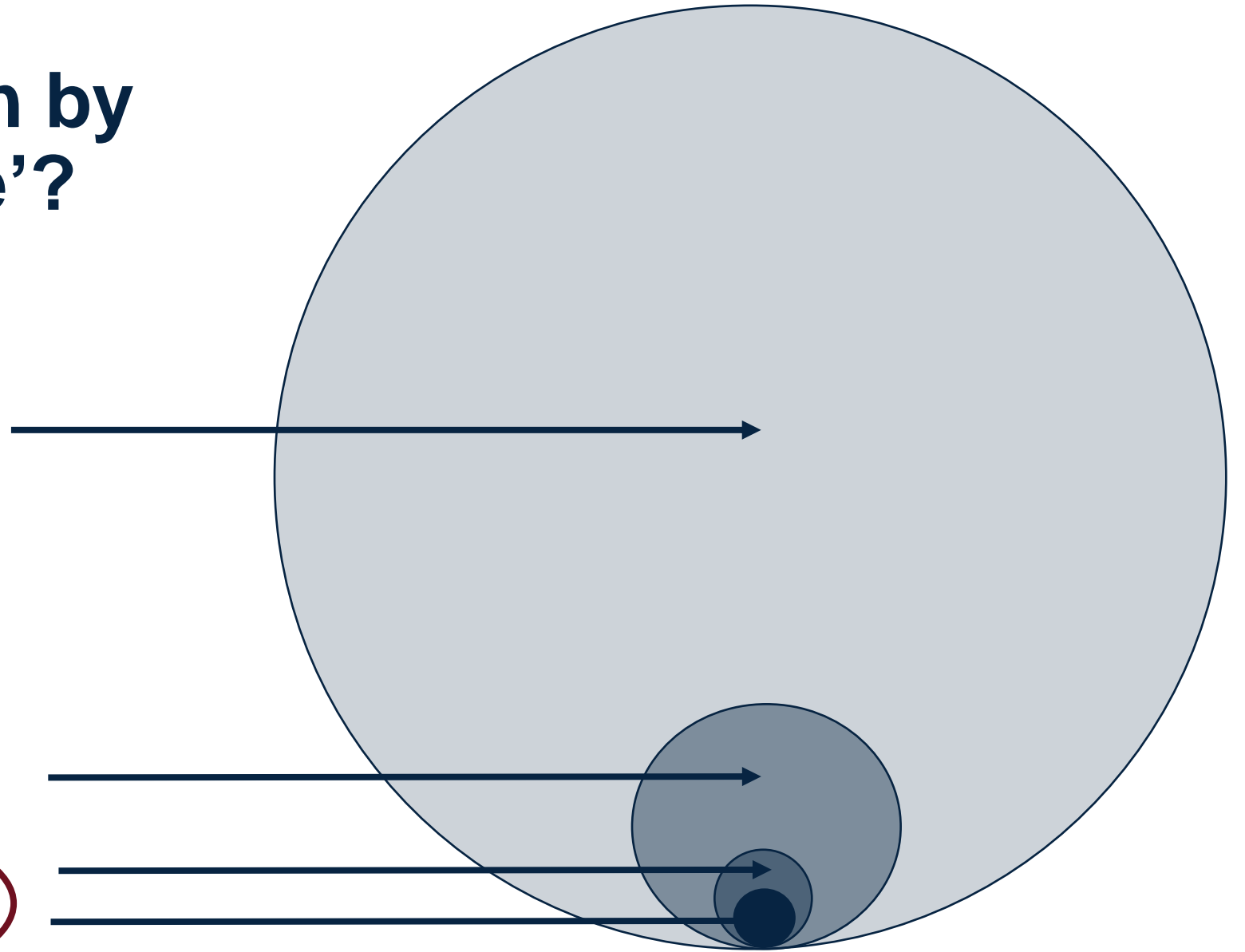
What do we mean by 'climate finance'?

Aspiration: All financial flows are consistent with climate goals

Total climate spending: \$632 bn in 2021

Climate finance promised: \$100 bn/year

Climate finance provided: ~\$80 bn in 2021



Developed nations will provide “scaled up, new and additional, predictable and adequate funding ...[with] a goal of mobilizing jointly \$100 billion per year by 2020 to address the needs of developing countries... This funding will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance.”

~ Copenhagen Accord (2009)

Copenhagen
Accord
(COP15)

Paris
Agreement
(COP21)

Katowice
decisions
(COP24)

Glasgow
Climate Pact
(COP26)

Sydney?
(COP29)

2009

2015

2018

2021

2024

Kyoto Protocol
(COP3)

Copenhagen
Accord (COP15)

Paris Agreement
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Glasgow Climate
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Sydney?
(COP29)

1997

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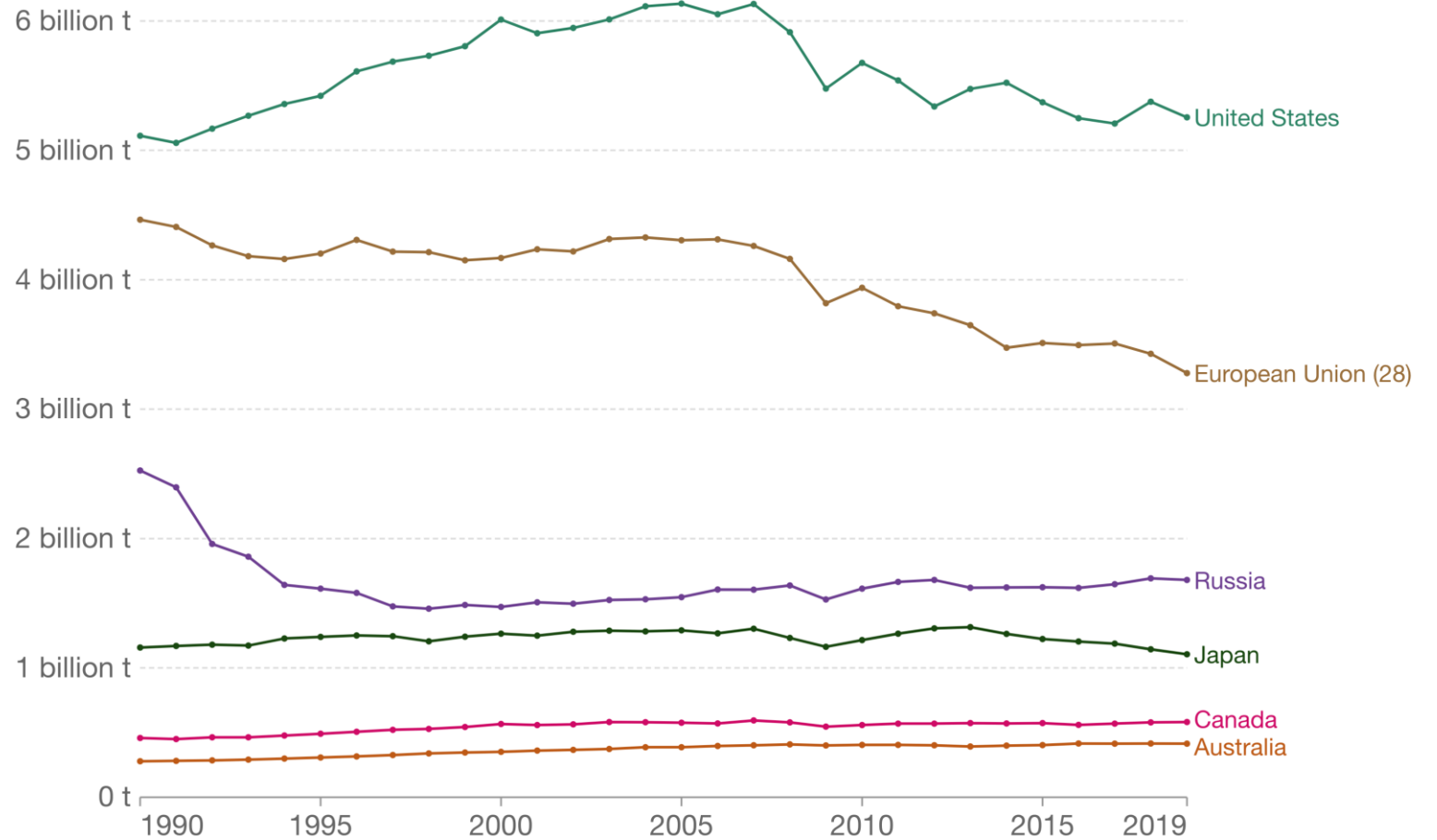
2021

2024

Why are developing countries frustrated?

Annual CO₂ emissions

Carbon dioxide (CO₂) emissions from fossil fuels and industry. Land use change is not included.



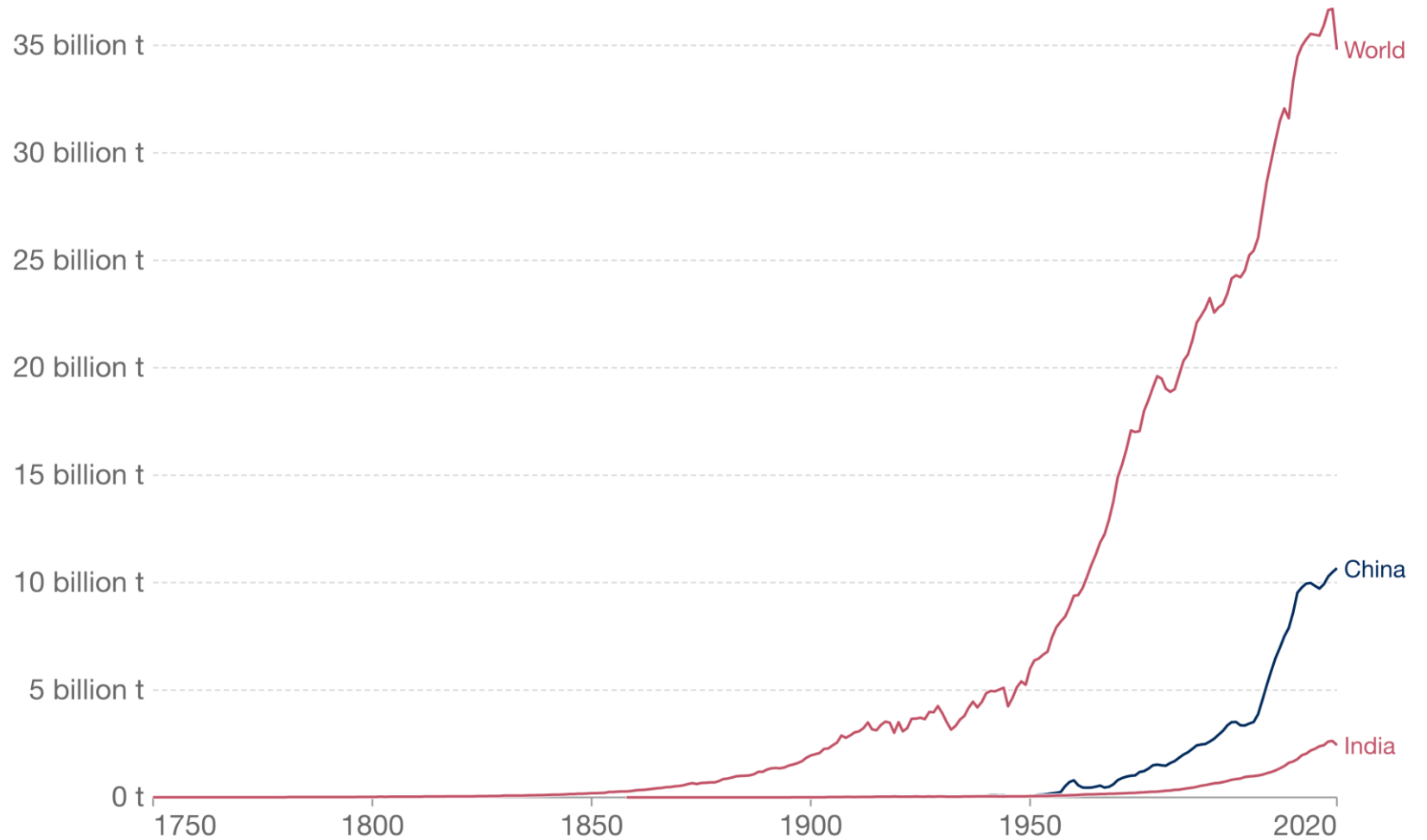
Source: Global Carbon Project

OurWorldInData.org/co2-and-other-greenhouse-gas-emissions/ • CC BY

Why are developed countries concerned?

Annual CO₂ emissions

Carbon dioxide (CO₂) emissions from fossil fuels and industry. Land use change is not included.

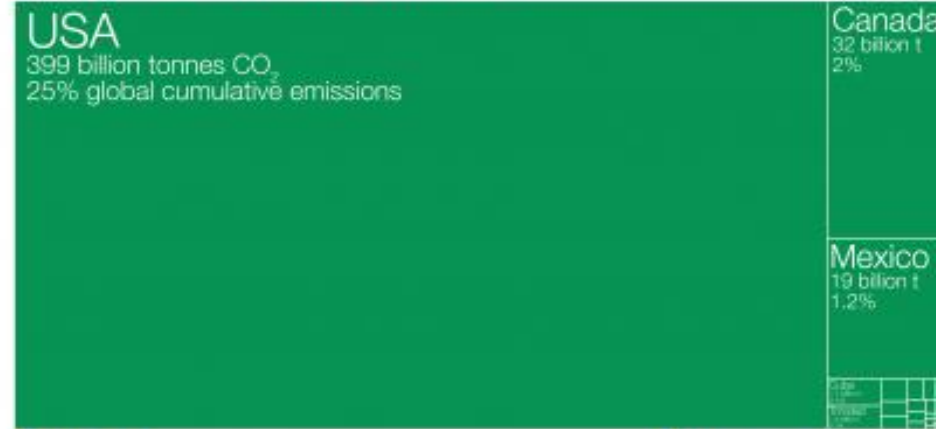


Source: Global Carbon Project

OurWorldInData.org/co2-and-other-greenhouse-gas-emissions/ • CC BY

Who has contributed the most to global CO₂ emissions?

North America
457 billion tonnes CO₂
29% global cumulative emissions



Asia
457 billion tonnes CO₂
29% global cumulative emissions



Europe
514 billion tonnes CO₂
33% global cumulative emissions

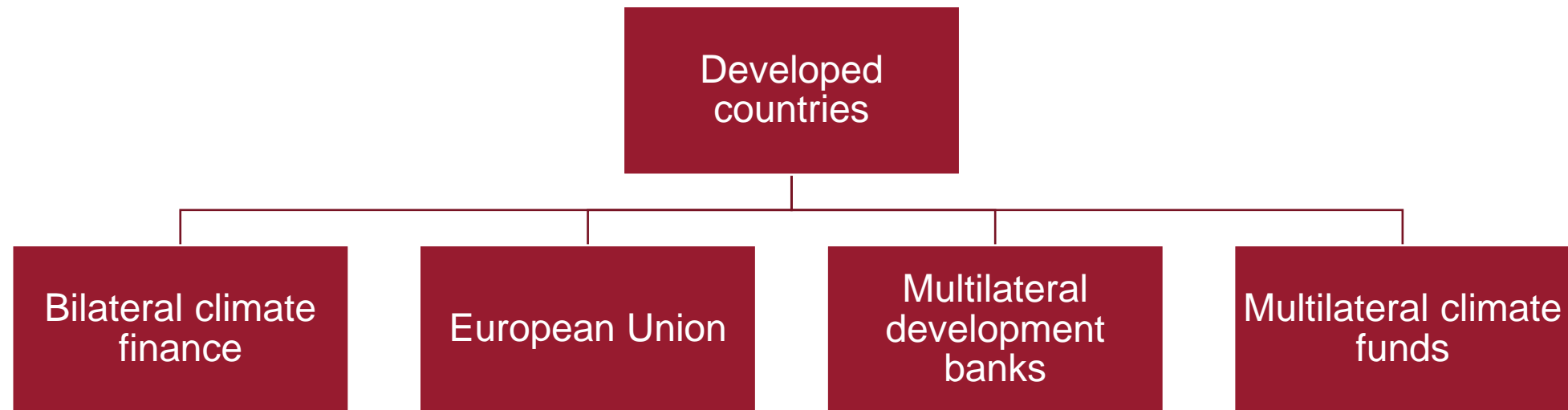
Africa 43 billion tonnes CO₂, 3% global emissions
South America 40 billion tonnes CO₂, 3% global emissions

Oceania
20 billion tonnes CO₂
1.2% global emissions

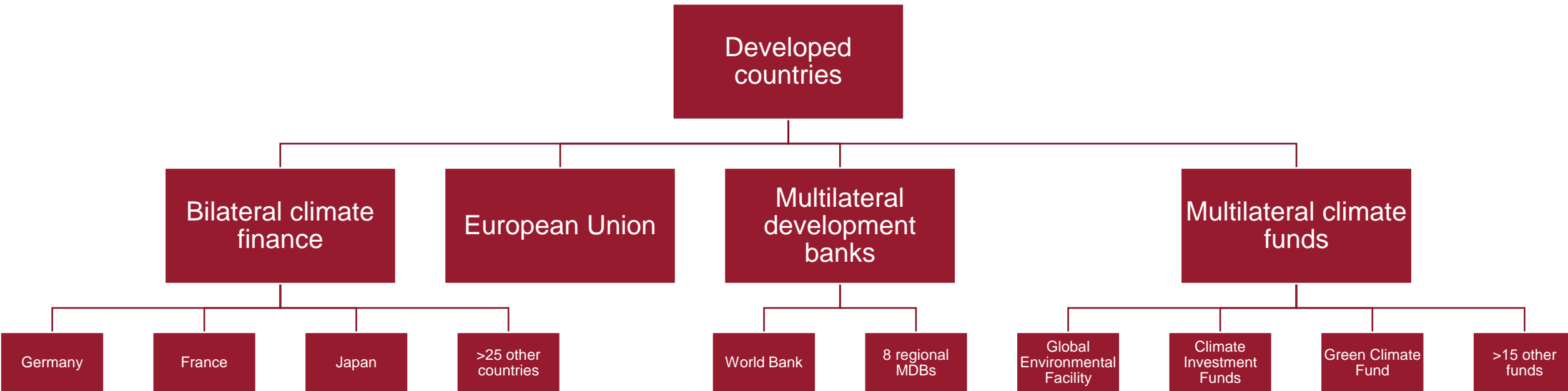
Why does \$100 billion a year matter?

- **Symbolic:** recognises unequal historic responsibilities for rising global temperatures.
- **Relational:** builds trust and facilitates cooperation across national borders.
- **Instrumental:** makes new and additional funding available for climate action in countries with severe resource constraints.

How is the \$100 billion a year disbursed?



How is the \$100 billion a year disbursed?





“The climate emergency is a race we are losing.”

*António Guterres
UN Secretary-General*

“Our greatest challenge is to create jobs for the unemployed of today, while preparing workers for the jobs of tomorrow.”

*Cyril Ramaphosa
President of South Africa*



What is a country platform?

1. Coordinates national and international political interests behind a shared plan
2. Aligns concessional finance behind the shared plan
3. Delivers a step-change in climate action.

What features support those functions?

(i) A credible political agreement between the government and its partners to address an issue of shared concern

(ii) A programmatically multi-stakeholder approach to a specific problem using a significant package of concessional public finance

(iii) Strategic support to scale up private sector investment and transform key parts of the domestic economy



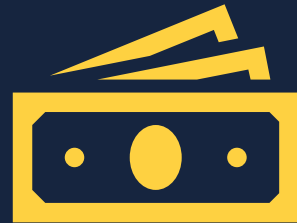
Highly tailored to
country contexts



Long-term political
alignment



Clear financing
roadmap for public
and private finance



Reforms to global
financial architecture



Accelerate emission
cuts at home

Which countries are paying their 'fair share'?

- \$100 billion floor attributed to Annex II countries according to:
 - Share of gross domestic product (GDP) – willingness to pay
 - Cumulative emissions – historical responsibility
 - Population – add per capita element to income and emissions

Fair share of climate finance: 2017-2020

- Seven countries provided their fair share of climate finance in 2020: Sweden, France, Norway, Japan, the Netherlands, Germany and Denmark.

(France and Japan do not perform well on quality of finance)

- In relative and absolute terms, the US is responsible for the vast majority of the climate finance gap.

Other notable laggards in absolute terms include Australia, Canada, Italy and Spain, which each provided less than a third of their fair share and account for a shortfall of at least \$2 billion.

	2017–2018 average			2019		2020	
	Fair share	Climate finance provided	Progress towards providing fair share	Climate finance provided	Progress towards providing fair share	Climate finance provided	Progress towards providing fair share
	US\$ billions	US\$ billions	%	US\$ billions	%	US\$ billions	%
Sweden	0.91	1.372	150%	1.15	126%	1.47	161%
France	5.39	4.854	90%	6.49	120%	8.66	161%
Norway	0.58	1.082	186%	0.82	140%	0.9	154%
Japan	11.89	9.372	79%	7.52	63%	16.09	135%
Netherlands	1.76	1.23	70%	1.93	110%	2.14	122%
Germany	8.33	9.236	111%	10.05	121%	9.91	119%
Denmark	0.62	0.452	73%	0.78	126%	0.62	101%
Switzerland	0.94	0.601	64%	0.65	69%	0.68	72%
Finland	0.56	0.281	50%	0.38	68%	0.33	60%
UK	5.84	2.812	48%	2.9	50%	3.2	55%
Austria	0.82	0.388	47%	0.58	70%	0.44	53%
Belgium	1.13	0.611	54%	0.74	65%	0.59	52%
Ireland	0.52	0.199	38%	0.25	47%	0.19	37%
Iceland	0.04	0.013	35%	0.02	46%	0.01	37%
New Zealand	0.43	0.071	17%	0.13	31%	0.15	36%
Luxembourg	0.09	0.051	57%	0.05	61%	0.03	31%
Italy	4.73	1.195	25%	1.27	27%	1.43	30%
Australia	2.93	0.477	16%	0.64	22%	0.68	23%
Spain	3.43	0.787	23%	0.89	26%	0.64	19%
Canada	4.13	0.697	17%	0.91	22%	0.74	18%
Portugal	0.69	0.091	13%	0.11	15%	0.07	10%
Greece	0.78	0.072	9%	0.08	10%	0.06	8%
US	43.48	1.856	4%	2.14	5%	2.3	5%

Who hasn't paid their fair share of climate finance?

The **United States** economy is...



4x
larger than
Japan



5x
larger than
Germany



7x
larger than
the **UK**



8x
larger than
France



...but it provided less climate finance than any of them.

In fact, the **United States** provided just **5%** of its fair share of climate finance in 2020. It should be providing **\$43.8 billion**, but actually provided **\$2.3 billion**



Who hasn't paid their fair share of climate finance?

Australia and **Canada** also fall far short...



They provide less than **1/4** of their fair share.

Australia should be providing **\$2.9 billion**

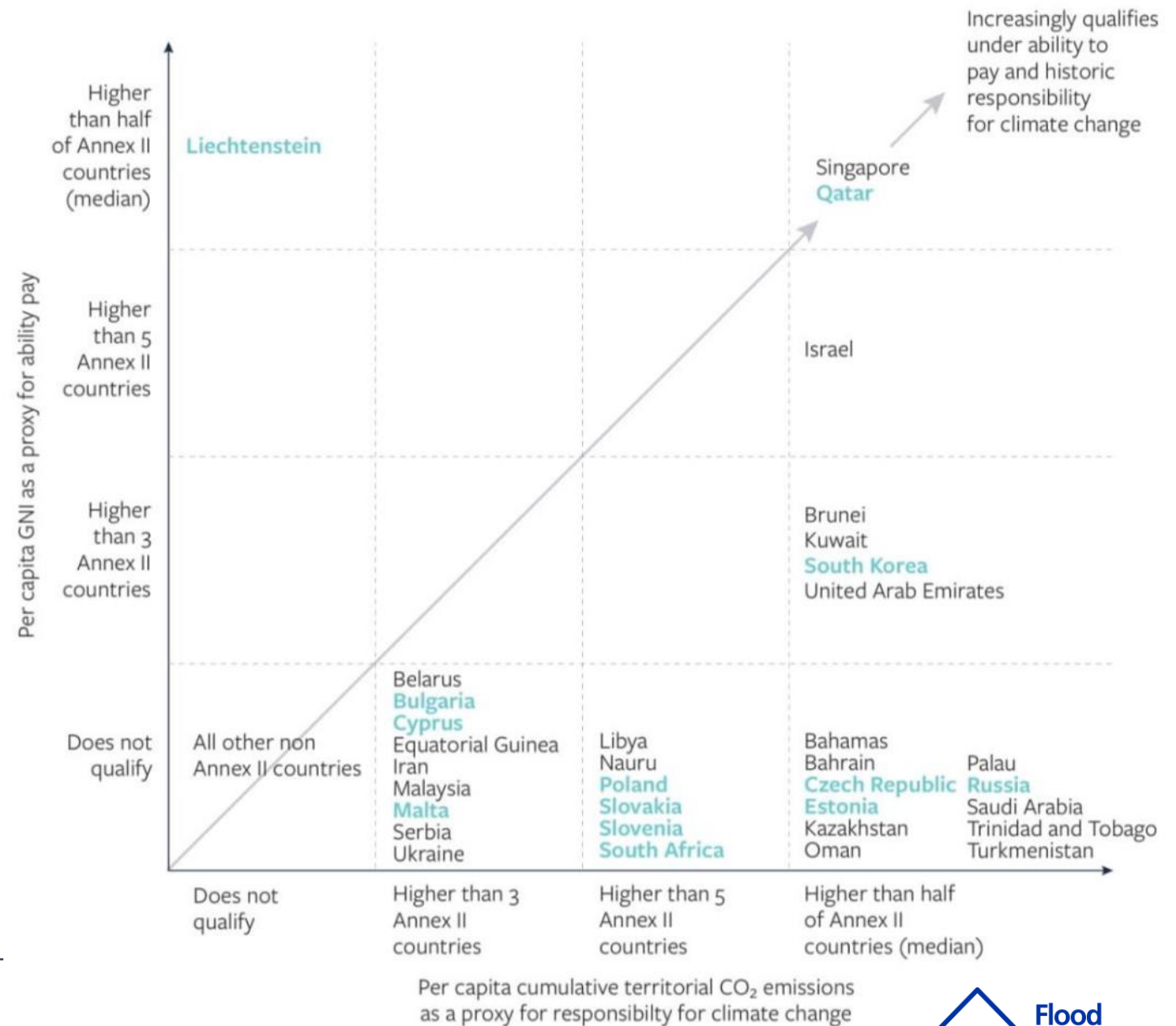


Canada should be providing **\$4.1 billion**



Who else should provide climate finance?

- We propose two new metrics: per capita GDP ability to pay as a proxy for ability to pay and per capita cumulative territorial emissions as a proxy for responsibility for climate change.
- Israel, Qatar and Singapore would be eligible under both metrics and should be the focus of future advocacy.
- Certain types of countries are disproportionately represented in terms of historic emissions:
 - Former USSR members
 - Oil exporters
 - Small Island Developing States



Who should step up on climate finance?

Since the climate accords were established in 1992, the world has changed. Many countries have dramatically increased their **incomes** — and **emissions**.

...But not all of these countries are stepping up on climate finance.



Israel, Qatar and **Singapore** each have higher **incomes** and higher cumulative **emissions*** per person than at least five traditional donors.

Considering their **ability to pay** and **historic responsibility** for climate change, it is time for these countries to **step up** on climate finance.

* The term 'cumulative emissions' in this context describes territorial emissions produced since 1990.

What comes next?

“By decision 1/CP.21, para. 53, Parties decided that, prior to 2025, the Conference of the Parties... shall set a **new collective quantified goal (NCQG)** from a floor of USD 100 billion per year, taking into account the needs and priorities of developing countries.”

~ Decisions adopted at COP21



“We cannot be good at rescuing banks but bad at saving countries.”

*Mia Mottley
Prime Minister of Barbados*

“We have a tremendous responsibility and opportunity to build up together, a stronger, more resilient and inclusive world”

*Amina J. Mohammed
Deputy Secretary-General, UN*



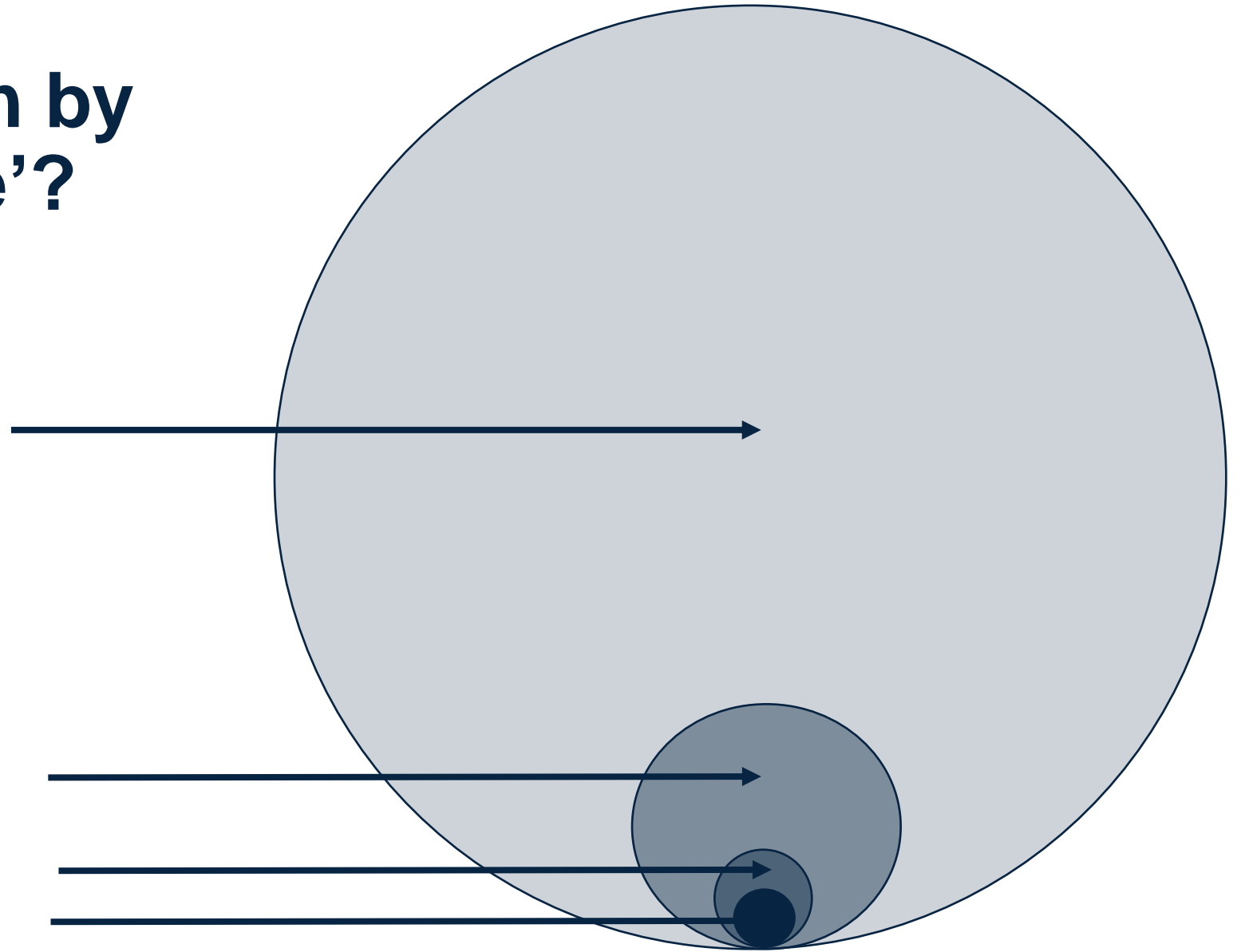
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What is the ultimate goal of climate finance?

