

THINGS TO KNOW ABOUT

CLIMATE
FUNDS
UPDATE

ADAPTATION
MITIGATION
REDD+

HBS10TTKACF2026



G **N** **C**
NEW
COLLECTIVE
QUANTIFIED
GOAL
Q



2026

SERIES
2026

CLIMATE FINANCE

Using Climate Funds Update data collated from the major multilateral climate funds that are designed to help developing countries address the challenges of climate change

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10

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1 MULTILATERAL CLIMATE FUNDS REMAIN CRUCIAL

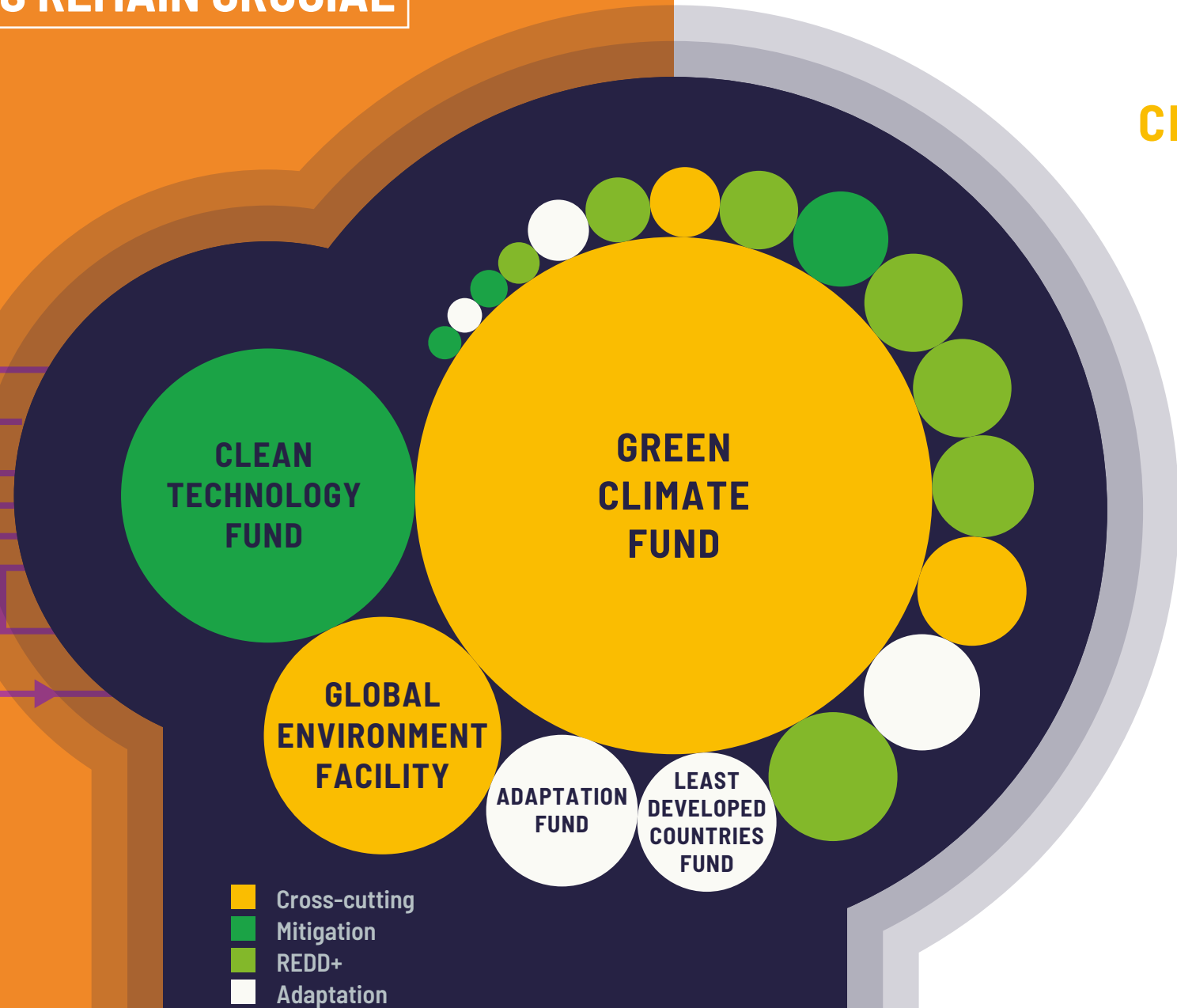
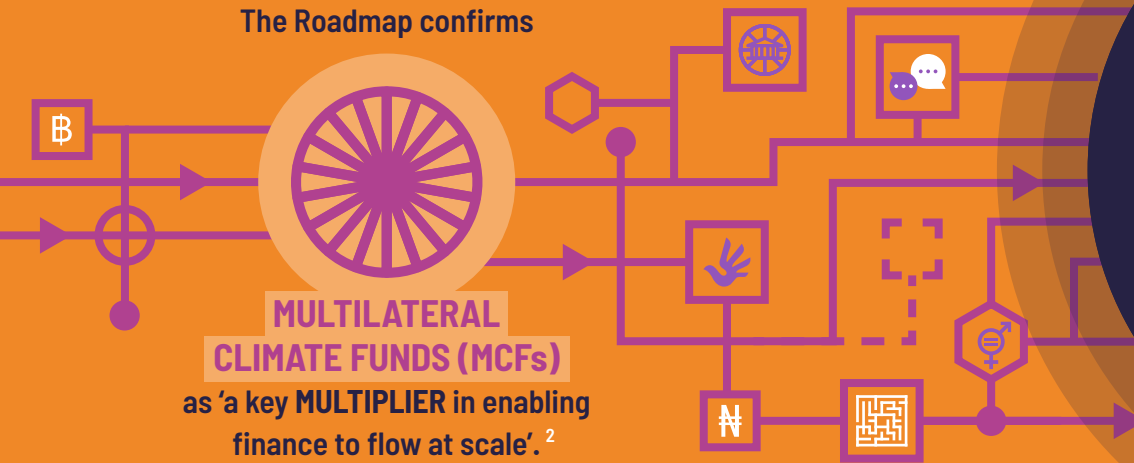
WITH THE GREEN CLIMATE FUND DOMINATING

COP30 only 'takes note' of the BAKU TO BELÉM ROADMAP to \$1.3 TRILLION (B2B).

Whether and how it will be implemented is unclear.¹



The Roadmap confirms

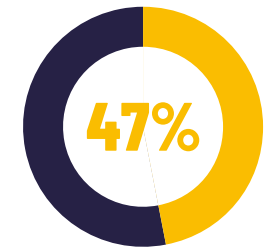


THE LARGEST MCF IS THE **GREEN CLIMATE FUND**



TEN YEARS after its first approvals, it represents

NEARLY HALF



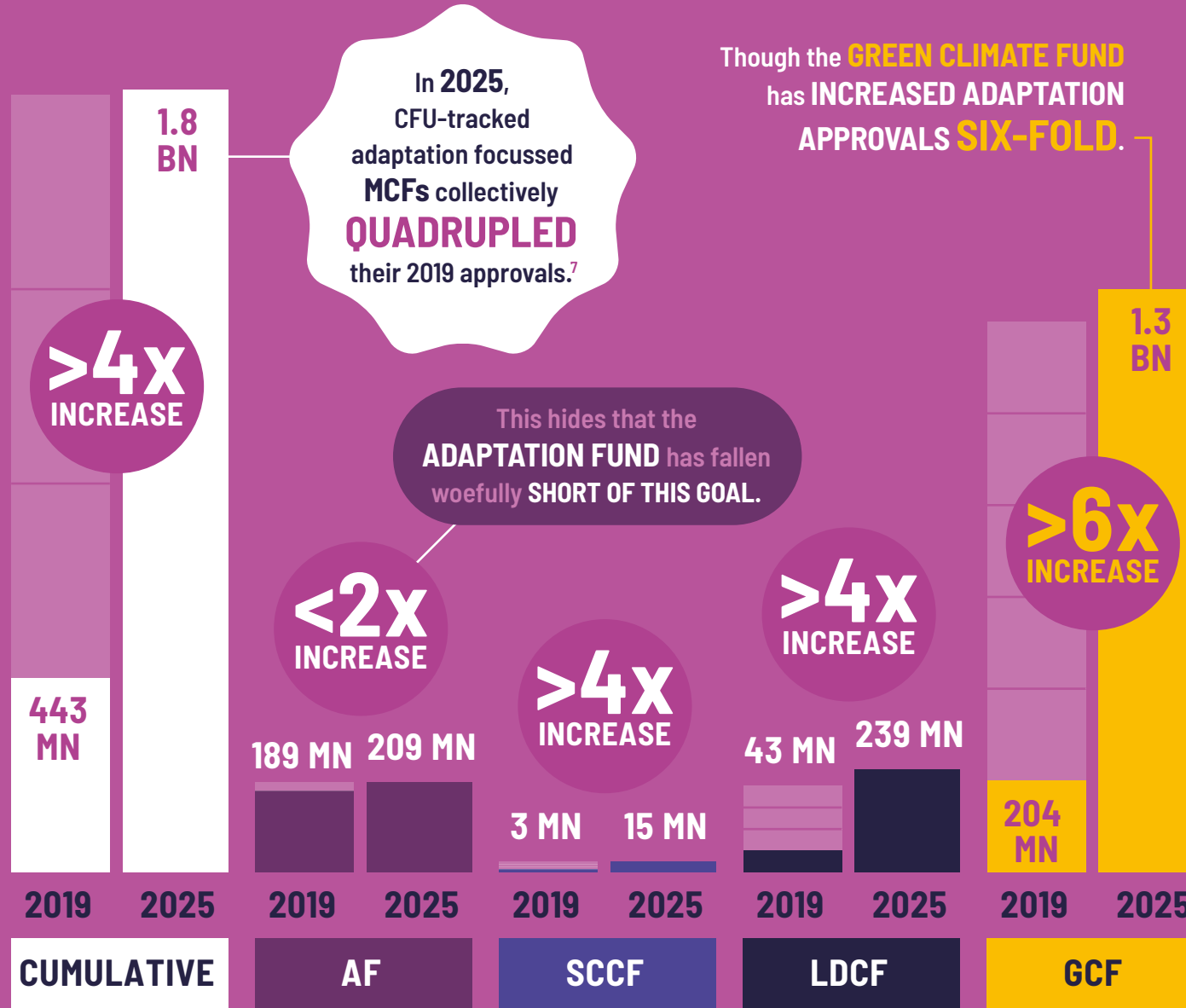
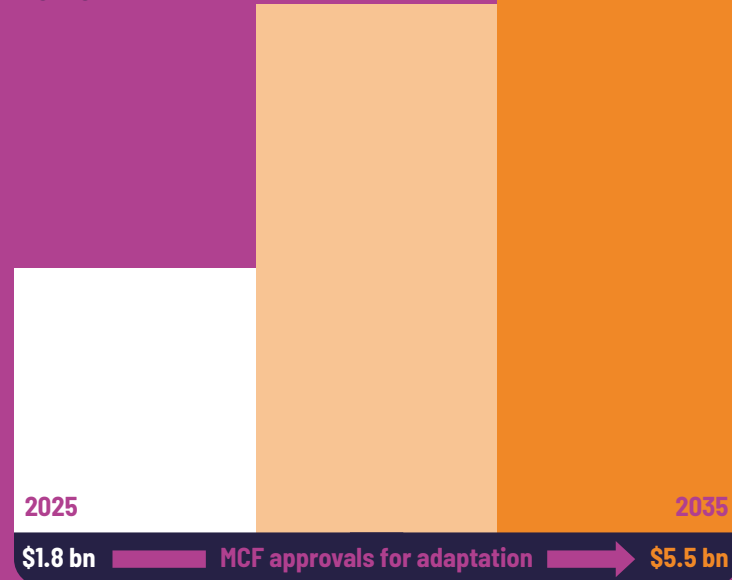
of all CFU-tracked approved funding between 2008 and 2025.

2 A RENEWED EFFORT TO SCALE ADAPTATION FINANCE

IS LAUNCHED AT COP30

COP30 CALLED FOR 'EFFORTS TO AT LEAST TRIPLE' ADAPTATION FINANCE BY 2035.⁴

Succeeding the ambition to double adaptation finance from 2019 levels by 2025,⁵ the **TRIPLING** has been **CRITICISED** as having **NO BASELINE** and **INCLUDING MORE SOURCES** over a **LONGER TIME**.⁶



ADAPTATION FUNDS can further improve delivery with much **STRONGER REPLENISHMENTS**, with the tripling goal also needing **MULTILATERAL DEVELOPMENT BANKS** and **BILATERALS** to step up their funding.⁸



MULTILATERAL DEVELOPMENT BANKS



BILATERAL CLIMATE FINANCE

3 THE FUND FOR RESPONDING TO LOSS AND DAMAGE STARTS ITS FUNDING

BUT RECEIVES FEW NEW PLEDGES

COP30 connected THE FUND FOR RESPONDING TO LOSS AND DAMAGE (FRLD) to the **NCQG**⁹



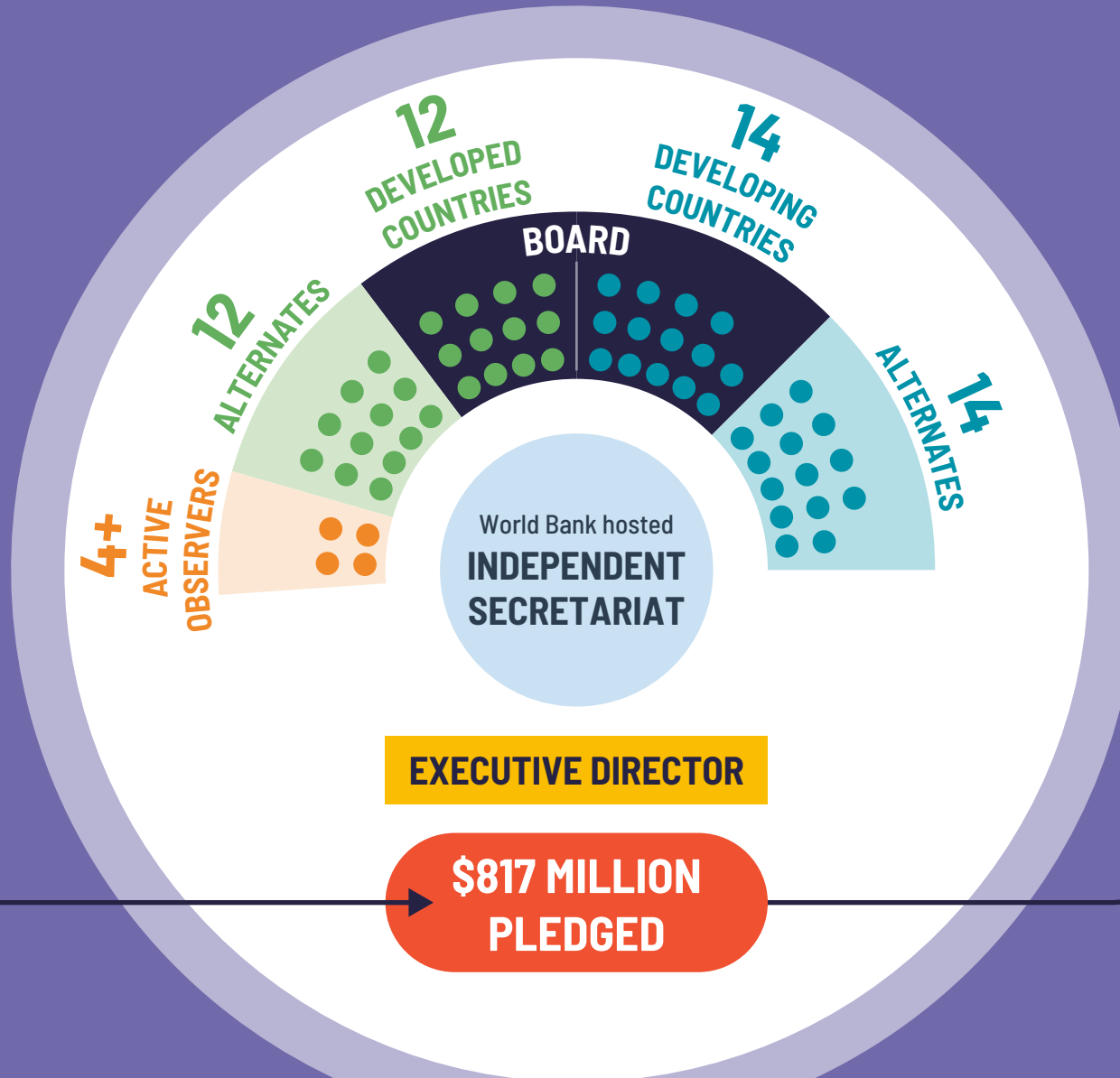
In **2025**, the Fund launched its first funding call for

\$250 MILLION in GRANTS

50% of which is for **SIDS** and **LDCs**.¹⁰

The FRLD BOARD will develop a **RESOURCE MOBILISATION STRATEGY** by **MID-2026**, and prepare the Fund's first replenishment for **2027**.

PLEDGES to the Fund remained **SMALL** in 2025, with **ICELAND, JAPAN, LATVIA, LUXEMBOURG** adding **\$16 MILLION** and **SPAIN \$23 MILLION**.¹¹



COUNTRY NEEDS FOR LOSS AND DAMAGE

Of **\$817 MILLION** PLEDGED

only **\$446 MILLION** has been PAID IN.¹²

\$250 MILLION START-UP

THE SCALE OF THE FUND REMAINS SMALL IN COMPARISON WITH COUNTRY NEEDS.

4

ACCESS, GENDER AND HUMAN RIGHTS MANDATES

COLLIDE WITH LITTLE GUIDANCE FOR IMPLEMENTING QUALITY FINANCE


CLIMATE FINANCE PROVIDERS ARE TO FOLLOW MCFs IN ENHANCING ACCESS THROUGH:



READINESS SUPPORT



ENHANCED DIRECT ACCESS



SIMPLIFIED APPROVAL PROCESSES



STREAMLINED ACCREDITATION PROCESSES¹³

B2B suggests a more **HOLISTIC VIEW OF ACCESS** to include direct access for **LOCAL** and **INDIGENOUS COMMUNITIES, MICRO, SMALL** and **MEDIUM-SIZED ENTERPRISES,** and to promote **GENDER EQUALITY.**¹⁴

 **MCFs** have championed **LOCALLY-LED CLIMATE ACTION, GENDER-RESPONSIVE FINANCE** and **PROTECTION OF INDIGENOUS PEOPLES' RIGHTS** in project entry.

They must continue to improve



ACCESS, GENDER and **HUMAN RIGHTS** policies and their implementation to set an example for progress on the quality of climate finance delivery and outcomes.



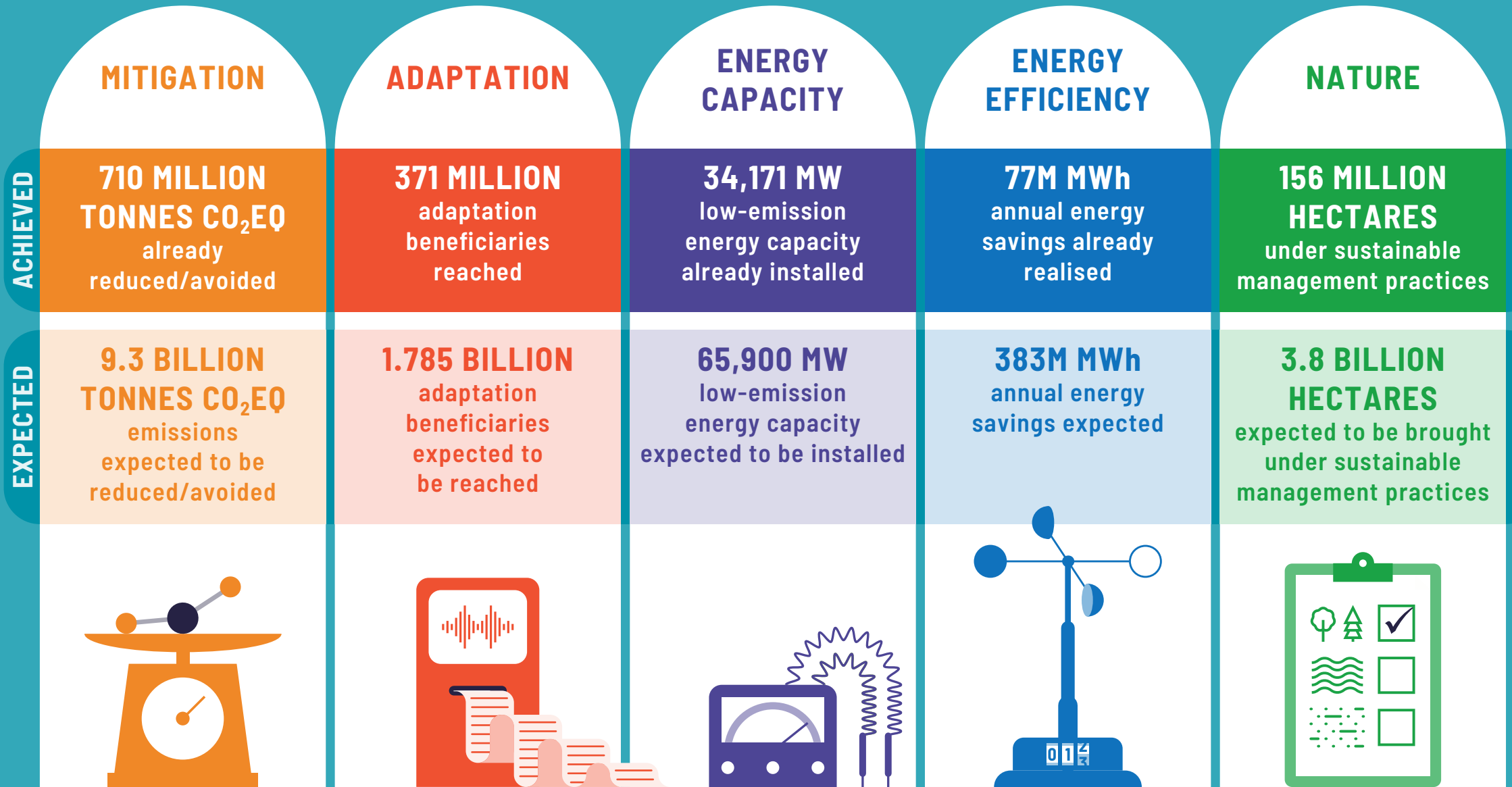
5 MULTILATERAL CLIMATE FUNDS ARE RAMPING UP COOPERATION

AND TESTING JOINT IMPACT REPORTING

MCFs ARE WORKING TO IMPROVE COMPARABILITY AND EFFICIENCY, EXPLORE CO-FINANCING AND TRACK PROGRESS.¹⁵

In **2025**, the ADAPTATION FUND, CLIMATE INVESTMENT FUNDS, GLOBAL ENVIRONMENT FACILITY and GREEN CLIMATE FUND piloted reporting on a core, **COMMON SET OF IMPACT INDICATORS**.¹⁶

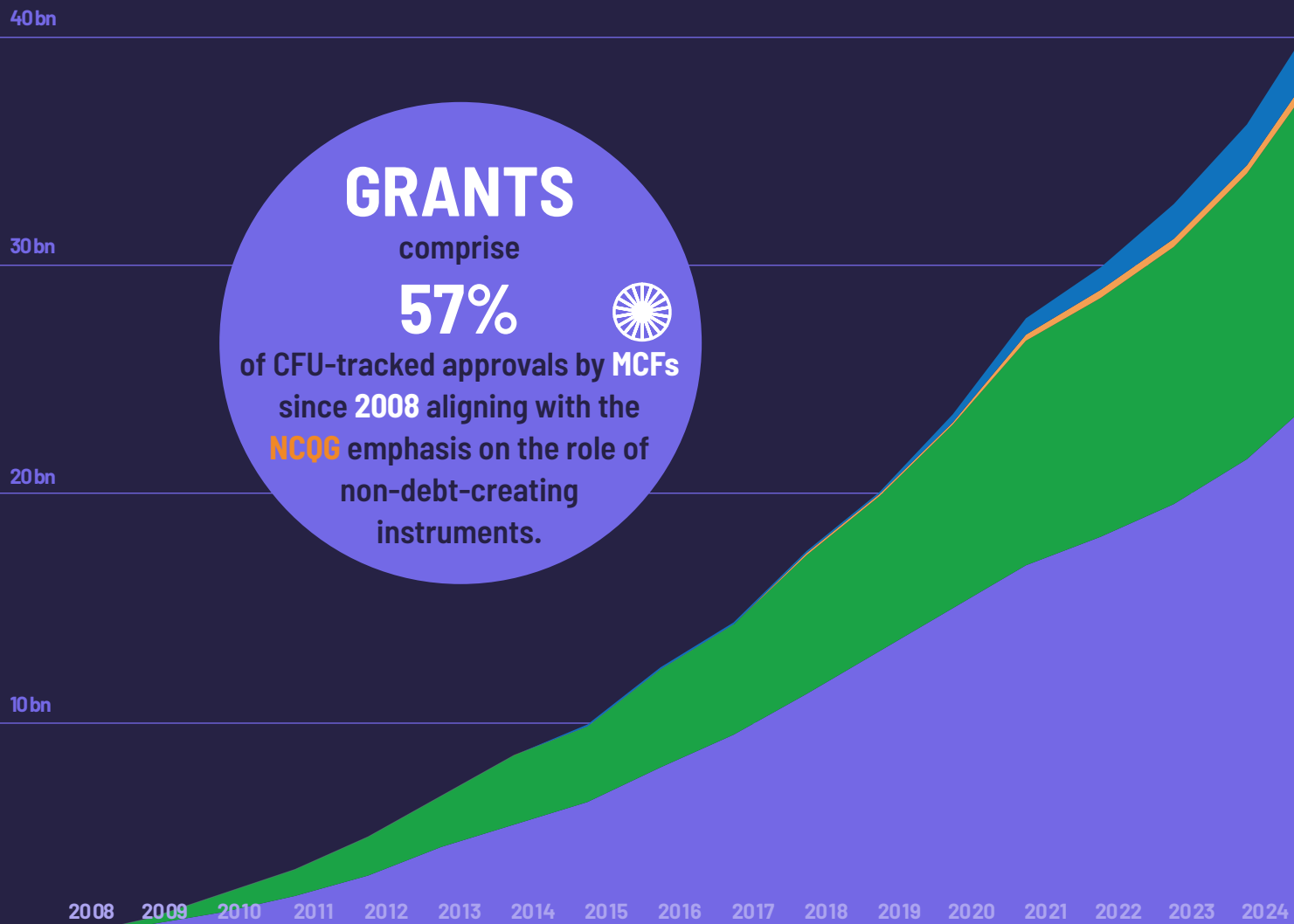
Work continues to improve these output focussed indicators to better measure **LOCAL-LEVEL EMPOWERMENT, SUPPORT FOR HUMAN RIGHTS** and **TRANSFORMATIONAL, SYSTEMIC CHANGE**.



6

GRANT FINANCE CONTINUES TO LEAD

MULTILATERAL CLIMATE FUND APPROVALS



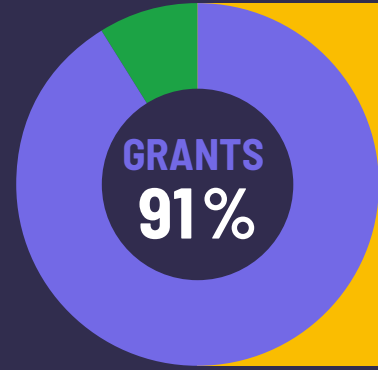
GRANTS comprise **57%** of CFU-tracked approvals by MCFs since 2008 aligning with the NCOG emphasis on the role of non-debt-creating instruments.

EQUITY GUARANTEES

CONCESSIONAL LOANS

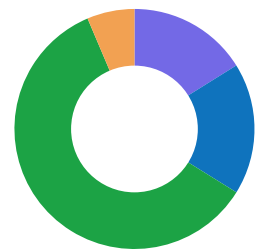
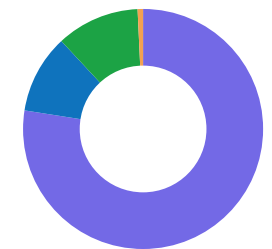
GRANTS

2025



THIS IS VITAL FOR LEAST DEVELOPED COUNTRIES (LDCs) AND SMALL ISLAND DEVELOPING STATES (SIDS) WHERE GRANTS COMPRISED OVER 91% OF FUNDING FROM UNFCCC FUNDS IN 2025.¹⁷

While the **GREEN CLIMATE FUND** relies on **GRANTS** and **CONCESSIONAL LOANS**, it has increased its **EQUITY INVESTMENTS** and **RISK GUARANTEES** to mobilise private capital flows, mostly for **MITIGATION**.



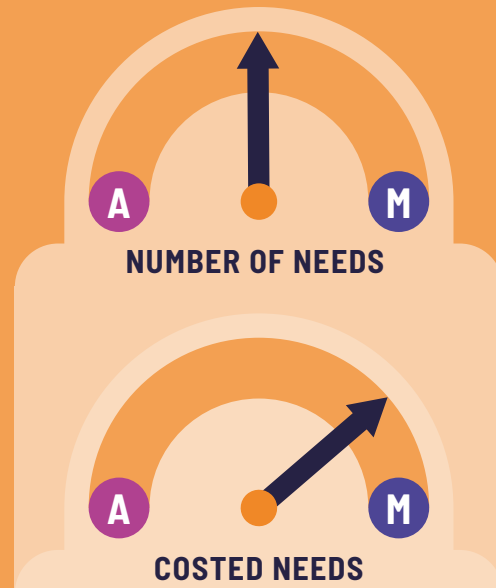
FINANCIAL INSTRUMENTS must be applied strategically to avoid worsening sovereign debt crises and to ensure justice.

7 A BALANCE BETWEEN ADAPTATION AND MITIGATION SPENDING

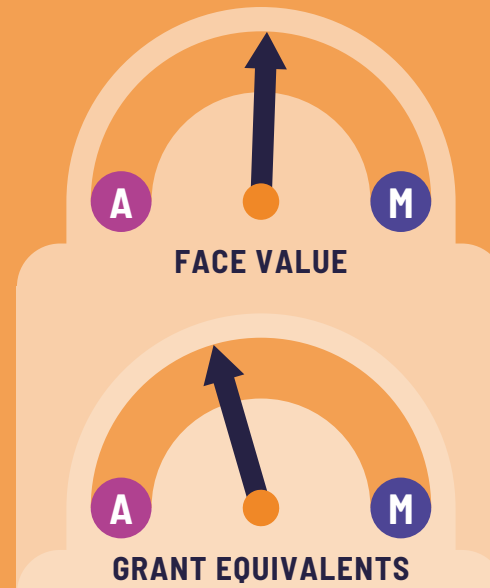
REMAINS ELUSIVE

NO DEFINITION OF 'BALANCE' BETWEEN ADAPTATION AND MITIGATION EXISTS, DESPITE IT BEING EMBEDDED IN MULTIPLE DECISIONS.

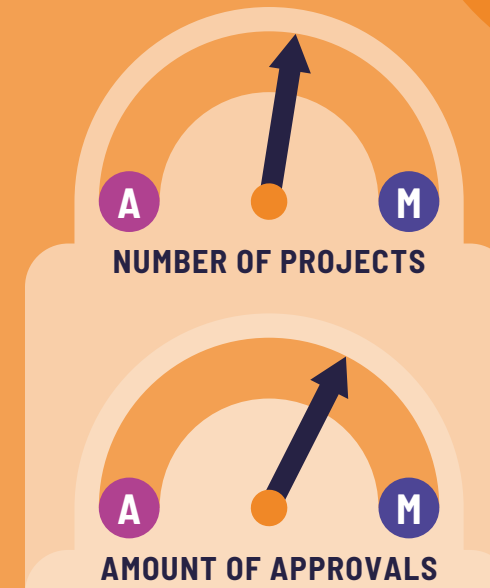
ADDING LOSS AND DAMAGE COMPLICATES MATTERS FURTHER.



From a RECIPIENT PERSPECTIVE, ADAPTATION NEEDS are expressed slightly more frequently. Yet COSTED MITIGATION NEEDS in Nationally Determined Contributions are higher.¹⁸



The GCF PORTFOLIO is close to 50:50 taken at face value, but in GRANT EQUIVALENTS, more funding goes to ADAPTATION.¹⁹



Also from a PROVIDER PERSPECTIVE CFU-TRACKED MCFs have more projects for MITIGATION. And, far more approved funds for MITIGATION, as compared to APPROVALS for ADAPTATION.²⁰

APPRECIATING DIFFERENT PERSPECTIVES IN DETERMINING BALANCE, AND AVAILABILITY OF DATA TO DO SO, IS CRITICAL FOR TRACKING THE NCQG.



8

ALL DEVELOPING COUNTRIES REMAIN ELIGIBLE FOR CONCESSIONAL FINANCE

THROUGH THE MULTILATERAL CLIMATE FUNDS



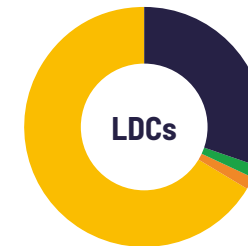
MCFs TRACKED BY CFU HAVE SUPPORTED 153 COUNTRIES THROUGH 3,914 PROJECTS WORTH \$42 BILLION SINCE 2008.

- GLOBAL AND MULTI-REGIONAL PROJECTS ■
- LATIN AMERICA & CARIBBEAN ■
- EAST & SOUTH ASIA ■
- SUB-SAHARAN AFRICA ■
- EUROPE & CENTRAL ASIA ■
- MIDDLE EAST & NORTH AFRICA ■

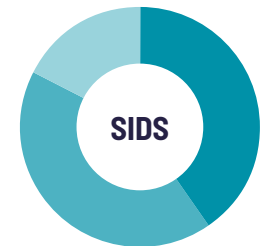


CONCESSIONAL FINANCE

HAS BEEN APPROVED FROM **MCFs** TO **ALL REGIONS**, WITH SPECIAL PROVISIONS FOR PARTICULARLY VULNERABLE **LDCs AND SIDS.**



- EAST & SOUTH ASIA
- LATIN AMERICA & CARIBBEAN
- MIDDLE EAST & NORTH AFRICA
- SUB-SAHARAN AFRICA



- CARIBBEAN PACIFIC
- OTHER SIDS

The HIGH-QUALITY CAPITAL

offered by **MCFs** is **CRITICAL** as some developing countries (including several SIDS) are **DISQUALIFIED** from certain other **CONCESSIONAL FUNDS.**²¹

154

MCF eligible/
non-Annex 1

136

ODA eligible

77

IDA eligible

9

A NEW FOREST FINANCE INITIATIVE IS LAUNCHED

BUT IT IS NOT A FUND AS WE KNOW IT

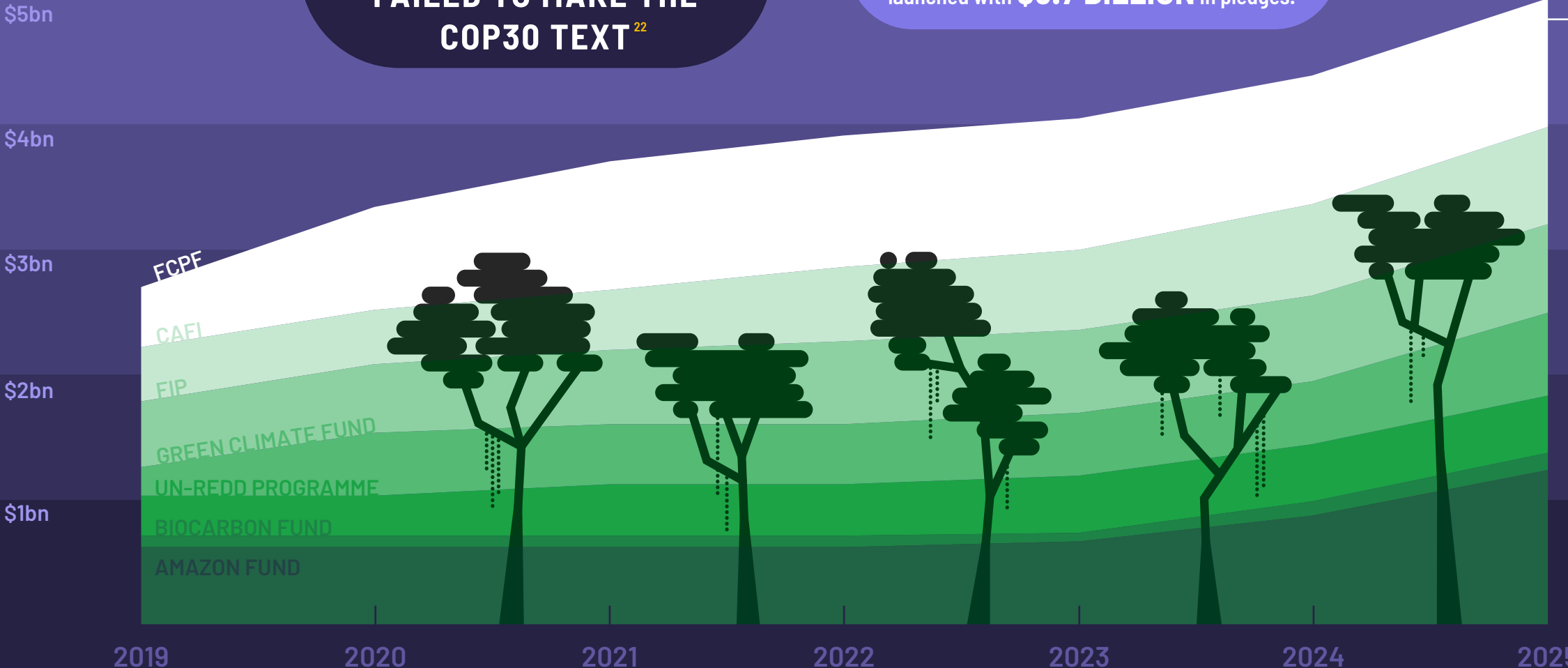
A ROADMAP TO HALTING DEFORESTATION FAILED TO MAKE THE COP30 TEXT²²

but outside of the process, the TROPICAL FOREST FOREVER FACILITY launched with \$6.7 BILLION in pledges.

AS A MULTILATERAL INVESTMENT FUND, THE TFFF IS NOT A CONVENTIONAL MCF²³

This effort is **ADDITIONAL** to the CFU-tracked \$5.1 BILLION in approvals for dedicated efforts to reduce emissions from deforestation and degradation plus conservation (REDD+) since 2008.

The **TFFF** promises to pay countries for retaining forest cover depending on realised capital market investment returns.²⁴ But, it remains to be seen how and how much funding will reach Indigenous Peoples and local communities.²⁵



10 CLIMATE FINANCE PROVISION IS TO BE STRENGTHENED

THROUGH A NEW WORK PROGRAMME



COP30 delivered a **TWO-YEAR WORK PROGRAMME** on climate finance, including on its **PROVISION** from developed to developing countries, though it will include **MOBILISED FINANCE** and **VOLUNTARY ACTION** from other Parties.

This work programme will happen in **PARALLEL** to the significant **PREPARATION** required before the

Both processes will seek clarity on **INTENDED CONTRIBUTIONS** of developed countries and **PATHWAYS** for **STRONG MCF REPLENISHMENTS**.

ONLY THEN CAN THESE FUNDS DELIVER ON THE **NCQG** COMMITMENT TO **TRIPLE** UNFCCC FUNDS' COLLECTIVE ANNUAL OUTFLOWS FROM 2022 LEVELS BY **2030**.²⁶

FIRST NCQG REPORT and **SECOND GLOBAL STOCKTAKE** in **2028**, and the **NCQG DECISION REVIEW** in **2030**.

NCQG REVIEW TRIPLING OF FUND OUTFLOWS 2nd NCQG REPORT

3rd NCQG REPORT

3rd GST

4th NCQG REPORT

TRIPLING OF ADAPTATION FINANCE

2035
NCQG TARGET DATE

NCQG START

2025

2026

2027

2028

2029

2030

2031

2032

2033

2034

2035

GEF-9 started

FRLD starts

GCF-3 starts

MCF REPLENISHMENT PROCESSES

ENDNOTES

- 1 The Baku to Belém roadmap is a component of the New Collective Quantified Goal on climate finance, agreed one year ago at COP29. UNFCCC (2025). Global Mutirão: Uniting humanity in a global mobilisation against climate change. UNFCCC. Available at: https://unfccc.int/sites/default/files/resource/cma2025_L24_adv.pdf
- 2 COP29 and COP 30 Presidency (2025). Report on the Baku to Belém Roadmap to 1.3T. COP29 and COP 30 Presidency. Available at: https://unfccc.int/sites/default/files/resource/Relatorio_Roadmap_COP29_COP30_EN_final.pdf p22
- 3 See: <https://donortracker.org/publications/budget-cuts-tracker> and, OECD (2025). Cuts in Official Development Assistance: OECD projections for 2025 and the near term. OECD Policy Briefs. Available at: https://www.oecd.org/en/publications/cuts-in-official-development-assistance_8c530629-en/full-report.html
- 4 UNFCCC (2025). Global Mutirão: Uniting humanity in a global mobilisation against climate change. UNFCCC. Available at: https://unfccc.int/sites/default/files/resource/cma2025_L24_adv.pdf
- 5 As per decision 1/CMA.3, paragraph 18
- 6 Carbon Brief (2025). Analysis: Why COP30's 'tripling adaptation finance' target is less ambitious than it seems. Carbon Brief. Available at: <https://www.carbonbrief.org/analysis-why-cop30s-tripling-adaptation-finance-target-is-less-ambitious-than-it-seems/>
- 7 This includes adaptation focussed projects of the Green Climate Fund (GCF), Adaptation Fund (AF), Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).
- 8 WRI (2025). Reaching \$120 billion in International Adaptation Finance is Possible – Here's what it takes. WRI. Available at: <https://www.wri.org/insights/tripling-adaptation-finance-goal> and; Thwaites and Thomas (2025). What Could a New Adaptation Finance Goal Look Like? Exploring seven potential scenarios for a new climate adaptation finance goal. NRDC. Available at: <https://www.nrdc.org/bio/joe-thwaites/what-could-new-adaptation-finance-goal-look#post-2025>
- 9 Available at: https://unfccc.int/sites/default/files/resource/CMA7_10d_FRLD_auv.pdf
- 10 See the Barbados Implementing Modalities at: <https://www.friid.org/nodebim>
- 11 See: https://unfccc.int/sites/default/files/resource/CMA7_10d_FRLD_auv.pdf, and Thwaites (2025). Climate Funds Pledge Tracker. NRDC. Available at: <https://www.nrdc.org/resources/climate-funds-pledge-tracker>. Note: new pledges were received in a variety of currencies, with exchange rate fluctuations of conversion to US dollars at different times leading to slightly differing amounts.
- 12 Data correct as of February 2026. See: <https://www.friid.org/pledges>; and, <https://fiftrustee.worldbank.org/en/about/unit/dfi/fiftrustee/fund-detail/friid#2>
- 13 As decided in the NCQG, UNFCCC (2024) New collective quantified goal on climate finance. UNFCCC. Available at: https://unfccc.int/sites/default/files/resource/cma2024_L22E.pdf
- 14 COP29 and COP 30 Presidency (2025). Report on the Baku to Belém Roadmap to 1.3T. COP29 and COP 30 Presidency. Available at: https://unfccc.int/sites/default/files/resource/Relatorio_Roadmap_COP29_COP30_EN_final.pdf p25
- 15 See for example the 'Efficient GCF' initiative and the Draft Multilateral Funds Action Plan on Complementary and Coherence (2024), available at: <https://www.greenclimate.fund/about/efficient-gcf> and https://www.adaptation-fund.org/wp-content/uploads/2024/09/AFB.B43.15_MCFs-Draft-Action-Plan-on-Complementarity-and-Coherence.pdf, respectively.
- 16 Multilateral Climate Funds (2025). Multilateral Climate Funds Joint Results Report. Available at: https://www.cif.org/sites/cif_enc/files/knowledge-documents/cfs-joint-results-report-2025.pdf
- 17 This statistic covers data from a subset of the CFU MCF, namely those mentioned in the NCQG decision, including only the Green Climate Fund (GCF), Global Environment Facility (GEF) and the Fund for responding to Loss and Damage (FRLD), as well as the Adaptation Fund (AF), Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).
- 18 UNFCCC (2024) Second report on the determination of the needs of developing country Parties related to implementing the Convention and the Paris Agreement. Bonn: UNFCCC Standing Committee on Finance. Available at: <https://unfccc.int/documents/641873>
- 19 The GCF governing instrument establishes balance as 50:50 in grant equivalents for adaptation and mitigation. It also requires 50% of adaptation support for SIDS, LDCs and African states in grant equivalents according to its allocation framework. Correct as of October 2025, see the GCF dashboard at: <https://www.greenclimate.fund/projects/dashboard>
- 20 The remainder of the amount is considered cross cutting in nature. REDD+ is included in mitigation.
- 21 The B2B highlights that high GDP per capita disqualifies some vulnerable nations from ODA and IDA. IDA lending through the World Bank Group depends on poverty measures (defined as gross national income per capita below an established threshold), while ODA eligibility is based on low and middle-income groupings of the World Bank Group defined by gross national income per capita. COP29 and COP 30 Presidency (2025). Report on the Baku to Belém Roadmap to 1.3T. COP29 and COP 30 Presidency. Available at: https://unfccc.int/sites/default/files/resource/Relatorio_Roadmap_COP29_COP30_EN_final.pdf
- 22 WRI (2025). STATEMENT: COP30 Delivers on Forests and Finance, Underdelivers on Fossil Fuels. WRI. Available at: <https://www.wri.org/news/statement-cop30-delivers-forests-and-finance-underdelivers-fossil-fuels>
- 23 Much of this pledged capital will eventually be returned. See TFFF factsheets at: <https://tfff.earth/about-tfff/>
- 24 See the TFFF Watch Investment Tracker at: <https://tfffwatch.org/investment-tracker/>
- 25 The World Bank is acting as Secretariat. See announcement at: <https://cop30.br/en/news-about-cop30/over-usd-5-5-billion-announced-for-tropical-forest-forever-facility-as-53-countries-endorse-the-historic-tfff-launch-declaration>
- 26 The funds that are considered under this tripling are not all of the funds monitored by CFU. They include only the Green Climate Fund (GCF), Global Environment Facility (GEF) and the Fund for responding to Loss and Damage (FRLD), as well as the Adaptation Fund (AF), Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF).

10 THINGS TO KNOW ABOUT CLIMATE FINANCE IN 2026

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ACKNOWLEDGEMENTS

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