DECODING CLIMATE FINANCE

A guide to using data and human rights to confront injustice in climate finance.

CENTER for ECONOMIC and SOCIAL RIGHTS

LaRutadelClima

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ABOUT THIS GUIDE

The global climate finance system is failing the very people it claims to serve. Even as the climate crisis escalates (flooding communities, displacing families, and threatening the right to life itself) the money meant to support affected countries and communities remains inadequate, unjustly distributed, and entangled in systems of debt and extraction.

Climate finance refers to the public and private resources mobilized to help countries prevent, adapt to, and recover from the impacts of climate change—but who pays, who benefits, and who decides remain deeply contested.

This guide is for those who want to change that. For activists exposing fossil fuel subsidies while their communities go without clean water. For researchers and journalists tracing the trillions lost to corporate tax abuse instead of funding climate resilience. For movement leaders and advocates fighting to ensure climate justice includes gender justice, racial justice, and reparations.

Climate finance is not just about money. It is also about power. The rules that determine who pays, who receives, and who decides are shaped by a long history of colonial exploitation, corporate impunity, and unequal governance. These rules must be challenged (and changed) to secure a future grounded in justice and human dignity.

This guide is part of *Decoding Injustice*, a research framework and publication series by the Center for Economic and Social Rights (CESR) that unpacks complex systems of economic oppression and shows how to transform them using human rights tools.

LIKE OUR FIRST GUIDE, DECODING DEBT INJUSTICE, THIS GUIDE FOLLOWS THREE CLEAR STEPSSTEPS:

Interrogate: Dig into the systems, structures, and power relations that shape global climate finance—and who they benefit.

Illuminate: Use data, storytelling, and community knowledge to expose the injustices embedded within climate finance decisions.

Inspire: Propose bold alternatives that put human rights, justice, and reparation at the center of climate finance.

A just response to the climate crisis is not only necessary: it is achievable. This guide equips you with the tools to demand it, using the power of human rights to reimagine and rebuild climate finance from the ground up.

Learn More | You can explore more resources on CESR's *Decoding Injustice Hub* at cesr.org/hub, including short videos, self-guided notes, and case studies that explain the approach and show how it's been used in practice.

Acronyms

This guide includes a number of acronyms—many of them common in climate and human rights spaces, but still easy to lose track of. To help you navigate the text more easily, we've compiled this quick reference list.

AF	Adaptation Fund
CBAM	Carbon Border Adjustment Mechanism
CBDR-RC	Common But Differentiated Responsibilities-Respective Capacities
CESR	Center for Economic and Social Rights
CIF	Climate Investment Fund
COP	Conference of Parties
CSO	Civil Society Organization
ETO	Extraterritorial Obligations
G20	Group of 20
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environmental Facility
ICESCR	International Covenant for Economic, Social, and Cultural Rights
IFI	International Financial Institution
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
LCDF	Least Developed Countries Fund
MDB	Multilateral Development Bank
NCQG	New Collective Quantified Goal on Climate Finance
NDC	Nationally Determined Contribution
PPP	Polluter Pays Principle
SCCF	Special Climate Change Fund
SDG	Sustainable Development Goal
SIDS	Small Island Developing States
UDHR	Universal Declaration of Human Rights
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNGA	United Nations General Assembly
UNTC	United Nations Tax Convention
WB	World Bank

STEP 1
INTERROGATE

Since 2008, extreme weather-related disasters have forced people to flee their homes more than 359 million times.[1] Even under lower-impact climate scenarios, millions more could be pushed into extreme poverty by 2030. The toll will be especially severe in regions already battling deep structural inequality, where resilience is fragile and coping systems are strained. In high-impact scenarios, that number could soar to as many as 132 million.[2]

These numbers reflect lives uprooted, rights denied, and futures made more uncertain. Not by nature alone, but by human choices: by governments that delay climate action, by corporations that prioritize profit over people, and by an economic system sustained by debt, extraction, and exclusion.

To interrogate climate finance means looking beyond the flow of funds meant to address the climate crisis. It means asking who decides where the money comes from, how it is delivered, and what conditions are attached. It also means uncovering how historical responsibility, unequal power, and structural injustice are built into the system itself.

This section examines the foundations of the global climate finance system—how it defines priorities, distributes resources, and reinforces or resists patterns of inequality. Understanding these dynamics is the first step toward transforming climate finance into a tool that supports not just climate goals, but climate justice.

For a deeper exploration of the conceptual foundations of climate finance as a matter of human rights and reparation, see CESR's Key Concepts: Climate Finance, Reparations, and Human Rights.[3] That resource sets out the normative and political foundations for reimagining climate finance as a form of justice grounded in legal obligations, historical accountability, and the redistribution of power. This guide builds on that foundation by focusing on strategy: it equips movements, researchers, and advocates with practical tools to interrogate how the current system works in practice and how it can be transformed from the ground up.

1 Internal Displacement Monitoring Centre. (2023). *Climate change and disaster displacement at COP29*. https://www.internal-displacement.org/climate-change-disaster-displacement-COP29/. Archived at: https://archive.is/izb5W

2 Jafino, B. A., Walsh, B., Rozenberg, J., & Hallegatte, S. (2020). *Revised estimates of the impact of climate change on extreme poverty by 2030* (Policy Research Working Paper No. 9417). World Bank. https://doi.org/10.1596/1813-9450-9417. Archived at: https://archive.is/KCk38

3 Center for Economic and Social Rights (CESR). (2024, November 10). *Key concepts: Climate finance, reparations, and human rights*. https://www.cesr.org/key-concepts-climate-finance-reparations-and-human-rights/. Archived at: https://archive.is/AljlC

WHAT IS CLIMATE FINANCE AND WHY IS IT IMPORTANT?

Climate finance is a broad term that includes all kinds of funds directed towards reducing greenhouse gas emissions and addressing negative climate change impacts for both people and the planet.[4] Climate finance can be sorted into three broad categories based on its purpose:

- **Mitigation Finance:** Funding focused on projects and activities aimed at reducing greenhouse gas emissions. Examples include investments in renewable energy (like solar and wind), energy efficiency improvements, and sustainable transportation.
- **Adaptation Finance:** Funding that supports efforts to aid communities and adjust ecosystems to become more resilient to the detrimental impacts of climate change. This encompasses funding for infrastructure improvements (like flood defenses), sustainable agriculture practices, and water resource management.
- **Reparation Finance:** Funding for harms that cannot be prevented through mitigation or adaptation, supporting communities facing irreversible losses, such as the destruction of homes, livelihoods, and cultural heritage. While often mentioned alongside “loss and damage” in climate negotiations, they serve different purposes: the Fund for Responding to Loss and Damage is a formal mechanism of the UNFCCC for providing support without attributing responsibility, whereas climate reparations demand accountability from governments and major polluters for historical emissions and structural injustice. It is based on the legal obligations of the States. Unlike loss and damage, reparation finance isn’t yet defined within global climate finance frameworks. Its scope includes restitution, compensation, and rehabilitation, and is rooted in human rights principles.

Current funding for mitigation, adaptation, and loss and damage falls far short of what is needed to match the scale of the climate crisis or to uphold rights and deliver justice. The most recent estimates indicate that **between $6.3 and $6.7 trillion per year** will be required[5] to meet the United Nations Sustainable Development Goals—a key climate benchmark for 2030.[6] In contrast, total climate finance in 2023 amounted to just **$1.5 to $1.6 trillion.**[7] This stark gap highlights the urgent need to massively scale up global investment in climate action.

KEY STAKEHOLDERS IN CLIMATE FINANCE

Closing the climate finance gap demands action from a broad range of stakeholders across the global financial and climate architecture. While all of these stakeholders have a role to play, they are inherently very different from one another. The following institutions and constituencies influence how climate finance is mobilized, governed, and distributed.

- **National and local governments:** Governments in both the Global North and Global South play crucial roles. High-income countries are responsible for allocating climate-related budgets, typically through ministries of finance or environment, and supporting international climate funding mechanisms. Meanwhile, Global South governments are often tasked with implementing climate initiatives at the local level, including projects that address community-specific climate vulnerabilities. These efforts frequently rely on climate finance disbursed through international channels.
- **International Financial Institutions (IFIs):** Institutions like the World Bank and regional multilateral development banks (MDBs) provide loans, grants, and technical assistance for climate-related projects. They administer Climate Investment Funds (CIFs) and play an operational role in delivering finance. However, the efficacy of their role as implementers, rather than simply financial intermediaries, is disputed. Many stakeholders question whether IFIs, given their development-centered models, are the most appropriate actors to drive climate finance aligned with justice and equity. This guide explores IFIs, MDBs, and CIFs in more depth later on.
- **International organizations:** Organizations which facilitate global coordination and set climate agendas, often under the umbrella of the United Nations. The United Nations Framework Convention on Climate Change (UNFCCC), in particular, serves as a norm-setting body that monitors progress toward global agreements like the Paris Agreement and supports national climate planning. Unlike IFIs, which finance and implement projects directly, UN bodies help shape the principles and frameworks that guide climate finance distribution.

4 As defined by the UN Framework Convention on Climate Change (UNFCCC) Standing Committee on Finance.

5 Independent High-Level Expert Group on Climate Finance. (2024). *Raising ambition and accelerating delivery of climate finance: Third IHLEG report.* Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science. https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/11/Raising-ambition-and-accelerating-delivery-of-climate-finance_Third-IHLEG-report.pdf. Archived at: https://archive.is/x8VrQ

6 United Nations Framework Convention on Climate Change. (2024). *Second report on the determination of the needs of developing country parties related to implementing the Convention and the Paris Agreement.* https://unfccc.int/sites/default/files/resource/2ndNDR_ES_SCF35_unedited%20version_0.pdf. Archived at: https://archive.ph/I7lIm

7 Climate Policy Initiative (2024). *Global landscape of climate finance 2024.* https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2024/. Archived at: https://archive.is/aqFM9

- **Civil Society Organizations (CSOs):** Civil society engagement is coordinated through UNFCCC constituencies, which organize NGOs and advocacy groups based on their thematic focus and stakeholder identity. These include: environmental NGOs, women and gender constituencies, indigenous peoples organizations, youth advocacy groups, and more. Organizations within these constituencies, like CESR, not only track policy developments at the UN level but also implement projects and advocacy campaigns in territories most affected by climate injustice. They work to raise awareness, build coalitions, and demand accountability across the entire climate finance system.

While many actors shape the climate finance landscape, power is heavily concentrated in high-income countries and international financial institutions. These imbalances influence whose voices are heard and whose needs are met. To understand why those least responsible for climate change often carry its heaviest burdens, we must look more closely at how structural injustices shape the system.

CASE IN FOCUS: IS THE LOSS AND DAMAGE FUND A STEP TOWARD JUSTICE?

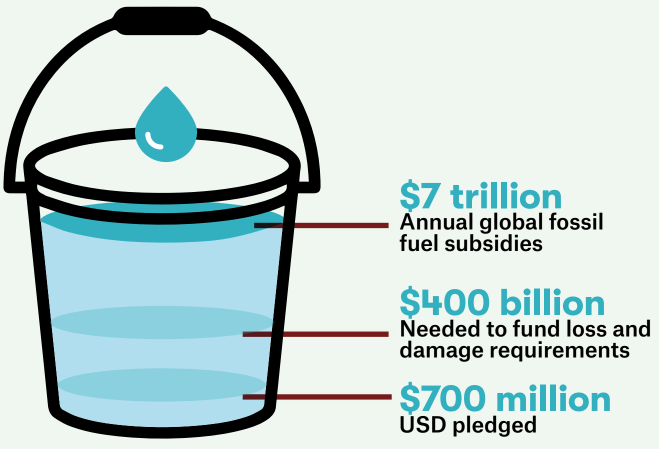
The Fund for Responding to Loss and Damage (as it is formally known) was officially operationalized at COP28 (2023) and has been described as a "breakthrough" in global climate finance. It was created to support countries facing unavoidable and often irreversible harms from climate change, those that mitigation and adaptation efforts can no longer prevent. This includes rising sea levels, drought-induced displacement, and the destruction of cultural heritage. In theory, it acknowledges that some countries face losses and damages not of their own making and need international support to recover.

But does it mark a real shift toward justice?

The Fund builds on earlier mechanisms like the Green Climate Fund and the Santiago Network. All were designed to help vulnerable countries. And all have struggled with the same issues: chronic underfunding, opaque governance, and access rules shaped by donor states, not affected communities.

Drop in the Bucket

Loss and Damage Fund Underfunded at COP28



While the Loss and Damage Fund gestures toward a reparations logic—with high-emitting countries contributing and climate-vulnerable ones receiving—it remains a far cry from the scale and structure a just approach would demand. The $768 million currently pledged (and just $324 million delivered)[8] are dwarfed by the $7 trillion states continue to spend annually on fossil fuel subsidies.[9] Additionally, provision of funding remains voluntary, despite the historical emissions of wealthy countries.[10] Even as the climate crisis accelerates, the global financing system remains skewed by power imbalances and misplaced priorities.

The Fund is a test: not of whether global leaders can acknowledge climate impacts, but of whether they are willing to confront the deeper inequalities that produce and prolong them. And so far, it's not looking good.

8 United Nations Framework Convention on Climate Change. (2025). *Pledges to the Fund for responding to Loss and Damage.* https://unfccc.int/topics/climate-finance/funds-entities-bodies/fund-for-responding-to-loss-and-damage/pledges-to-the-fund-for-responding-to-loss-and-damage. Archived at: https://archive.ph/fPkcE

9 Black, S., et al. (2023). *Fossil Fuel Subsidies Surged to Record $7 Trillion.* International Monetary Fund. https://www.imf.org/en/Blogs/Articles/2023/08/24/fossil-fuel-subsidies-surged-to-record-7-trillion. Archived at: https://archive.ph/fVxSq

10 Martínez Blanco, A. (2021). *Loss and damage: An introduction to paragraph 51 and compensation.* La Ruta del Clima. https://larutadelclima.org/wp-content/uploads/2024/03/Loss-and-Damage-an-introduction-to-paragraph-51-and-compensation.pdf. Archived at: https://archive.ph/8h5Hm

WHO PAYS THE PRICE? THE UNEQUAL IMPACTS OF THE CLIMATE CRISIS

Climate change is a global crisis, but its burdens are not shared equally. **Nearly half of the world's population (about 3.6 billion people) live in areas highly vulnerable to climate impacts,**[11] and this number is rising fast. Between 2030 and 2050, climate change is projected to cause an additional 250,000 deaths per year, from undernutrition, malaria, diarrhea, and heat stress alone.[12] These impacts are not distributed equally, either within or between countries. The climate crisis reveals and intensifies the systemic injustices already embedded in our global economic system.

The three structural injustices below fundamentally shape who is most exposed to climate risks, who is least protected, and who has the power to respond:

- **Socio-economic status:** Climate change hits the poorest communities hardest—especially in the Global South. Communities with fewer resources are more likely to live in high-risk areas, lack access to basic services, and rely on precarious livelihoods that are highly sensitive to climate disruptions. When disaster strikes, they are the last to receive support and the first to fall deeper into poverty. Structural adjustment[13], austerity, and debt burdens have left many countries in the Global South without the fiscal space to invest in adaptation or recovery, forcing them to borrow even more in the wake of climate shocks. These economic injustices are not incidental; they are the product of a system that protects wealth while offloading risk onto the poorest.

- **Race:** Communities of color experience the worst effects of climate change. The legacy of colonialism fueled by systemic racism has led to what the

11 Intergovernmental Panel on Climate Change (IPCC). (2023). *Sections.* In Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (pp. 35–115) [Core Writing Team, H. Lee & J. Romero (Eds.)]. IPCC. https://doi.org/10.59327/IPCC/AR6-9789291691647 https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf. Archived at: https://archive.ph/PHxBD

12 Hales, S., Kovats, S., Lloyd, S., & Campbell-Lendrum, D. (2014). *Quantitative risk assessment of the effects of climate change on selected causes of death,* 2030s and 2050s. World Health Organization. https://iris.who.int/bitstream/handle/10665/134014/9789241507691_eng.pdf?sequence=1. Archived at: https://archive.ph/WlzmR

13 Economic reforms imposed on countries (mainly in the Global South) as loan conditions by institutions like the IMF and World Bank. These reforms typically require cuts to public spending, privatization, and trade liberalization. The result has been reduced government investment in essential services like health, education, and social protection—undermining the ability of states to meet people's basic rights.

UN has designated “racial sacrifice zones,” regions rendered dangerous and even uninhabitable owing to environmental degradation.14 These include the ancestral lands of Indigenous peoples, territories of the Small Island Developing States (SIDS), racially segregated neighborhoods in the Global North, and occupied territories facing drought and environmental devastation.

- **Gender:** The climate crisis disproportionately affects women and girls in all their diversity. From smallholder farming to unpaid care work, women are often responsible for sustaining their households and communities in the face of environmental stress. These roles leave them especially vulnerable when disasters strike. As a result, women make up 80% of those displaced by climate-related disasters.15 Women also face heightened risks of gender-based violence during environmental crises, when social protections collapse and accountability diminishes.16 These compounding threats of physical violence and economic turmoil lead to women carrying an overwhelming toll in the face of the climate crisis.

These inequalities are particularly stark when it comes These inequalities are particularly stark when it comes to care work. Care work refers to essential daily tasks such as cooking, cleaning, and caring for children, elders, or the sick. This work sustains life and well-being, whether it is paid or unpaid. Historically undervalued and disproportionately carried out by women, it must be recognized, fairly shared, and properly resourced to achieve true economic and gender justice. Most of this labour is unpaid or underpaid and rarely supported by economic systems. Women perform about 75 percent of global unpaid care work,[17] a burden that grows heavier as climate change intensifies. In rural and low-income areas, women must walk farther to find water, work longer hours to produce food, and take on more responsibilities when disaster strikes. Yet despite being on the frontlines of climate impacts, their voices are too often sidelined in policy discussions.

Understanding how gender shapes exposure to climate risks (and how women’s unpaid labor sustains whole communities) is essential to designing fair and effective responses. The struggle for climate justice is inseparable from the fight for economic and gender justice.

THE GENDERED IMPACTS OF CLIMATE DISASTER IN PAKISTAN

Rasheedan Sodhar was a 25 year-old-teacher in rural Pakistan when her village was completely submerged by monsoon floods in 2022. Forced to walk 20 kilometers to safety, she summed up her situation succinctly in an interview with Al Jazeera:[18] “We are a family of 20, and we were told yesterday to immediately leave the village. We have nothing left. We are alive, but we are not able to live any more.” CESR has written before[19] on the catastrophic human rights consequences of these floods in Pakistan, accentuating the connection between debt and climate justice.

Sodhar’s story illustrates a broader, systemic issue that affects millions of women worldwide. As a woman, Sodhar is more vulnerable to ecological disasters caused by the climate crisis, due to women’s heightened responsibility in collecting resources, completing household work, and engaging in agricultural labor. This gendered division of labor is not natural or inevitable but a result of how our economic systems have developed over time, often to the disadvantage of women.

14 Achiume, E. T. (2022). *Report of the Special Rapporteur on contemporary forms of racism, racial discrimination, xenophobia and related intolerance* (A/77/549). United Nations Human Rights Council. https://www.ohchr.org/en/documents/thematic-reports/a77549-report-special-rapporteur-contemporary-forms-racism-racial. Archived at: https://archive.ph/C4Vmc

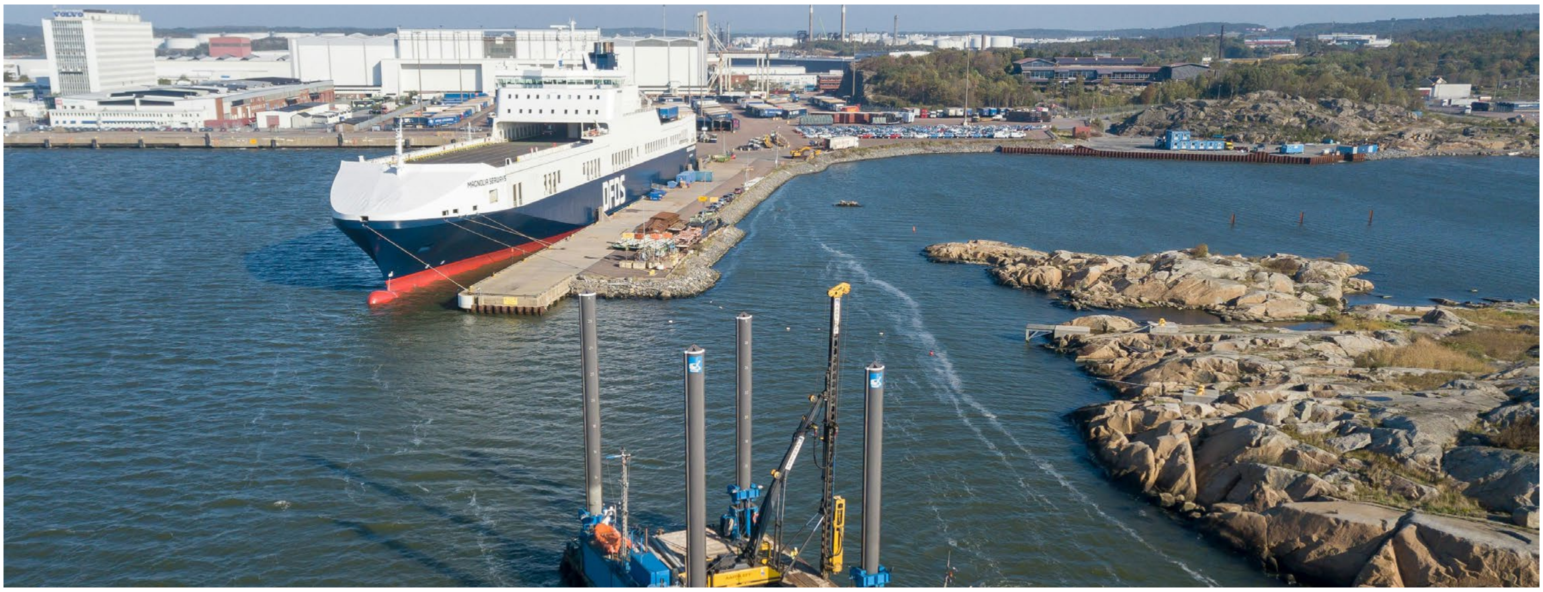
15 Women’s Environmental Leadership Australia. (2023). *Gender, climate and environmental justice in Australia.* https://wela.org.au/wp-content/uploads/2024/05/Summary-report-Gender-Climate-and-Environmental-Justice-in-Australia-WELA.pdf. Archived at: https://archive.ph/kSHPk

16 Spotlight Initiative. (2025). *Colliding crises: How the climate crisis fuels gender-based violence.* https://spotlightinitiative.org/sites/default/files/publication/2025-04/Colliding%20Crises%20How%20the%20climate%20crisis%20fuels%20gender-based%20violence_0.pdf. Archived at:

17 Addati, L. (2018). *Care Work and Care Jobs for the Future of Decent Work.* https://www.ilo.org/publications/major-publications/care-work-and-care-jobs-future-decent-work. Archived at: https://archive.ph/FrcYQ

18 Al Jazeera. (2022). *Millions in need of aid as ‘unprecedented’ floods hit Pakistan.* https://www.aljazeera.com/news/2022/8/29/catastrophic-flooding-overwhelms-pakistan. Archived at: https://archive.ph/EUz4b

19 Center for Economic and Social Rights. (2023). *Decoding debt injustice: A guide to collecting, analyzing, and using data for human rights advocacy.* https://www.cesr.org/sites/default/files/2023/Decoding_Debt_Injustice.pdf. Archived at: https://archive.ph/e2a93



ROOT CAUSES: THE LEGACY OF COLONIALISM IN THE CLIMATE CRISIS

The economic model at the heart of today's climate emergency (based on relentless extraction, industrialization, and overconsumption) originated in colonial regimes. Colonial powers sourced raw materials from the Global South, processed and profited from them in the North, and entrenched a global division of labor that dispossessed Indigenous and racialized communities. This legacy entrenched inequalities that shape both historical emissions and current vulnerability to climate impacts.

The Special Rapporteur on the Right to Development has emphasized how today's global financial systems (including flows of credit, investment, and trade) remain deeply influenced by colonial legacies.[20] Former imperial powers and their corporations continue to profit from extractive activities, while their excessive use of fossil fuels and carbon sinks has inflicted irreversible damage on low-income countries and small island states.

These patterns persist in international financial institutions like the International Monetary Fund (IMF) and World Bank, where decision-making power remains concentrated in the hands of these same wealthy states that are also responsible for 92% of cumulative emissions since 1850.[21] This imbalance limits the influence of Global South nations and enables practices (such as loan-based financing or austerity conditions) that deepen debt and weaken public investment in climate resilience.

Haiti offers a stark example of how colonialism continues to shape climate vulnerability. After gaining independence, the country was forced to pay a "debt" to France that drained its public resources for generations. While Haiti's exposure to climate risks is well known, its structural vulnerability stems from a legacy of economic subjugation and underdevelopment imposed by colonial powers. **This is why achieving climate justice demands more than technical fixes—it requires a reparations-based approach that redresses the historical harms of colonialism and shifts power and resources to those most affected.** In the section *Principles of a just climate finance system* we delve deeper into what the reparations approach means for climate justice.

20 United Nations Human Rights Council. (2022). *Acting High Commissioner: Addressing the legacies of colonialism can contribute to overcoming inequalities within and among states and sustainable development challenges of the twenty-first century.* https://www.ungeneva.org/ar/news-media/meeting-summary/2022/09/afternoon-acting-high-commissioner-addressing-legacies. Archived at: https://archive.ph/UAok4

21 Watts, N., Amann, et al. (2020). *The 2020 report of The Lancet Countdown on health and climate change: Responding to converging crises.* The Lancet Planetary Health. https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(20)30196-0/fulltext. Archived at: https://archive.ph/X5QAH

UNLOCKING FINANCE FOR CLIMATE: WHERE SHOULD RESOURCES COME FROM?

Addressing the climate crisis requires more than bold commitments or declarations: it requires resources.

In 2009, and reaffirmed by the Paris Agreement in 2015, wealthy countries pledged to deliver $100 billion annually in climate finance to developing nations by 2020.[22] Not only was this commitment vastly inadequate compared to the trillions required, it was also never fulfilled. By 2022, the funds remained below target, misallocated, and too often governed by donor priorities rather than the needs of recipient countries.[23]

This failure is not an anomaly. It reflects a broader pattern of unaccountable, inequitable climate finance, one that routinely sidelines the priorities of the Global South and avoids the redistribution of power and wealth. At COP29 in 2024, hopes for a transformational shift through the New Collective Quantified Goal (NCQG) on Climate Finance were dashed. Despite calls from the African Groups of Negotiators and others for at least $1.3 trillion annually starting in 2025, financing remained heavily skewed toward mitigation—while urgent needs for adaptation and loss and damage continued to go unmet.[24] Instead, the headline figure of $300 billion appears to be triple the previous target, but it falls drastically short of the needed $1.3 trillion.

Additionally, civil society organizations and networks have highlighted that not only is the quantum of the climate finance goal wholly inadequate, the quality of finance is missing, with no principles of equity or justice reflected in the text. Equally crucial to the scale of climate finance is its quality.[25] Global South countries urgently need funding for adaptation and loss and damage to confront the present and future impacts of climate change. However, most NCQG resources have been allocated toward mitigation, which, while important, does not address the immediate priorities of countries facing ongoing climate crises.

Today's climate finance debate is shaped by deep contradictions in global political and economic priorities. While donor countries cite budget constraints and slash Official Development Assistance (ODA), defense and military spending surges to historic highs. International cooperation is in retreat, and new pledges are sporadic and unpredictable, further eroding trust. Meanwhile, the dominant narrative promotes private sector–led solutions, urging developing countries to implement austerity cuts to attract and de-risk corporate investment.

Two of the most urgent levers for unlocking the resources needed for a just transition are debt and tax. Both determine whether governments have the fiscal space to protect rights, invest in resilience, and meet their climate goals. And both are governed by international rules and institutions that preserve the dominance of wealthy states and corporations, often at the expense of those most affected by climate breakdown.

22 Oxfam International. (2023). *Rich Countries' Continued Failure to Honor Their $100 Billon Climate Finance Promise Threatens Negotiations and Undermines Climate Action.* www.oxfam.org/en/press-releases/rich-countries-continued-failure-honor-their-100-billon-climate-finance-promise. Archived at: https://archive.ph/QctwJ

23 Cherry-Virdee, T., Sørensen, R. B., & Cutts, S. (2024). *Climate finance short-changed: 2024 update.* Oxfam. https://www.oxfamnovib.nl/Files/rapporten/2024/Climate%20Finance%20Short-Changed%202024.pdf. Archived at: https://archive.ph/rQwwN

24 Africa Climate Wire. (2024). *African Ministers Call for $1.3 Trillion Climate Finance Target* africanclimatewire.org/2024/09/african-ministers-call-for-1-3-trillion-climate-finance-target/. Archived at: https://archive.ph/NotAK

25 Climate Action Network. (2024). *Civil society letter in support of G77+China rejecting NCQG draft text at COP29.* https://climatenetwork.org/wp-content/uploads/2024/11/G77_China-FINAL-with-sigs-1am.pdf. Archived at: https://archive.ph/IgJOm

DIAGRAM 1: WHERE DOES CLIMATE FUNDING GO?

1 DONOR COUNTRIES / CONTRIBUTING INSTITUTIONS

Climate finance is pledged, often through international agreements like the UNFCCC or COP commitments.

2 DELIVERY CHANNELS

Funds are allocated through global institutions or bilaterally, but routed in ways that often lack transparency or equity.

3 FINANCIAL INSTRUMENTS

70% of climate finance from rich countries in the form of loans.

4 NATIONAL GOVERNMENTS / IMPLEMENTING PARTNERS

Access often depends on complex applications, co-financing requirements, or donor preferences—not local needs.”

5 INTENDED CLIMATE ACTION AREAS

- Mitigation
- Adaptation
- Loss and Damage

Barriers

- High debt service
- Lack of transparency
- No rights/gender safeguards
- Private sector capture
- Fossil subsidies untouched
- Marginalized groups left out

The next sections examine how debt and tax injustice fuel climate inequality—and how transforming these systems could shift the balance of power, redistribute resources, and help build a climate finance system rooted in justice and human rights.

SOVEREIGN DEBT

The deadly feedback loop between debt and climate breakdown

The global debt crisis and climate crisis are deeply intertwined, each reinforcing the other. Wealthy countries typically enjoy low interest rates, while poorer countries face disproportionately high borrowing costs. As a result, Global South countries spend five times more on debt repayments to external creditors than they do on addressing the climate emergency.[26] This burden is compounded by the fact that many of these debts are denominated in foreign currencies (especially the US dollar), leaving countries vulnerable to spillover effects from Global North monetary policy decisions. These structural imbalances significantly shrink fiscal space, forcing governments to divert funds from climate action and essential services like health, education, and housing.[27]

The problem is worsened when catastrophic climate disasters hit and Global South countries are not afforded debt relief. This results in less funds for public services and a push for greater lending from multilateral development banks which often tie their loans to austerity measures. Grant-based climate finance is essential to allow Global South countries to respond to the climate crisis without increasing their indebtedness. Unlike debt-creating loans, grants do not need to be repaid, making them accessible to countries and communities that may lack financial resources.[28] Crucially, civil society actors are calling for a UNFCCC-aligned definition of climate finance that excludes commercial loans, and for a more robust grant equivalence accounting framework to ensure transparency, fairness, and credibility.

Debt-for-nature swaps, frequently promoted by international financial institutions, have been touted as innovative "solutions". In these arrangements, a portion of a country's debt is reduced in exchange for commitments to environmental conservation. But their impact is limited. Most swaps cover only a small share of a country's debt and often come with strings attached. As the Asian Peoples' Movement on Debt and Development (APMDD) warns,[29] these deals can undermine national sovereignty. Critics argue that such swaps are patchy, slow, complex, and expensive,[30] distracting from more systemic debt solutions.

Civil society demands to break the cycle

In response, civil society coalitions (including CESR and partners) have advanced the following demands for **climate and debt justice**:

- **Comprehensive debt cancellation** across all creditors for countries that need it, to free up resources and avoid dependence on fossil fuel extraction.
- **Automatic debt standstills** in the wake of catastrophic external shocks, including climate disasters.
- **Reformed debt sustainability assessments** by the IMF and World Bank that incorporate climate and human rights risks as well as countries' fiscal space for debt repayments.
- **Grant-based climate finance** from rich countries as part of their ecological and climate debt under a reparations-based framework.

Eliminating unjust debt obligations can open fiscal space for climate action and social investment. The path to a just transition requires not only more funding, but fewer constraints.

FACTS ON DEBT AND CLIMATE

- External debt payments by low- and middle-income countries increased by 150% between 2011 and 2023, reaching their highest level in over 25 years.[31]
- As of 2024, 84% of low- and lower-middle-income countries are in debt crisis or at significant risk of debt crisis.[32]
- Key international actors in the debt space such as the IMF and World Bank have actively promoted expanding fossil fuel production to meet debt payments.[33]
- 70% of climate financing from wealthy countries is delivered as debt-creating loans.[34]
- In the summer of 2022, catastrophic floods left a third of Pakistan underwater. Yet in 2023, its government spent 46% of its revenue on servicing external debt, leaving it unable to combat its climate disaster.[35]

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26 Jubilee Debt Campaign. (2021). *Lower income countries spend five times more on debt payments than dealing with climate change.* https://debtjustice.org.uk/wp-content/uploads/2021/10/Lower-income-countries-spending-on-adaptation_10.21.pdf. Archived at: https://archive.ph/YWHzO

27 For more, see *Decoding Debt Injustice* (CESR, 2022), which outlines how currency mismatches, volatile exchange rates, and the dominance of foreign creditors (especially under the control of institutions like the IMF and private bondholders) compound debt vulnerabilities in Global South countries. Since then, CESR has expanded on this work, advocating for an independent debt restructuring mechanism under the auspices of the United Nations. This would allow countries undergoing climate-related disasters to negotiate their debt obligations in a neutral forum and request the suspension of their debt during the catastrophe.

28 Finance in Common. (2025). FiCS 2025 *Final Communiqué.* https://financeincommon.org/sites/default/files/2025-03/FiCS%202025%20Final%20Communiqu%C3%A9.pdf. Archived at: https://archive.is/nX4rV

29 Carbon Brief. (2024). *Q&A: Can debt-for-nature 'swaps' help tackle biodiversity loss and climate change?* https://www.carbonbrief.org/qa-can-debt-for-nature-swaps-help-tackle-biodiversity-loss-and-climate-change/. Archived at: https://archive.ph/aIK3X

30 Fresnillo, A. (2023). *Miracle or mirage.* Eurodad. https://www.eurodad.org/miracle_or_mirage. Archived at: https://archive.ph/i5Lkr

31 Jubilee Debt Campaign. (2021). *Lower income countries spend five times more on debt payments than dealing with climate change.* https://debtjustice.org.uk/wp-content/uploads/2021/10/Lower-income-countries-spending-on-adaptation_10.21.pdf. Archived at: https://archive.ph/YWHzO

32 ActionAid. (2025). *Who owes who?* https://actionaid.org/publications/2025/who-owes-who. Archived at: https://archive.ph/Y5bnr

33 Recourse. (2024). *The IMF talks about climate change but it pushes Argentina into more and more fracking.* https://re-course.org/wp-content/uploads/2024/04/informePXPinglesfinal-2.pdf. Archived at: https://archive.ph/WPB5k

34 Hodgkins, C. (2022). *Time to deliver on climate finance: The cost of a just transition.* Oxfam. https://politicsofpoverty.oxfamamerica.org/time-to-deliver-on-climate-finance/#:~:text=According%20to%20the%20Organization%20for,sustainable%20development%20for%20their%20people. Archived at: https://archive.ph/nr4zb

35 Chow, H. (2022). *Pakistan's floods: Vicious cycle of debt and climate crises. Debt Justice.* https://debtjustice.org.uk/blog/ pakistans-floods-vicious-cycle-of-debt-and-climate-crises. Archived at: https://archive.ph/lwZOw

TAXES

Securing climate justice requires mobilizing public resources at the scale needed to uphold human rights and confront the climate crisis. The world has enough resources.[36] What it lacks is the political will, and a fair system to raise and redistribute them. Taxation is the most effective and sustainable way for governments to finance public goals, and should be aligned with the principle of common but differentiated responsibilities[37] to ensure those responsible for the climate crisis are the ones paying to clean it up. Yet current tax systems are often designed to protect wealth and corporate power, rather than meet human needs or protect the planet.

Multinational corporations shift profits to tax havens. Ultra-wealthy individuals conceal assets offshore. Illicit financial flows deprive countries of critical funding. These practices are enabled by global tax rules that serve the interests of the powerful. As a result, billions in public revenue are lost every year—money that could fund climate adaptation, renewable energy, and reparations for communities already bearing the brunt of climate impacts. **Each year, nearly $500 billion is lost due to cross-border tax abuse.**[38]

FACTS ON TAX AND CLIMATE

- From 1990 to 2019, the wealthiest 10% of the global population were responsible for over half of all carbon emissions.[39] Wealth and windfall taxes can help shift the cost of climate action onto those most responsible.
- A modest annual tax of just 1.5% on individuals with more than $100 million in wealth could raise nearly **$300 billion**—over ten times the United States' current contribution to the Loss and Damage Fund.[40]
- In 2021 and 2022, 722 mega-corporations earned an average of over **$1 trillion per year in windfall profits**. A 90% windfall tax on just their 2022 profits could generate **$941 billion**, according to Oxfam and ActionAid.[41]

Ways in which tax justice can deliver climate justice

Tax justice expands the fiscal space needed for climate action by ensuring that public resources are raised equitably and used to uphold rights. Three key strategies stand out:

- **Make taxation more progressive and redistributive:** A progressive tax system means that those with higher incomes, larger fortunes, and greater responsibility for climate damage pay a greater share in taxes. By asking more from those most able to contribute, progressive taxation raises vital public resources and helps redistribute economic power, making climate action more equitable and effective.
- **Remove harmful incentives and align tax policy with climate goals:** Governments continue to provide tax breaks and subsidies to fossil fuel industries while underinvesting in clean energy. Ending these perverse incentives and redirecting support toward sustainable solutions is essential for a green, rights-aligned transition.
- **Stop tax abuse and reclaim diverted public resources:** Corporate profit-shifting, offshore tax havens, and illicit financial flows drain public budgets, especially in the Global South. Cracking down on tax abuse and closing secrecy jurisdictions could free up billions for climate resilience and development.[42]

These principles can be translated into concrete, rights-aligned policies. CESR and its allies support a range of proposals that put these principles into practice,[43] ensuring that those most responsible for the climate crisis contribute their fair share to a just transition. Among them:

- **Progressive taxes on wealth, inheritance, income, and capital gains should be significantly increased to curb extreme concentrations of power.**[44] This includes solidarity taxes directed toward climate and gender justice, and higher corporate taxes on multinationals that have long benefited from harmful loopholes.
- A **Cap and Share Carbon Tax**[45] would charge polluters for their emissions and redistribute the revenue to countries most affected by climate breakdown. This

36 Global Citizen. (2024). *Finances for development and climate: How to unleash the trillions the world needs.* https://media.globalcitizen.org/Finances-for-Development-and-Climate-Report.pdf. Archived at: https://archive.ph/9qu45

37 *The principle of Common but Differentiated Responsibilities and Respective Capacities (CBDR-RC) is a foundational concept in international climate law, recognizing that while all states share responsibility for addressing climate change, wealthier nations with greater historical emissions bear a heightened obligation to act. This principle, embedded in the UN Framework Convention on Climate Change, is further explored in the section on "Legal obligations for states and institutions."*

38 Tax Justice Network. (2024). *The State of Tax Justice 2024.* https://taxjustice.net/reports/the-state-of-tax-justice-2024/. Archived at: https://archive.ph/BAmnO

39 Chance, L. et al. (2023). *Climate Inequality Report.* https://wid.world/www-site/uploads/2023/01/CBV2023-ClimateInequalityReport-3.pdf. Archived at: https://archive.ph/Anr6o

40 Id.

41 Oxfam. (2025). *Big business windfall profits rocket to obscene $1 trillion a year amid cost-of-living crisis.* https://www.oxfam.org/en/press-releases/big-business-windfall-profits-rocket-obscene-1-trillion-year-amid-cost-living-crisis. Archived at: https://archive.ph/j2DpC

42 Mager, F. (2025). *Reclaiming tax sovereignty to transform global climate finance. Tax Justice Network.* https://taxjustice.net/wp-content/uploads/2025/06/Reclaiming-tax-sovereignty-to-transform-global-climate-finance-June-2025-Tax-Justice-Network.pdf. Archived at:

43 Forgette, M. (2024). *Financing a Green Future: Tax Strategies to Bridge the Climate Funding Gap.* CESR. https://www.cesr.org/financing-a-green-future-tax-strategies-to-bridge-the-climate-funding-gap/. Archived at: https://archive.ph/0HbvT

44 WEDO, Financial Transparency Coalition, Center for Economic and Social Rights (CESR), & Shared Planet. (2025). *Rights-based tax justice: A framework for a progressive, feminist, ecologically just, and decolonial approach to taxation.* https://www.cesr.org/sites/default/files/2025/TaxGenderClimateAdvocacyBrief_EN.pdf. Archived at: https://archive.ph/N9tUt

45 For more information on cap and share carbon taxes, see Murphy, R., & Meade, K. (2023). *Carbon tax for global justice: Cap and share as a progressive alternative for taxing fossil fuels.* Tax Justice Network. https://taxjustice.net/2023/10/26/carbon-tax-for-global-justice-cap-and-share-as-a-progressive-alternative-for-taxing-fossil-fuels/. Archived at: https://archive.ph/evHAH

approach offers a fairer alternative to measures like the EU's Carbon Border Adjustment Mechanism (CBAM).[46]

- A **Climate Damages Tax** would place a levy on fossil fuel companies, starting at $5 per ton of CO2. This could generate billions while holding major polluters accountable.[47]
- **Wealth and windfall taxes,** such as the UK's tax on fossil fuel profits[48] or the G20's proposal for a global minimum tax on billionaires,[49] would reflect the disproportionate climate footprint of ultra-rich individuals and multinational corporations. These taxes alone could raise half of what is needed to support climate action in developing countries.

The most comprehensive attempt to reform international taxation is the **United Nations Tax Convention (UNTC) process, an effort to transform the global tax structure through the creation of a model treaty.** CESR has been at the cutting edge of monitoring and advocating within this UN framework, contributing to a joint submission to the Convention's Ad-Hoc Committee stressing the need for climate mainstreaming in the Convention's Terms of Reference.

WANT TO LEARN MORE?

CESR has followed the UN Tax Convention (UNTC) negotiations extensively, including our wrap-up analysis of the final draft of the Terms of Reference (ToR).[50]

Although the incorporation of environmental issues in the UNTC's ToR was not as strong as initially desired, there remains reason for optimism. A solid groundwork has been laid upon which we can enhance environmental considerations. The final version of the ToR includes numerous references to sustainable development, due to the efforts of many Global South states in connecting the UNTC process to the achievement of the 2030 Sustainable Development Goals (SDGs).

46 For more information on the deleterious impacts of CBAM, see The African Climate Foundation (2023). *EU's CBAM: Africa could lose up to $25b per annum as a direct result.* https://africanclimatefoundation.org/news_and_analysis/eus-cbam-africa-could-lose-up-to-25b-per-annum-as-a-direct-result/#:~:text=Given%20that%20the%20EU%20is,impact%20could%20be%20more%20substantial. Archived at: https://archive.ph/19hVt

47 Heinrich Böll Stiftung. (2024). *Climate damages and taxes: A guide to reparation finance.* https://us.boell.org/sites/default/files/2024-04/cdt_guide_2024_0.pdf. Archived at: https://archive.ph/A455m

48 BBC. (2023). *What is the windfall tax on oil and gas companies and how much do they pay?* https://www.bbc.com/news/business-60295177. Archived at: https://archive.ph/rtdn2

49 Zucman, G. (2024). *A Blueprint for a Coordinated Minimum Effective Taxation Standard for Ultra-High-Net-Worth Individuals.* https://www.taxobservatory.eu/publication/a-blueprint-for-a-coordinated-minimum-effective-taxation-standard-for-ultra-high-net-worth-individuals/#:~:text=This%20report%20presents%20a%20proposal,to%202%25%20of%20their%20wealth. Archived at: https://archive.ph/lb9Jd .

50 Center for Economic and Social Rights. (2024, June 11). *Convention consquences: Analyzing the critical issues from UNTC negotiations.* https://www.cesr.org convention-consequences-analyzing-the-critical-issues-from-untc-negotiations/

PRINCIPLES OF A JUST CLIMATE FINANCE SYSTEM

A just climate finance system addresses more than climate impacts. It confronts the deep historical and structural inequalities that shape who suffers, who decides, and who pays. To move beyond broken promises and fragmented mechanisms, we need a reparations-based approach grounded in responsibility, redistribution, and redress.

Reparations have a long and well-established history in human rights law and global justice movements. In legal terms, they refer to specific measures (such as restitution, compensation, rehabilitation, satisfaction, and guarantees of non-repetition) designed to repair harm and restore dignity. While reparations are widely recognized in the context of colonial and racial justice, their application to climate injustice is still developing. Yet the connection is clear: the same colonial legacies that exploited land, labor, and resources have also driven today's ecological crisis. **Wealthy countries in the Global North and multinational corporations account for the vast majority of historical emissions.**[51] The United States and European Union alone account for over two-thirds of global emissions.[52]

The scale of the ecological debt is staggering. A 2023 Nature Sustainability study estimates that high-emitting states will owe at least $192 trillion to low-emitting countries as compensation by 2050.[53] The researchers find that, even in a scenario where all countries decarbonize by 2050, the Global North would overshoot its fair share of the 1.5°C carbon budget by a factor of three, effectively appropriating half of the Global South's share. Despite this, many Global North governments continue to reject the concept of reparations, sidestepping accountability even as they acknowledge the growing climate toll.[54] But movements and experts have been building the case. The UN Special Rapporteur on the Right to Development proposes a four-part framework for climate-related loss and damage: remediation, transformation, responsibility, and solidarity.[55] CESR's Key Concepts brief argues that reparations offer the most legitimate and effective way to tackle the root causes and consequences of climate injustice. Getting there, toward a climate finance system rooted in justice, requires more than new funding streams or technical solutions. It demands rethinking the rules that govern how climate finance is mobilized, who controls it, and what purposes it serves.

A just system redistributes not only financial resources but also decision-making power. It centers the leadership of those most affected by climate harms, especially communities historically excluded from global economic governance. It recognizes that constraints like debt and austerity are not incidental, but the result of international systems that must be transformed. And it ensures that climate finance mechanisms are designed to confront injustice, not preserve it.

Reparations-based climate finance brings clarity and coherence to a fractured system. It connects immediate needs (like loss and damage funding) to long-term transformation. By tying financial support to structural reforms in debt, tax, and trade, it offers not just more funding, but a shift in power, purpose, and accountability.

PRINCIPLES OF A JUST CLIMATE FINANCE SYSTEM

What it looks like in practice:

Redistributive
Resources flow from those most responsible for climate breakdown to those most affected by it—based on capacity, not charity.

Reparative
Funding is grounded in historical accountability and includes compensation for past harms—not just future risks.

Rights-based
Finance is not conditional or donor-driven. It upholds international obligations and centers the dignity and agency of affected communities.

People-powered
Communities on the frontlines of the crisis shape decisions about how funds are raised, governed, and spent.

Systemic
Climate finance is linked to deeper reforms in debt, tax, trade, and investment rules—building the fiscal space and democratic power needed for a just transition.

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51 Evans, S. (2021). *Which Countries are historically responsible for climate change?* Carbon Brief. https://www.carbonbrief.org/analysis-which-countries-are-historically-responsible-for-climate-change/. Archived at: https://archive.ph/B1JGI

52 Wellbeing Economy Alliance. (2022) *Systems Change, Not Climate Change.* https://weall.org/systemschange. Archived at: https://archive.ph/RkEkT

53 Fanning, A.L., Hickel, J. (2023). *Compensation for atmospheric appropriation.* Nature Sustainability 6, 1077–1086 https://www.nature.com/articles/s41893-023-01130-8#citeas. Archived at: https://archive.ph/jbMzg

54 Slow, O. (2023). *US Refuses Climate Reparations for Developing Nations.* BBC News. www.bbc.com/news/world-us-canada-66197366. Archived at: https://archive.ph/P4cxT

55 Deva, S. (2024). *Climate justice, loss & damage, and the right to development: Summary report.* United Nations Office of the High Commissioner for Human Rights. https://www.ohchr.org/sites/default/files/documents/issues/development/sr/2024-10-28-sr-dvpt-climate-justice-loss-damage-summary-report.pdf. Archived at: https://archive.ph/t1P45

A just climate finance system is not only possible: it is already being demanded by movements across the globe. The path forward lies in listening to those most affected, shifting power from donors to rights-holders, and delivering finance that repairs harm, redistributes power, and reclaims dignity.

WHY CLIMATE FINANCE IS A HUMAN RIGHTS ISSUE

The climate crisis threatens the most fundamental human rights: to life, health, food, water, housing, and development. These are not abstract ideas. They are legal entitlements protected under international law, grounded in decades of struggle by movements around the world.

Looking at climate finance through a human rights lens changes the conversation. It moves us away from charity and toward enforceable obligations. Human rights law demands that governments and institutions take concrete steps to prevent harm, redress injustice, and uphold the dignity of every person. Because nearly every state has signed binding human rights treaties, these obligations are not optional.

Human rights frameworks offer powerful tools for shaping climate finance:

- They provide clarity on who owes what to whom.
- They anchor in law peoples' demand for transparency, participation, and accountability.
- They prioritize the needs of the most affected over the preferences of the most powerful.

In a world marked by extreme inequality and deepening ecological collapse, the human rights framework is one of the few global systems with the legitimacy and legal grounding to call for redistribution, reparation, and redress.

REMEDY, REPARATION AND ACCOUNTABILITY

Human rights law is not just about protecting people from harm. It also requires action when harm has already been done. Under international law, those who suffer rights violations are entitled to effective remedy and reparation. This principle is essential in the context of climate finance, where the greatest losses are borne by those least responsible for causing the crisis.

The UN Basic Principles on the Right to Remedy and Reparation outline what justice must look like for communities experiencing climate-related harm. These forms of redress should guide the design and delivery of climate finance:

- **Restitution:** Restoring people to the conditions they were in before harm occurred. In the climate context, full restitution is often impossible—land, culture, and ecosystems cannot be recovered. But the principle demands that systems acknowledge irreversible loss.
- **Compensation:** Providing financial redress when restitution isn't possible. This means prioritizing **grants over loans**, and ensuring that communities are compensated for losses and damages, displacement, and lost livelihoods.
- **Rehabilitation:** Supporting recovery through public services like health care, legal aid, social protection, and education. Climate finance must rebuild not only infrastructure, but the social fabric that climate shocks often destroy.
- **Satisfaction:** Includes acknowledgment of harm, official apologies, and public guarantees of non-repetition. It also demands deeper accountability from polluters and financiers—including legal or institutional mechanisms to prevent further violations.
- **Guarantees of non-repetition:** Structural reforms that make future harm less likely. This includes transforming financial institutions, ending fossil fuel subsidies, and creating effective democratic oversight of climate finance systems.

LEGAL OBLIGATIONS FOR STATES AND INSTITUTIONS

Human rights obligations are not aspirational. They are binding. And they shape how climate finance must be raised, governed, and delivered.

Key legal principles include:

- **Polluter Pays Principle (PPP):** Those who have contributed the most to climate pollution must bear the greatest cost of addressing its impacts. This is both fair and necessary.
- **Common But Differentiated Responsibilities and Respective Capacities (CBDR-RC):** While all countries must act on climate change, those with greater wealth and responsibility for historical emissions must do more. CBDR is embedded in the UN climate framework and reinforces the idea of shared but unequal obligations.

Human rights treaties like the **International Covenant on Economic, Social and Cultural Rights (ICESCR)** require states to:

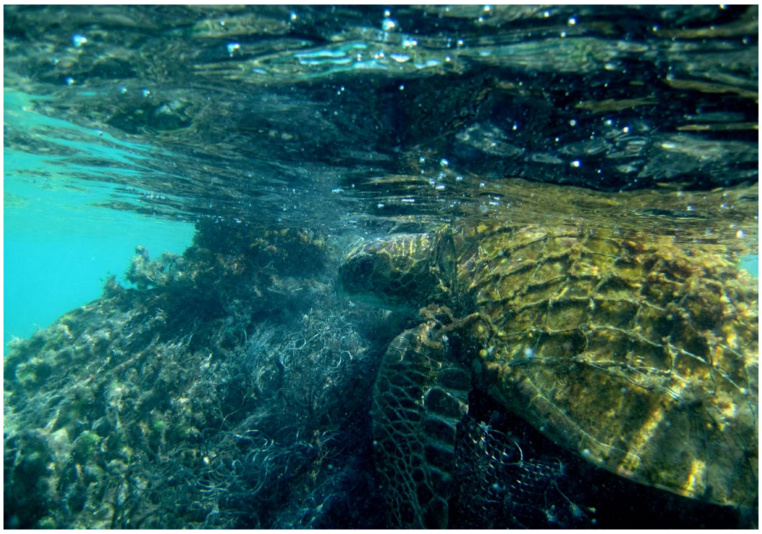
- **Mobilize the maximum available resources** to realize rights, including through fair taxation, ending fossil fuel subsidies, and regulating financial flows.

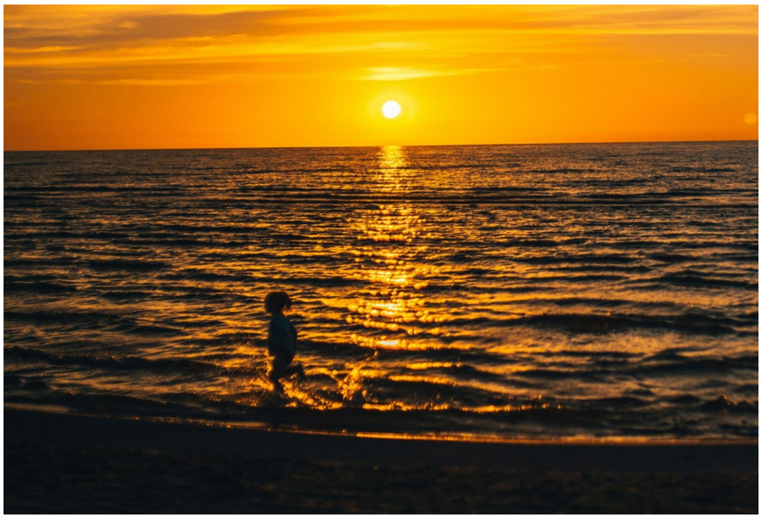
- **Prevent retrogression,** meaning governments cannot use debt or crisis as excuses to cut back on rights protections.
- **Cooperate internationally, by providing climate finance, sharing technology, and removing barriers to adaptation and development in the Global South.**
- **Respect extraterritorial obligations (ETOs)**, ensuring that their own actions, or those of corporations and banks under their jurisdiction, do not cause harm elsewhere.
- **Guarantee transparency, participation, and accountability,** especially in decisions about how funds are raised, allocated, and governed.

Climate advisory opinions, like those recently released by the International Court of Justice (ICJ) and the Inter-American Court of Human Rights (IACHR), bring much-needed clarity and coherence to states' obligations around climate change. These authoritative interpretations from the world's highest courts have recently clarified that:

- Human rights and climate finance are legally intertwined and not optional or aspirational
- States must mobilize accessible, sufficient, and equitable finance as a legal obligation.
- Climate reparations are enforceable: including restitution, compensation, rehabilitation, and satisfaction.
- Fossil fuel subsidies and exploration may trigger legal accountability.
- No state can opt out. Customary international law binds all, including those outside formal treaties.

Taken together, these obligations mean that climate finance must be rights-based in both form and function. It must empower those most affected, redress historical injustice, and reshape the systems that caused the crisis in the first place.





DECODING STATES' CLIMATE FINANCE PERFORMANCE WITH OPERA

The OPERA Framework is a diagnostic tool developed by CESR to assess whether governments, multilateral institutions, private finance, and other actors are meeting their human rights obligations. It organizes these obligations into four dimensions—**Outcomes, Policy Efforts, Resources, and Assessment**—helping to unpack how government conduct affects people's rights and what must change to ensure accountability and remedy.

Climate finance is often presented as a technical or economic issue. **OPERA helps shift the focus to what truly matters: how climate finance affects people's lives, especially in terms of human rights.** By structuring an analysis around the four dimensions of OPERA, we can more clearly trace how decisions about climate finance contribute to inequality, marginalization, and injustice—and how they can be transformed to uphold rights:

DIMENSIONS OF OPERA

O — **Outcomes:** Who is affected by the problem and how?

P — **Policy Efforts:** How have the government's actions affected the problem?

E — **Resources:** How has the use of resources affected the problem?

R — **Assessment:** In light of the broader context, is the government responsible?

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The OPERA Framework helps break down complex human rights obligations into clear, manageable parts. Together, its four dimensions make it easier to show the connection between what a government is doing (or failing to do) and how this affects people's lives. Each dimension includes a set of questions, all tied to specific human rights obligations. When applied to climate finance, OPERA helps us ask the right questions, such as:

QUESTIONS TO ASK	CORRESPONDING HUMAN RIGHTS CONSIDERATIONS
OUTCOMES	
• What challenges are communities facing? • What basic needs are not being met? • How are other economic and social injustices intersecting with the problem?	Climate change undermines the enjoyment of a wide range of human rights, including the rights to life, health, food, water, housing, development, and right to a clean, healthy and sustainable environment. Disproportionate impacts on marginalized communities violate the principles of equality and non-discrimination under international human rights law.
• Who bears responsibility for these climate outcomes? • Which communities are most affected?	The Right to Remedy and Reparation, as well as the Polluter Pays Principle and the principle of Common but Differentiated Responsibilities and Respective Capacities underscore that historically high-emitting states and corporations must bear the burden of climate-related harm.
• How are the impacts of the climate crisis changing over time? • What obligations have stakeholders committed to? • Are these commitments being upheld?	The International Covenant on Economic, Social and Cultural Rights obliges states to take progressive action toward realizing rights, which includes responding to worsening climate impacts. Failing to uphold climate pledges can constitute a retrogression of rights.
POLICY EFFORTS	
• What is the specific source of climate finance? • What is the purpose and amount being committed? • What terms and conditionalities have been applied?	The right to development requires that climate finance sources be equitable, non-coercive, and sustainable. Grant-based finance is preferred over debt-creating instruments. Conditionalities must not undermine rights, especially economic and social rights.
• Do these reforms address underlying injustices that exacerbate the climate crisis? • Is this policy response assessing and mitigating potential adverse impacts on vulnerable populations?	The Right to Remedy and Reparation, as well as the PPP and the principle of CBDR underscore that high-emitting states and corporations must bear the burden of climate-related harm.
• What was the process for making the policy agreement? • Who was involved and how? • What information is available about it?	The rights to public participation, access to information, and transparency require that communities have a meaningful voice in shaping climate finance decisions.

QUESTIONS TO ASK	CORRESPONDING HUMAN RIGHTS CONSIDERATIONS
RESOURCES	
• How much of a government or community's revenue is dedicated to climate challenges versus other allocations? • Is the affected community particularly vulnerable to climate change (i.e. a small island state or an agriculture-based economy)?	States have an obligation to allocate the maximum available resources toward realizing human rights. Prioritizing fossil fuel subsidies, military spending, or debt servicing at the expense of strengthening climate resilience constitutes a rights violation.
• What is the country's overall tax and debt profile? • What is the economic decision-making process? • How is it impacted by external actors and vice versa?	Right to development requires that climate finance sources be equitable, non-coercive, and sustainable. The Right to Remedy and Reparation, as well as the PPP and the principle of CBDR underscore that high-emitting states and corporations must bear the burden of climate-related harm.
• How do policies ensure equitable access to natural resources for all communities, particularly marginalized and Indigenous groups? • Are the rights of local communities to manage and use their natural resources recognized and protected?	The rights to participation, access to information, and transparency require that communities have a meaningful voice in shaping climate finance decisions.
ASSESSMENT	
• How effectively is the government implementing its international climate commitments in a way that respects human rights? • What contextual factors are constraining governments' fiscal space? Who provides its climate financing and what is their influence on the country's economic policy-making?	The duty to cooperate and extraterritorial obligations require donor states to ensure their actions do not undermine human rights abroad.

USING INDICATORS AND BENCHMARKS TO MEASURE CLIMATE FINANCE INJUSTICE

Building on OPERA's structured approach to analyzing government obligations, indicators and benchmarks offer the concrete tools needed to assess how those obligations are (or not) being met. While OPERA helps ask the right questions, indicators help answer them.

Indicators are powerful tools for assessing whether climate finance commitments are being fulfilled and whether those efforts reflect human rights principles. They help unpack key questions: how much is being spent, who is paying, and where the money is going. However, it's important to underscore that there is no universally agreed definition of climate finance. This ambiguity means that indicators may rely on differing interpretations depending on who is using them, governments, development banks, or civil society actors. Because of this, individual climate finance indicators require critical analysis. When analyzed critically, climate finance indicators can expose deeper structural inequalities: for example, the persistent underfunding of adaptation efforts in the Global South or the outsized influence of wealthier states in multilateral finance mechanisms. These benchmarks don't just track progress; they help reveal what remains unaddressed and whose rights are being left behind.

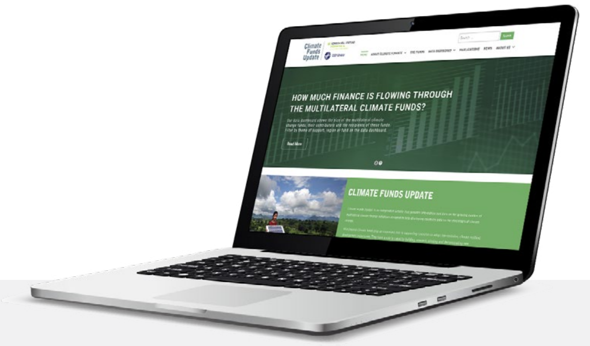
INDICATOR	DEFINITION	KEY HUMAN RIGHTS ISSUES TO CONSIDER
Total climate finance flows	Total financial commitments made toward climate-related projects across all sectors.	• Measures overall financial support but may not reflect effectiveness or equitable distribution across sectors or countries. • Does not specify which category of climate finance is being analyzed. • Consider assessing whether allocations align with commitments to progressive realization of economic and social rights, ensuring equitable outcomes for women, marginalized groups, and climate-vulnerable populations.
Public climate spending	Government expenditure specifically allocated for climate initiatives, including adaptation, mitigation, and loss and damage.	• Domestic climate finance is underfunded compared to international contributions. • The focus may disproportionately be on mitigation over adaptation in vulnerable regions, particularly in the Global South. • In parallel to reducing emissions, adaptation policies must be put in place to decrease the exposure of the most vulnerable populations to climate change impacts. This means devising rules regulating construction in risky areas, such as flood zoning, land entitlement, and building standards. The poorest communities must be provided with better health services and new insurance mechanisms. • Tracking actual spending, effectiveness and the alignment with long-term sustainable development goals (SDGs) is also crucial. • Consider disparities in spending between communities; insufficient per capita spending may indicate neglect of communities already facing socio-economic discrimination or exclusion, especially impacting women and marginalized groups disproportionately.
Proportion of climate finance to GDP	Ratio of climate finance to a country's gross domestic product, showing the commitment level relative to economic size.	• Equity issues arise as wealthy countries should ideally contribute more, given their historical responsibility for emissions. • GDP based comparison may overlook a country's vulnerability or needs especially in the case of Small Island Developing States (SIDS) or Least Developed Countries (LDCs) • Poorly designed policies risk amplifying existing inequalities, but just transitions to low carbon and more resilient economies can foster more equal societies.
Nationally-Determined Contributions (NDCs)	Estimated financial resource required to achieve the targets set in a country's Nationally Determined Contributions under the Paris Agreement.	• Resource mobilization to meet NDCs can often fall short due to insufficient finance or political will. • Many countries struggle to meet NDC targets due to economic constraints or lack of implementation capacity.
Greenhouse gas emissions reduced	Total emissions reductions achieved through funded climate projects, measured in metric tons of CO2 equivalent.	• Greenhouse gas emissions today are mainly linked to the level of a nation's wealth: the richest countries represent only 16% of the world population but almost 40%of CO2 emissions. This cross-country inequality is rooted in history: the contribution of the developed economies to global warming is greater than their share of current emissions because they have added to the accumulation of greenhouse gases in the atmosphere for a longer period. • Verification and monitoring of reductions are key challenges, especially with voluntary reporting mechanisms. • Not all reductions are additional or aligned with long-term climate goals.

INDICATOR	DEFINITION	KEY HUMAN RIGHTS ISSUES TO CONSIDER
Climate funds channeled through MDBs	Financial resources allocated to climate projects through Multilateral Development Banks (MDBs) such as the World Bank or the Asian Development Bank.	• MDBs often serve as intermediaries, but questions around fund access and equity remain a challenge especially for least developed countries. • The focus may be on larger, national-level projects over smaller, community-based initiatives. • MDBs need to align their strategies with local needs and ensure effective monitoring and evaluation of climate projects.
Participation in international climate agreements	Number of countries engaged in global climate financing agreements or initiatives.	• Inclusivity and commitment levels vary widely, with wealthy Global North countries (who are supposed to be taking the lead) still lagging in fulfilling their pledges. • Geopolitical factors play a large role in international agreements, and some nations such as the United States have withdrawn from the Paris Agreement which impacts overall funding and progress.
Ratio of debt-based versus grant-based climate finance	Proportion of total climate finance received by a country or community that comes in the form of loans (concessional or market-rate) compared to grants.	• High reliance on loan-based financing, especially for adaptation, can deepen debt burdens and undermine States' ability to fulfill economic, social, and cultural rights. From a gender justice lens, this may divert public resources away from services that disproportionately benefit women and marginalized communities. Equity requires prioritizing grants for countries with least responsibility for emissions and highest climate vulnerability.
Share of community revenue allocated to climate initiatives versus health, education, and social protection	Comparative share of local or community revenues dedicated to climate action relative to critical public services like healthcare, education, and social protection.	• Assess risks of regressive resource allocation; climate finance should complement (not compete with) resources for essential rights like education, healthcare, and social security, with attention to gender-differentiated impacts.

BENCHMARKING QUANTITATIVE INDICATORS FOR CLIMATE JUSTICE

Once the purpose and potential of indicators are clear, the next step is identifying which indicators best reveal the distributional and structural injustices within climate finance. Quantitative indicators can shed light on whether financial flows reflect equity and human rights priorities. For instance, ratios like grant-to-loan finance, climate finance as a share of GDP, or overall public climate spending can expose patterns of exclusion or imbalance. By comparing these metrics across income groups or regions, we can uncover systemic preferences—such as the global tilt toward mitigation over adaptation or the persistent reliance on debt to finance climate action in the Global South.

Crucially, aligning these indicators with commitments under the Paris Agreement, Nationally Determined Contributions (NDCs), and obligations under the International Covenant on Economic, Social and Cultural Rights helps assess whether climate finance is living up to its promises. Disaggregating data by geography, income level (and where possible, gender) is essential to ensure a full picture and uphold the human rights principle of substantive equality.



RELEVANT LINKS:

- **UNFCCC Climate Finance Data Portal:** Tracks climate finance flows, including by source and use https://unfccc.int/climate-finance
- **Climate Funds Update (Heinrich Böll Foundation & ODI):** Interactive data on pledges, disbursements, and types of finance (grants vs loans) https://climatefundsupdate.org/
- **OECD Climate Finance Provided and Mobilized by Developed Countries:** Annual reports on public and private climate finance https://www.oecd.org/climate-change/finance-usd100-billion-goal/
- **World Bank Climate Change Knowledge Portal:** Country-level climate finance and vulnerability data https://climateknowledgeportal.worldbank.org/
- **IMF Climate Finance Tracker:** Data and research on climate-related lending by IFIs https://www.imf.org/en/Topics/climate-change/climate-finance
- **Paris Agreement - Article 9** (Climate Finance Obligations) https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement
- **OHCHR and CESR Resources on Maximum Available Resources and Budget Monitoring** https://www.cesr.org/topics/public-resources-rights https://www.ohchr.org/en/special-procedures sr-extreme-poverty-and-human-rights

BENCHMARKING QUALITATIVE INDICATORS FOR CLIMATE JUSTICE

While quantitative indicators capture the scale and flow of climate finance, they often miss critical dimensions. They don't always reveal how decisions are made, whose voices are included, or whether affected communities perceive the process as fair and responsive. Moreover, there's a deeper qualitative concern: the lack of a universally agreed definition of what actually counts as climate finance. This ambiguity allows for the inclusion of projects that, on closer inspection, may undermine climate goals. Research has shown that multilateral development banks often count high-emission or socially harmful projects as climate finance, raising serious questions about transparency and accountability.[56] To address this, qualitative indicators help uncover how people experience climate finance in practice and whether it reflects their priorities, protects their rights, and supports their agency. They surface meaning and context, showing whether climate interventions challenge or reinforce structural inequalities.

The table below highlights key qualitative indicators that can be used to evaluate the fairness and effectiveness of climate finance from a rights-based perspective.

56 Kjell Wright, P. (2024). *A safe pair of hands? How the multilateral development banks fail to live up to expectations on climate finance.* Recourse.https://re-course.org/wp-content/uploads/2024/11/A-safe-pair-of-hands_Recourse_November-2024.pdf. Archive at: https://archive.ph/EMhnA

INDICATOR	DEFINITION	KEY HUMAN RIGHTS ISSUES TO CONSIDER
Existence and implementation of gender-responsive climate budgeting	Evidence of explicit integration of gender analysis and women's participation in climate finance planning and execution.	Lack of gender-responsive budgeting risks perpetuating gender inequalities and excluding women's priorities and participation, undermining their rights and community resilience.
Community vulnerability and climate risk assessment	Qualitative and quantitative assessment of community-specific vulnerability to climate risks, considering geographic, economic, and social factors such as location (e.g., small island states), economic reliance (e.g., agriculture-based), and existing inequalities.	Highlight disproportionate vulnerability among marginalized groups, including Indigenous peoples, women farmers, and economically marginalized communities, to ensure inclusive and rights-based climate strategies.
Quality and influence of community participation in climate finance decision-making	Degree, quality, and impact of community engagement in decision-making processes for climate finance allocations, including consultation processes, accessibility of information, and actual influence on decisions.	Participation should move beyond tokenism to meaningful and inclusive involvement, ensuring gender responsiveness and genuine empowerment of marginalized groups, including women, Indigenous peoples, and persons with disabilities.
Existence of grievance and accountability mechanisms in climate finance projects	Availability and effectiveness of mechanisms through which communities can address concerns or grievances about climate finance projects and impacts.	Ensure mechanisms are accessible, gender-responsive, culturally sensitive, and effectively address potential human rights violations, particularly for marginalized and vulnerable populations.
Community perceptions of fairness and equity in climate finance distribution	Community members' evaluations of whether climate finance resources are distributed fairly, transparently, and in line with local priorities.	Identify disparities or injustices in resource allocation that may violate non-discrimination principles, with a particular focus on gender equality and intersectional equity.
Proportion of climate funds accessible to vulnerable communities	Percentage of international, national, or local climate funds that have been effectively channeled to vulnerable communities (e.g., Indigenous peoples, coastal communities, rural women, youth, among others), compared to the total funds available during a given period.	Principles of Non-Discrimination and Equity dictate that all people, without distinction, must have equal access to financial resources intended to address climate change. In practice, this means that financing mechanisms must: • Be transparent and understandable to non-technical stakeholders. • Include explicit inclusion criteria for historically marginalized communities. • Consider participatory processes in decision-making regarding the allocation of funds. • Recognize and respect collective rights and free, prior, and informed consent.

INDICATOR	DEFINITION	KEY HUMAN RIGHTS ISSUES TO CONSIDER
Accessibility of climate funds for vulnerable communities	Assessment of how easily vulnerable communities can apply for, receive, and utilize climate finance, including eligibility criteria, administrative burden, language access, and capacity-building support.	Barriers to access, such as complex application processes, lack of local language materials, or absence of outreach, can prevent participation and violate principles of equity, inclusion, and informed consent.

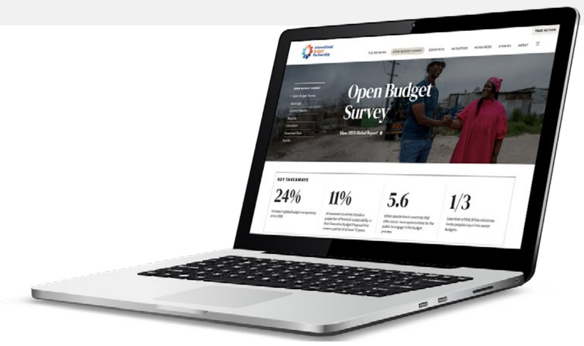
POTENTIAL BENCHMARKING SOURCES FOR QUALITATIVE INDICATORS:

Researchers can draw on a range of human rights standards and practical tools to benchmark qualitative indicators. CESCR General Comment No. 24 highlights States' obligations under the ICESCR in relation to business activities, including extraterritorial responsibilities and the duty to ensure accountability for private and cross-border actors. CEDAW General Recommendation No. 28 emphasizes the obligation to implement gender-responsive budgeting as part of ensuring substantive equality under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

Reports from the UN Special Rapporteur on human rights and climate change and the UN Special Rapporteur on the right to development offer additional guidance on applying human rights principles to the governance of climate finance. Complementing these are resources from the climate and economic justice fields—such as ActionAid's work on participatory climate finance, Oxfam's guidelines on gender-responsive budgeting, and the International Budget Partnership's Open Budget Survey, which provide practical tools and comparative data for assessing the equity, transparency, and accountability of climate finance systems.

RELEVANT LINKS:

- **CESCR General Comment No. 24:** https://www.ohchr.org en/documents/general-comments-and-recommendations/general-comment-no-24-2017-state-obligations
- **CEDAW General Comment No. 16:** https://www.refworld.org docid/453882a822.html
- **UN Special Rapporteur on Human Rights and Climate Change:** https://www.ohchr.org/en/special-procedures/sr-climate-change
- **Open Budget Survey – International Budget Partnership:** https://internationalbudget.org/open-budget-survey



STEP 2
ILLUMINATE

The second step to decoding injustice is to illuminate the deeper issues driving inequality in our economic systems. While the first step interrogates government conduct and exposes failures to meet human rights obligations, **this step explains how to reveal the structural forces and systemic patterns that produce those shortfalls.**

Data is crucial in this effort, offering insights that speak directly to the questions raised in Step 1: Interrogate. It helps us better understand the issues we aim to expose. However, it's essential to approach data critically, as important details can sometimes be hidden or distorted within it.

For many, if not all, of the indicators identified within the four dimensions of OPERA, relevant data is likely available. This data falls into two main types:

- **Secondary data—**information that already exists, having been collected by others, either for their own purposes or in various contexts.
- **Primary data—**information that is gathered firsthand, by you or your team, for the purpose of your specific research.

OUTCOMES	POLICY EFFORTS	RESOURCES	ASSESSMENTS
• Socio-economic statistics • Perception and opinion surveys • Direct observations • Events-based data • Interviews and focus groups • Climate adaptation impact surveys	• Categorical data about legislation and policies • Judicial opinions and decisions • Administrative statistics • Country commitments and pledges • Perception and opinion surveys	• Budgetary data • Perception and opinion surveys • International climate aid and grant flow data	• Perception and opinion surveys • Expert judgments • Interviews and focus groups

HOW TO SOURCE AND USE CLIMATE FINANCE DATA

Climate finance is a complex and fragmented field, spanning multiple sectors, regions, and institutions. Data is often dispersed across organizations, countries, and reports. It includes a mix of public, private, bilateral, and multilateral funding, each governed by its own rules, conditions, and monitoring systems. Funding mechanisms sometimes overlap, adding further complexity.

This section offers a structured guide to some of the most relevant sources of climate finance data. While no single source captures the full picture, organizing the data landscape into accessible categories can help make research more targeted and effective.

TRACK THE MONEY: USE QUANTITATIVE DATA TO ANALYZE CLIMATE FINANCE

Quantitative data is critical for tracking the scale, sources, and flows of climate finance. It includes numerical information such as how much funding is pledged, disbursed, or received; the ratio of loans to grants; and sectoral or regional breakdowns. This data helps researchers and advocates analyze whether financing aligns with global commitments (such as those under the Paris Agreement) or reflects imbalances, such as the chronic underfunding of adaptation. Quantitative indicators can be used to benchmark performance, compare country contributions, and assess systemic disparities. However, numbers alone do not tell the full story. These metrics must be interpreted with care, and always in relation to the political and structural context in which they exist.

Understanding multilateral climate finance

Before diving into the data, it's crucial to clarify what multilateral climate finance entails. This type of funding is contributed by a group of countries and managed by international institutions (such as the Green Climate Fund (GCF), Global Environment Facility (GEF), and Climate Investment Funds (CIF)) to support climate action worldwide. These funds aim to deliver resources where they're most needed, particularly to countries in the Global South facing disproportionate climate impacts.

Multilateral climate finance has several defining features:

1. It pools resources from multiple countries, enabling funding at a scale that most single countries could not provide on their own.
2. It is often channeled through grants or concessional loans, and increasingly through blended finance, where public funds are used to leverage private investment.
3. It is designed, at least in principle, to advance equity by prioritizing support to low-income and climate-vulnerable countries.

In practice, however, equity is far from guaranteed. Wealthier donor countries and financial institutions often dominate the governance of these funds. For example, while the GCF has increased support for adaptation since 2019, other funds like the Adaptation Fund still face major funding shortfalls, underscoring the need for more reliable and equitable financing.[57] These disparities point to a broader challenge: even within mechanisms created to correct global imbalances, power remains unequally distributed.

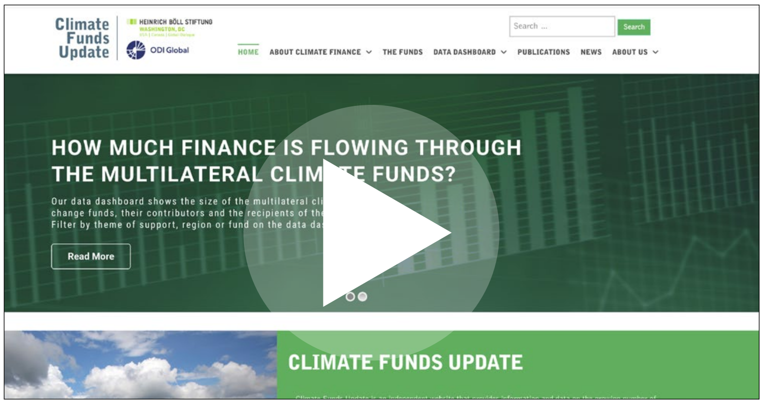
Understanding how multilateral climate funds work (and how they fall short) is essential for advocates pushing for fairer, rights-aligned climate financing. **The next sections examine key multilateral funds in more detail, exploring how they operate, who they serve, and how to access their data.**

A USEFUL STARTING POINT: CLIMATE FUNDS UPDATE

While individual fund websites offer useful summaries, they can be difficult to navigate. For a more comprehensive and user-friendly entry point into climate finance data, explore Climate Funds Update—a joint initiative by the Heinrich Böll Foundation and the Overseas Development Institute. This platform tracks contributions, disbursements, and financing trends across more than 20 major climate funds.

To access, visit: https://climatefundsupdate.org/

How to navigate the site?



This short video explains how to navigate the Climate Funds Update website to find data on contributions, disbursements, and financing flows across major climate funds. Also available at bit.ly/navigating_funds

Main sections to explore:

Homepage

The homepage provides a snapshot of global climate finance, including:

- How much funding is being pledged and disbursed
- Where the money is coming from and where it's going
- Regional and sectoral breakdowns of financial flows

"The funds" dashboard

This interactive tool is the heart of the site. It visualizes climate finance commitments and flows, allowing you to:

57 Heinrich Böll Foundation. (2025). *10 things to know about climate finance: 2025.* https://us.boell.org/sites/default/files/2025-03/cfu-10things2025.pdf

- Filter data by region and theme
- Drill down into contributions and receipts by individual countries

Individual fund pages

Each climate fund has its own dedicated page with detailed information on:

- Funding sources (e.g., donor countries, private institutions)
- Pledges made and funds disbursed
- Focus sectors (such as renewable energy, adaptation, or deforestation)
- The fund's governance structure and decision-making processes

GO DEEPER: DATA FROM UNFCCC CLIMATE FUNDS

The UNFCCC climate funds are multilateral mechanisms established under the UN climate framework to support climate action in developing countries. They provide project-based financing for both adaptation and mitigation efforts. Each fund has its own focus, governance model, and data portal. These sites can contain a large amount of information, but they provide valuable access to project-level data (by country, funding source, sector, and more) crucial for tracking how resources are allocated and used.

Five key multilateral climate funds operate under the UNFCCC framework:

UNFCCC CLIMATE FUNDS	NUMBER OF PROJECTS AND FINANCIAL SUPPORT	HOW IT IS FUNDED	FUNDING AREAS	WHO IS FUNDED
Global Environment Facility (GEF) Est. 1992	As of January 2025, the GEF had approved over 900 projects in the focal area of climate change, amounting to nearly USD 4.5 billion.	Voluntary contributions by developed countries through a fixed, four-year replenishment cycle. Serves as the operating entity of the Financial Mechanism of the UNFCCC and Paris Agreement.	Generally provides grants-based support. Since 2008, it has offered debt, equity, and risk mitigation instruments. The GEF also administers the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) under the guidance of the COP. Mandated to fund broader environmental outcomes, including climate change.	Developing countries
Least Developed Countries Fund (LDCF) Est. 2001, COP 7	As of January 2025, LDCF has approved over 300 projects and enabling activities with approximately USD 1.5 billion in grants.	Funded by donor countries on an ad hoc basis.	Address special needs of LDCs with priority of supporting the National Adaptation Plans of Actions (NAPAs) The current GEF 8 strategy (2022-2026) defines its thematic priorities as agriculture, food security, health, water, climate information, and nature-based solutions.	Developing countries

UNFCCC CLIMATE FUNDS	NUMBER OF PROJECTS AND FINANCIAL SUPPORT	HOW IT IS FUNDED	FUNDING AREAS	WHO IS FUNDED
Special Climate Change Fund (SCCF) Est. 2001, COP 7	As of 2025, it has approved 75 projects, representing USD 289 million in grant funding.	Funded by donor countries on an ad hoc basis. Contributions to the SCCF have effectively stalled since 2014 with only $21.87 million contribution and have reached a semi-dormant state due to lack of contribution.	Adaptation to climate change • Technology transfer • Mitigation (energy, transport, industry, agriculture, forestry, waste management) • Economic diversification of fossil fuel-rich countries.	Developing countries
Green Climate Fund (GCF) Est. 2010, COP 16	As of January 2025, has approved USD 11.3 billion for over 600 projects. First replenishment cycle (2019 - 2022) - approved 8 billion. Consultation for the second replenishment process is ongoing (2024- 2027).	Largest dedicated multilateral climate fund. Funded by developed countries party to the UNFCCC, public, non-public, and other sources. Serves as the operating entity of the Financial Mechanism of the UNFCCC and Paris Agreement.	Both public and private accredited entities can access and implement GCF funds. Mandated to fund the paradigm shift towards climate resilient and low carbon development pathways in developing countries. 50:50 balanced allocation to adaptation and mitigation over time. Offers financing in the form of grants, concessional loans, equity, and guarantees. Direct Access via national Direct Access Entities (DAE). DAEs are accredited entities58 who has met GCF set criteria on fiduciary, social, gender, and environmental standards.	Developing countries with a designated National Designated Authority or Focal Point
Adaptation Fund (AF) Est. 2001	As of January 2025, has approved USD 1.2 billion to 328 adaptation projects and programs.	Voluntary country contributions. Designed to be financed by 2% shares of proceeds of emissions credit for Clean Development Mechanism (CDM) under the Kyoto Protocol. Moved under the Paris Agreement at COP24.	Concrete adaptation measures to developing countries are part of the Kyoto Protocol. “Direct access” approach to climate finance. National, Regional and Multinational Implementing Entities (NIEs) can directly access and manage all aspects of climate finance adaptation and resilience projects. NIEs must be accredited and meet agreed fiduciary, environmental, social, and gender standards.	Developing countries

58 *Accredited entities are nations, subnational, or regional organizations or International Access Entities including United Nations agencies, multilateral development banks, international financial institutions and regional institutions*

TRACK THE ROLE OF DEVELOPMENT BANKS IN CLIMATE FINANCE

Multilateral Development Banks play a central role in mobilizing and distributing climate finance. They act both as implementing entities for UNFCCC climate funds and as managers of their own large-scale climate finance portfolios. MDBs are critical actors in the global response to climate change—especially in the Global South, where they support major infrastructure and adaptation projects.

A key mechanism through which MDBs channel climate finance are the **Climate Investment Funds (CIFs)**, established in 2008 to accelerate funding in areas such as clean technology, renewable energy, climate resilience, and forest conservation. The CIFs are administered by the World Bank and implemented in partnership with five major MDBs:

- World Bank Group
- African Development Bank (AfDB)
- Asian Development Bank (ADB)
- European Bank for Reconstruction and Development (EBRD)
- Inter-American Development Bank (IDB)

Despite their prominence, MDBs face ongoing criticism over how equitably, effectively and transparently they manage climate finance. Many MDBs prioritize middle- and high-income countries with stronger infrastructure and credit ratings, often sidelining the most climate-vulnerable nations. Their preference for loan-based finance over grants raises concerns about compounding debt in already-indebted countries—undermining the principle that climate justice must not come at the cost of fiscal sovereignty. Critics argue that MDBs often reinforce a debt-based development model, rather than supporting transformative, rights-based approaches.

Still, as the fastest-growing source of climate finance (with contributions tripling over the past decade) MDBs must be closely monitored by activists and researchers alike. The following section presents tools and platforms to help you analyze MDB data, understand where the money is going, and push for greater accountability.

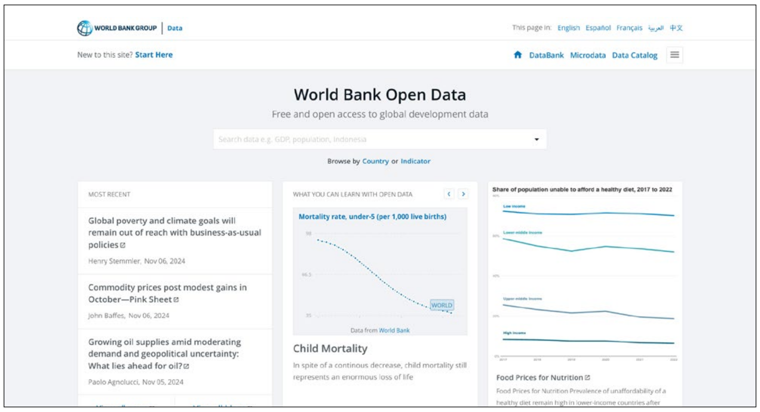
a) World Bank data

The World Bank Open Data platform is a key resource for tracking climate finance from MDBs. Its climate finance dashboard consolidates data from several institutions (including the World Bank Group, the International Finance Corporation (IFC), and regional development banks) into a single interface. The Bank also plays a central role in the climate finance system, serving as trustee of the Global Environment Facility and previously administering other UNFCCC funds. This makes its data especially useful for cross-referencing with fund-specific platforms.

However, **the World Bank's role is not neutral. Its influence is rooted in a legacy of colonial development models and the continued dominance of Global North interests.** Voting power is allocated according to financial contributions, giving donor countries significant decision-making authority59 while sidelining Global South governments.60 Historically, the Bank has prioritized top-down, market-driven development approaches that often exclude affected communities from meaningful participation.

While the World Bank offers valuable data, it must be interpreted with a critical eye, keeping in mind the structural inequalities and power imbalances that shape both its governance and operations.

To access, visit: https://data.worldbank.org/



Identifying relevant reports and data

- **Climate finance datasets:** To focus on climate-related financial data, explore the following key sections:
  * **Climate change and sustainability:** Search for specific reports like the "Climate Finance Landscape" or the "Climate Action Dashboard."
  * **Indicators:** Use indicators related to energy access, renewable energy investments, or climate-related expenditures (for example, the "Total Climate Finance" indicator or "Public Climate Finance Mobilized").
- **Search by topic or country:** You can filter data by themes like "Environment," "Energy," and "Climate Change" or by countries to focus on specific regions' or nations' climate-related spending.

Using the World Bank Open Data Catalog

- **Catalog search:** Use the search bar or the "Browse by Topic" tab to locate datasets specific to climate finance. Relevant datasets may include:
  * **Climate Finance for Developing Countries**
  * **Financial Flows for Climate Mitigation & Adaptation**
  * **World Bank Lending to Energy and Environment Projects**

59 La Ruta del Clima. (2024). *World Bank participation*. https://larutadelclima.org/sdm_downloads/world-bank-participation/. Archived at: https://archive.ph/1ZLuh

60 Calvo, et al. (2024). *The damaged legacy of the World Bank: Where millions of people's hopes lie.* La Ruta del Clima. https://larutadelclima.org/sdm_downloads/the-damaged-legacy-of-the-world-bank-hosting-the-hope-of-millions/. Archived at: https://archive.ph/xfQIZ

- **Data series:** You can look for time series data on financing flows, renewable energy investments, or international funds like the GCF or GEF contributions.

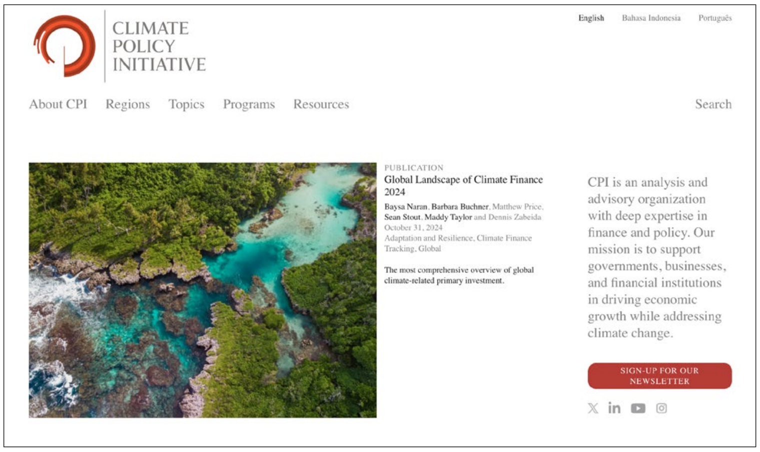
Visualizing and analyzing data

- **Data explorer tool:** The World Bank provides an interactive tool for visualizing data. You can:
  * **Select time periods:** Look at data over multiple years (e.g., 5-10 years) to see trends in climate finance flows.
  * **Choose indicators:** Focus on specific financial instruments or climate goals (e.g., "total public finance for climate change").
  * **Compare countries:** You can compare climate finance data across different countries or regions, allowing you to analyze patterns of funding and performance.

Track climate justice by country

To expose global inequalities in climate finance, it's also vital to examine data at the country level. Country-by-country climate finance data shows how much each nation contributes, receives, or both. This helps assess whether wealthier countries are meeting their commitments to support climate action in the Global South. This information is essential for evaluating equity, transparency, and accountability in climate finance flows, and for understanding whether public resources are advancing a just transition.

Climate Policy Initiative



The Climate Policy Initiative (CPI) is a leading source for comprehensive climate finance data. Unlike the World Bank dashboard, which focuses mainly on flows through multilateral development banks, CPI tracks climate finance across a broader ecosystem. This includes public and private sector contributions, national government funding, climate intermediaries, and philanthropic actors. By offering a global perspective, CPI helps reveal the full landscape of who is funding what—and where.

To access, visit: https://www.climatepolicyinitiative.org/

Explore CPI's reports and data tools

Topics section

This section offers categorized access to CPI's reports and datasets on climate finance trends. It helps users navigate different dimensions of climate finance needs:

- *Top-down needs* analyze finance by sector.
- *Bottom-up needs* to be disaggregated by country.

Look out for key reports, including:

- Global Landscape of Climate Finance
- Blended Finance in Clean Energy
- Assessing Bottom-Up Climate Finance Needs

Interactive data tools

Use CPI's search function to locate relevant data:

- **Select regional variables:** Filter by region or country, such as the Global South or sub-Saharan Africa.
- **Choose a sector:** Focus on areas like private finance, carbon markets, or adaptation.

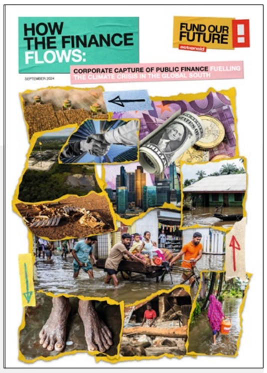
Net Zero Finance Tracker

CPI's Net Zero Finance Tracker assesses how private finance institutions are aligning their operations with the Paris Agreement and their progress toward net-zero goals.

UNCOVER LIVED IMPACTS: USE QUALITATIVE DATA TO ADVANCE JUSTICE IN CLIMATE FINANCE

Qualitative data plays a vital role in assessing the justice dimensions of climate finance, especially in revealing how rights are realized or denied on the ground. It encompasses non-numeric evidence gathered through structured interviews, community consultations, participatory mapping, and focus groups. Such data is invaluable for understanding whether climate finance systems uphold the human rights principles of participation, accountability, equity, and transparency.

For example, community-managed adaptation funds documented by ActionAid or gender-responsive participatory budgeting assemblies facilitated by Oxfam provide insight into how climate finance can be shaped by and for those most affected. Yet challenges remain, such as language barriers, community mistrust, or limited access to decision-makers, which can obscure whose voices are being heard and acted upon. **By integrating qualitative findings with financial data, you can build a more holistic picture of climate finance systems that are truly equitable and rights-aligned.**



RELEVANT LINKS:

- **ActionAid, Participatory Climate Finance:** Experiences from Kenya: https://actionaid.org/sites/default/files/publications/How%20the%20Finance%20Flows%202024_0.pdf
- **Oxfam, A Rough Guide to Gender-Responsive Budgeting:** https://policy-practice.oxfam.org/resources/rough-guide-to-gender-responsive-budgeting-620429
- **International Budget Partnership:** https://internationalbudget.org
- **Transparency International, Climate Finance Integrity:** https://www.transparency.org/en/projects/climate-finance-integrity

TURN DATA INTO EVIDENCE: ANALYZE CLIMATE FINANCE FOR JUSTICE

There's a key difference between data and evidence. Data becomes evidence when it's analyzed, interpreted, and placed in context. For climate finance, this means asking: What do the numbers say about countries' commitments, the needs of climate-vulnerable communities, and whether resources are being distributed fairly?

This section offers a quick guide to turning climate finance data into meaningful evidence (through simple calculations, contextual analysis, and triangulation) to assess whether climate finance flows are advancing justice and fulfilling human rights obligations.

CRUNCH THE NUMBERS TO UNCOVER DISPARITIES

To make sense of climate finance data, it's essential to compare and contextualize it. A few basic calculations can go a long way:

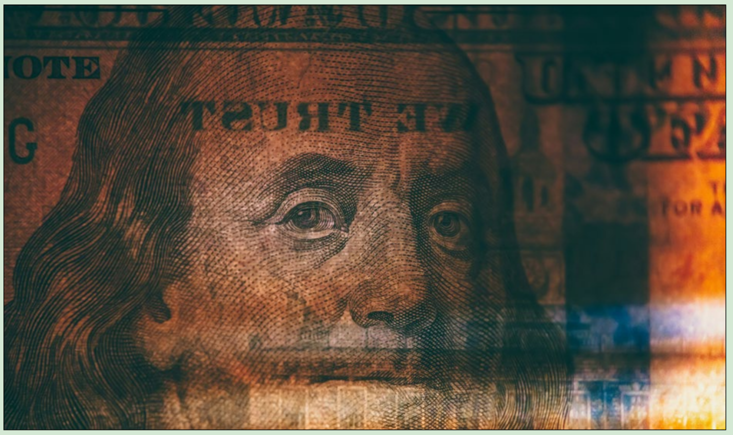
- **Convert to percentages or ratios:** Absolute numbers (like the total amount a country contributes) don't tell the whole story. Expressing finance as a share of Gross National Income (GNI) or government expenditure shows relative effort.
- **Per capita analysis:** Divide finance received by total population (or a target group such as smallholder farmers or coastal communities) to assess whether funds are reaching those most affected.
- **Adjust for inflation:** Using real terms (rather than nominal values) allows for year-to-year comparisons that account for changes in purchasing power.
- **Benchmarking for equity:** Comparing climate finance commitments across income groups or regions can highlight global disparities. For instance, examining the finance per capita allocated to low-income countries versus high-income ones reveals who is over- or under-contributing relative to their responsibility and capacity.
- **Time-series analysis:** Tracking funding patterns across multiple years helps reveal long-term trends in climate finance flows. Examining pledges versus actual disbursements over time can expose gaps between commitments and delivery.

These calculations become more meaningful when paired with contextual factors—such as climate vulnerability, debt burdens, or historical emissions—to assess whether financing is just, sufficient, and in line with rights obligations.

IN PRACTICE

Gather climate finance data that shows your country's overall profile from the sources outlined above. What does this data tell you in terms of:

- **The total climate finance your country received or contributed?**
  * How does this compare to GDP or total government expenditures? How much of this finance is in grants versus loans?
- **How does climate finance compare to other national spending in your country?**
  * How much does your country spend annually on military infrastructure, healthcare, education, etc.?
  * Who are the main contributors to or recipients of climate finance in your country?
- **How does your country's climate finance situation compare across regions or over time?**
  * Is your country a high- or low-emission country?
  * Are they paying their fair share relative to emissions?
  * Has your country's climate finance risen or declined over time



By analyzing these questions within a broader justice framework, you can assess whether climate finance flows are fair, effective, and aligned with urgent needs.

ADD CONTEXT TO EXPOSE HIDDEN BARRIERS

Quantitative data can tell us how much, when, or where. But to understand injustice, we also need to understand why. That's where contextual analysis comes in. Contextual analysis helps explain the deeper factors shaping climate finance flows. It's crucial for the Assessment step of OPERA, helping clarify whether a government is falling short due to external constraints or failing to meet its obligations despite having the means.

The OPERA Framework is useful in distinguishing problems that lie beyond a state's control from those for which the state is accountable. This requires evaluating both national and international factors that affect a state's capacity to fulfill its human rights obligations. These contextual constraints are often specific to each setting but generally stem from the actions of third parties or from deeper structural and systemic issues.

	DOMESTIC	INTERNATIONAL
Conduct of third parties	Misallocation or misuse of climate funds by local elites, weak oversight, lack of transparency or participatory decision-making.	Donor-driven priorities, conditionalities imposed by multilateral funders, lack of direct access for local actors, corporate lobbying.
Structural dysfunctions	Limited institutional capacity, fragmentation between national and subnational governments, poor integration of climate into budgeting, climate vulnerability.	Global tax injustice, complex or inaccessible application procedures for multilateral funds, uneven playing field in global climate finance governance.

STEP 3
INSPIRE

The Intergovernmental Panel on Climate Change (IPCC) warns that the window for meaningful climate action is rapidly closing.[61] But it's not closed yet. What we do now—how we act on the data, principles, and evidence outlined so far—can still shift the course.

Decoding Injustice's final step is about advocacy: using research, rights-based frameworks, and lived experience to demand change. It outlines practical strategies to challenge the power imbalances in climate finance and push for redistribution, accountability, and justice. Whether through legal action, direct policy engagement, or strategic communications that shift public narratives, advocacy can help redirect resources—and power—toward the people and places most affected by the climate crisis.

FOUR ADVOCACY GOALS TO DELIVER CLIMATE FINANCE JUSTICE

As we explored in Step 1: Interrogate, recent initiatives like the New Collective Quantified Goal (NCQG) aim to set climate finance targets. Yet these efforts often fall short—lacking ambition, enforceability, and alignment with human rights obligations. The data and evidence you've gathered through earlier steps provide a foundation for pushing beyond these limitations. Instead of focusing narrowly on one agreement, advocates can use this evidence to press for deeper structural change. The goals below group key demands into four strategic areas that tackle the systemic injustices at the heart of today's climate finance system.

GOAL 1: DRAMATICALLY SCALING UP PUBLIC CLIMATE FINANCE

Current climate finance flows are far below what Global South countries need to respond to the climate crisis. Meeting those needs requires a massive and sustained increase in public funding—not vague promises or reliance on private capital. Finance must be directed to where it's most urgently needed: mitigation, adaptation, and loss and damage.

Policy demands to advance this goal:

- Establish a **needs-based New Collective Quantified Goal** that reflects the $1.3 trillion per year requested by Global South countries at COP29.[62]

61 Intergovernmental Panel on Climate Change. (2023). *Synthesis Report Climate Change 2023*. https://www.ipcc.ch/report/ar6/syr/. Archived at: https://archive.ph/tXWqq

62 African Climate Wire. (2024, September). *African ministers call for $1.3 trillion climate finance target*. https://africanclimatewire.org/2024/09/african-ministers-call-for-1-3-trillion-climate-finance-target/. Archived at: https://archive.ph/NotAK

- Mobilize public resources by implementing **tax justice measures**, such as wealth taxes and taxes on fossil fuel companies, aviation, and shipping.
- **Phase out fossil fuel subsidies**—which exceed $7 trillion globally—[63] and redirect these public funds to equitable, rights-aligned climate solutions.

GOAL 2: IMPROVE THE QUALITY OF CLIMATE FINANCE

It's not just how much climate finance is delivered: It's how it's delivered and who it serves. Right now, too much of it flows through loans that fuel debt crises and bypass rights protections. To support just climate action, finance must be structured around public good, not private gain. That means shifting away from loan-based instruments and toward transparent, accountable, rights-based delivery.

Policy demands to advance this goal:

- Require **multilateral development banks to significantly increase the share of their climate finance provided as grants** (currently just 4%).[64]
- Ensure **automatic suspension of debt repayments** when countries are hit by climate shocks or disasters.
- **Embed human rights standards**—participation, transparency, and accountability—**into all climate finance frameworks** and decision-making processes.

GOAL 3: MAKE HUMAN RIGHTS THE FOUNDATION OF CLIMATE FINANCE

Climate finance must be guided by human rights, focusing on those most affected by the crisis. Funding decisions should reflect the voices, priorities, and leadership of frontline communities, ensuring that support reaches where it is needed most.

Policy demands to advance this goal:

- Prioritize **adaptation and loss and damage finance**, which remain critically underfunded despite escalating needs.
- Target **funding to women-led initiatives, Indigenous peoples, and climate-vulnerable countries** too often excluded from direct access to resources.
- Establish **independent accountability mechanisms** so communities can report misuse, challenge delays, and seek redress.
- Mandate **transparent reporting and open access to data** on pledges, disbursements, and project outcomes.

63 Coady, D., (2023). Fossil fuel subsidies surged to record $7 trillion. *International Monetary Fund.* https://www.imf.org/en/Blogs/Articles/2023/08/24/fossil-fuel-subsidies-surged-to-record-7-trillion. Archived at: https://archive.ph/fVxSq

64 Zero Carbon Analytics. (2023). *Reforming climate finance: Unlocking funds from multilateral development banks.* https://zerocarbon-analytics.org/archives/economics/reforming-climate-finance-unlocking-funds-from-multilateral-development-banks. Archived at: https://archive.ph/NWNOL

GOAL 4: DEMAND RIGHTS-BASED REFORM OF MULTILATERAL DEVELOPMENT BANKS

Multilateral Development Banks (MDBs) are now the fastest-growing source of climate finance, tripling their contributions between 2013 and 2022.[65] But quantity without justice is not progress. Despite bold claims, MDBs often fail to deliver finance that is rights-based, equitable, and aligned with climate justice goals. As Oxfam's Kate Donald has noted, "[MDBs] are quick to brag about their climate finance billions—but these numbers are based on what they plan to spend, not on what is actually delivered once projects get rolling."[66] The gap between MDB rhetoric and reality is deep—and civil society is calling for structural reform to close it.

Key demands include:

- **Transitioning away from financialization and private sector emphasis:** MDBs have long promoted a "billions to trillions" approach[67], hoping that limited public finance could be used to leverage vast private capital. On paper, tapping into the private sector's $470 trillion in global financial assets[68] could close the climate finance gap—less than 1% annually would suffice.[69] But in practice, **many private sector-led projects labeled as "climate**

65 Hirschel-Burns, T. (2024). *Negotiating in the Dark? How to Account for Multilateral Development Banks in the New Collective Quantified Goal.* https://www.bu.edu/gdp/files/2024/08/GEGI_PB_029_FIN.pdf. Archived at: https://archive.ph/EoBrN

66 Oxfam International. (2024). *Up to $41 billion in World Bank climate finance unaccounted for, Oxfam finds* https://www.oxfam.org/en/press-releases/41-billion-world-bank-climate-finance-unaccounted-oxfam-finds. Archived at: https://archive.ph/2nOHK

67 Ghosh, J. (2024). *The "Billions to Trillions" Charade | by Jayati Ghosh - Project Syndicate.* Project Syndicate. https://www.project-syndicate.org/commentary/private-sector-investment-will-not-close-climate-financing-gap-by-jayati-ghosh-2024-05. Archived at: https://archive.ph/b0U8r

68 Oxfam International. (2024). *World's top 1% own more wealth than 95% of humanity, as "the shadow of global oligarchy hangs over UN General Assembly".* https://www.oxfam.org/en/press-releases/worlds-top-1-own-more-wealth-95-humanity-shadow-global-oligarchy-hangs-over-un. Archived at: https://archive.ph/eJvzl

69 UN Conference on Trade and Development. (2024). *Trillion-dollar shift urgently needed to align global finance with climate and development goals.* https://unctad.org/news/trillion-dollar-shift-urgently-needed-align-global-finance-climate-and-development-goals. Archived at: https://archive.ph/HDiOp

finance" prioritize profits over people or planet. At best, they offer minimal environmental benefit while protecting investor returns. At worst, they actively worsen the crisis. For example, the Greater Malé Waste-to-Energy Project in the Maldives (classified by the Asian Development Bank as 100% climate finance) increased rather than reduced emissions.[70]

- **Shift from loans to grants and concessional finance:** MDBs overwhelmingly rely on loans to deliver climate finance—91% of their support takes the form of debt.[71] This "de-risking" model prioritizes investor confidence over country needs, often imposing austerity while deepening debt in already-struggling Global South economies. In 2023, support to climate-vulnerable regions like Small Island Developing States and Emerging Markets declined.[72] Worse, MDBs continue to fund harmful projects, pouring over $4.6 billion into fossil fuel-emitting initiatives in 2021 alone.[73]
- **Integrate gender and human rights safeguards:** As discussed in Step One: Interrogate, those already facing structural marginalization—such as women, Indigenous peoples, and rural communities—bear the brunt of the climate crisis. Despite this, most MDB frameworks still lack basic gender and human rights safeguards. In fact, gender is not mentioned even once in the core governing principles of major MDBs.[74] This omission is indefensible, especially given that women are up to 14 times more likely to die in climate-related disasters.[75] **Climate finance must embed gender-responsive and rights-based assessments at every stage, from design to disbursement.**

With these advocacy goals in mind, the next sections outline concrete ways to advance them—through legal action, direct advocacy, and narrative strategies. Advocacy targets: Engage the powerholders shaping climate finance

ADVOCACY TARGETS: ENGAGE THE POWERHOLDERS SHAPING CLIMATE FINANCE

To transform the climate finance system into one that advances justice and human rights, it is essential to identify and engage the actors who shape it. From policymaking and funding decisions to implementation, a wide range of institutions and governments influence how climate finance moves and who ultimately benefits. Mapping these actors helps clarify whom to target, what levers of change are available, and where to focus advocacy for the greatest impact.

Power in the climate finance system is unevenly distributed. Some actors, particularly multilateral financial institutions like the IMF and multilateral development banks, have an outsized influence on global funding decisions. In contrast, Global South countries often have limited leverage in negotiations. Understanding these imbalances is crucial for building advocacy strategies that shift power and prioritize equity.

70 Wright, P. (2024). *A Safe Pair of Hands? How the Multilateral Development Banks Fail to Live Up to Expectations in Climate Finance.* Recourse. https://re-course.org/wp-content/uploads/2024/11/A-safe-pair-of-hands_Recourse_November-2024.pdf. Archived at: https://archive.ph/EMhnA

71 OECD (2022) '*Climate Finance Provided and Mobilised by Developed Countries in 2016-2020: Insights from Disaggregated Analysis, Climate Finance and the USD 100 Billion Goal"* doi.org/10.1787/286dae5d-en. Archived at: https://archive.ph/OBrlO

72 Alayza, N., et al. (2024). *Multilateral Development Bank Climate Finance: The Good, Bad and Urgent.* https://www.wri.org/insights/mdb-climate-finance-2023.. Archived at: https://archive.ph/sm3zN

73 Neunuebel, C., et al. (2023). *The Good, the Bad and the Urgent: MDB Climate Finance in 2022.* World Resources Institute. https://www.wri.org/insights/mdb-climate-finance-joint-report-2022. Archived at: https://archive.ph/Mj6AB

74 Wright, P. (2024). *A Safe Pair of Hands? How the Multilateral Development Banks Fail to Live Up to Expectations in Climate Finance.* Recourse. https://re-course.org/wp-content/uploads/2024/11/A-safe-pair-of-hands_Recourse_November-2024.pdf. Archived at: https://archive.ph/EMhnA

75 Women's Environmental Leadership Australia. (2023). *Gender, climate and environmental justice in Australia.* https://wela.org.au/wp-content/uploads/2024/05/Summary-report-Gender-Climate-and-Environmental-Justice-in-Australia-WELA.pdf. Archived at: https://archive.ph/kSHPk

	NATIONAL	INTERNATIONAL
Political	Making policy recommendations and legislative proposals to allocate funds for climate change mitigation and adaptation.	Advocating with international financial institutions (e.g., World Bank, IMF, MDBs) for reforms in funding mechanisms and climate finance priorities.
	Engaging with national governments to create and implement climate finance policies that prioritize vulnerable populations such as women, rural workers, and those living in the Global South.	Campaigning for global financial reforms, such as increased funding for developing countries, and stronger climate commitments in multilateral agreements (e.g., NCQG).
	Pressuring political parties or individual politicians to take firm progressive positions on climate finance, carbon pricing, and MDB reform.	Pushing for international regulations on private sector investment in green projects and ensuring that climate finance aligns with global sustainability goals.
Judicial and quasi-judicial	Litigating climate finance issues, such as contesting insufficient government spending on climate adaptation or challenging policies that limit funding for green energy projects.	Submitting amicus curiae briefs in international courts or tribunals, advocating for stronger environmental and climate finance obligations under international law.
	Submitting petitions to national human rights commissions regarding the impacts of climate finance decisions on marginalized communities, especially in relation to loss and damage from climate change.	Monitoring and reporting on international legal proceedings involving climate finance and human rights, especially those related to the accountability of global financial institutions.
	Holding governments accountable through legal actions to ensure they fulfill their climate finance commitments, as per international climate agreements.	Submitting complaints or recommendations to international climate bodies (e.g., UNFCCC) or to treaty bodies on the compliance of countries and corporations with climate finance pledges.

CASE IN FOCUS: USING COURTS TO HOLD CLIMATE FINANCE ACTORS ACCOUNTABLE

As traditional climate diplomacy falters in delivering just and sufficient finance, communities are turning to the courts to demand accountability. One landmark example is the case of Luciano Lliuya v. RWE AG—a legal action that shows how individuals can challenge major polluters and potentially shift global norms.

Luciano Lliuya, a Peruvian farmer and mountain guide, brought a case against RWE, Germany's largest power producer, for its historical responsibility in causing climate change. His hometown of Huaraz faces serious risk from a glacial lake swollen by melting ice—a direct result of rising temperatures. The claim argues that since RWE is responsible for approximately 0.47% of global historic emissions, it should be liable for an equivalent share of the cost to protect the town, amounting to around USD 20,000.[76]

76 Kyser, D. (2023). *Yale Experts Explain Climate Lawsuits.* Yale Sustainability. https://sustainability.yale.edu/explainers/yale-experts-explain-climate-lawsuits. Archived at: https://archive.ph/GWygp

What makes this case groundbreaking is not just the financial claim (relatively modest compared to the scale of climate finance needed) but its legal logic. It asserts that those who have contributed to the climate crisis must pay their fair share in helping affected communities adapt and prevent further harm. If successful, it could set a powerful precedent: enabling other individuals or communities to seek climate reparations from corporate emitters, using verifiable data on emissions and climate impacts.

This case is part of a growing wave of climate litigation that shifts the focus from voluntary pledges and failed targets to enforceable obligations. By holding powerful actors financially accountable, these legal efforts reinforce advocacy goals around climate finance quantity, quality, and equity—pushing for a system where those most responsible.

Photo: Saúl Luciano Lliuya in Essen, 2016. BUND NRW, CC BY-SA 4.0, via Wikimedia Commons.

TAILOR YOUR MESSAGE: COMMUNICATION STRATEGIES FOR CLIMATE FINANCE

Communication is not just a tool for visibility: It's a strategy for shifting power. Whether targeting policymakers, financial institutions, or the broader public, effective messaging can transform mindsets, and with that, how people understand and act on climate injustice. As messaging strategist Anat Shenker-Osorio reminds us: "The job of a good message isn't to say what is popular, it is to make popular what we need said."[77] In the climate finance space, that means not only naming the scale of the problem, but reshaping the dominant narratives that obscure who is responsible and what justice requires.

To do this effectively, your messaging must be strategic. It should be tailored to your audiences, designed around clear objectives, and delivered through channels that can actually move people to action. The five steps below (based on CESR's Shifting the Narrative Toolkit) can help you build a campaign that supports your advocacy goals and strengthens demands for justice in climate finance.

SET OBJECTIVES: WHAT DO YOU WANT YOUR COMMUNICATION TO ACHIEVE?

The goal of climate finance advocacy is not just to raise awareness—it's to change the way people think about economic policy, government responsibility, and the right to a just climate transition. To do this, your campaign should identify both **long-term outcomes** and **the short-term shifts** in thinking or behavior that will help get you there.

Think about it this way: What should your campaign achieve in the long run? And what smaller shifts in people's understanding, attitudes, or motivation would help pave the way?

Here are some examples:

1. **Short-term shift:** More journalists cover climate finance as a justice issue, not just a technical one.
   Long-term outcome: Public opinion supports more equitable and transparent climate funding systems.

2. **Short-term shift:** Local organizations incorporate climate finance data into their campaigns.
   Long-term outcome: National governments are held accountable for climate finance commitments.

3. **Short-term shift:** Young activists understand the link between debt and climate justice.
   Long-term outcome: Stronger public demand for grant-based funding over loans in international climate finance.

Start by describing the future you're working toward (the outcome), and then define the smaller, more immediate cognitive or emotional shifts (the short-term changes) that would help get you there.

Once you're clear on what needs to change, you'll be better equipped to decide who you need to reach—and how.

77 Convergence Magazine. (2024, November 21). *Changing the temperature: Narrative strategy to move the base, with Anat Shenker-Osorio [Audio podcast episode]*. In Anti-Authoritarian Podcast. Castos. https://anti-authoritarian-podcast.castos.com/episodes/changing-the-temperature-narrative-strategy-to-move-the-base-with-anat-shenker-osorio. Archived at: https://archive.ph/M2g3Q

DEFINE YOUR AUDIENCES: WHO ARE YOU TRYING TO REACH?

Once you've clarified your short- and long-term objectives, the next step is identifying who can help make them happen. Your audience is the bridge between insight and impact. Start by mapping the different groups whose actions or thinking could influence your short-term goals. Then ask: *Which of these audiences are most strategic? Who is most likely to shift their mindset, influence others, or help unlock the policy or cultural changes your campaign aims to spark?* Don't limit yourself to the "usual suspects." Sometimes, the most influential allies are outside traditional advocacy circles—such as unexpected media voices, younger voters, or financial analysts open to new narratives.

To build a strategic picture of your priority audiences, answer the following questions as thoroughly as possible. Effective engagement depends on gathering detailed insights into each group's values, concerns, and communication habits. This allows advocates to craft messages that truly resonate and move audiences toward action. A printable Target Audience Profile template is available here.

QUESTION	HOW TO ANSWER IT
What does this group have in common?	This question is meant to help you **define your audience more precisely**. Instead of referring broadly to "the public" or "decision-makers," you're asked to look at **what unites a specific group**—so you can communicate with them more effectively. You might consider: • **Demographics**: age, gender, income level, education. • **Location**: urban/rural, region, country. • **Occupation or role**: e.g. journalists, civil servants, youth organizers, local government officials. • **Experiences or interests**: e.g. affected by flooding, active in climate justice, working in finance. • **Values or beliefs**: e.g. support for public services, interest in sustainable tech, concern for inequality.
What's holding them back from making the shift you want to see?	Identify the barriers—whether material (e.g. limited time, lack of access to data, bureaucratic constraints) or psychological (e.g. fear of backlash, skepticism of civil society, political caution)—that may prevent this group from engaging, changing their stance, or taking action. Understanding these barriers helps you tailor messages that acknowledge concerns and lower resistance.
What are their hopes and motivations?	Uncover what drives this group, whether it's a desire for justice, credibility, influence, economic growth, institutional stability, or legacy. Framing your message in terms that align with their aspirations can make it more persuasive and harder to ignore. When your advocacy connects with what they value, it's more likely to prompt action.
How do they stay informed and form opinions?	Identify the media outlets, information sources, influencers, and networks this group relies on. Do they follow technical policy briefings, international news, or community radio? Are they influenced by think tanks, civil society leaders, or social media? Understanding their information ecosystem helps you choose the most effective channels—and credible messengers—for your message.

In the climate finance landscape, priority audiences might include national policymakers (such as finance or environment ministry officials), decision-makers at international institutions (like Green Climate Fund board members or multilateral development bank directors), journalists and editors, civil society coalitions and community leaders, and the general public—particularly in countries that are either major donors or most impacted by climate change.

TIP: KEEP IT FOCUSED.

While many groups may be affected by or involved in climate finance, trying to reach too many audiences at once can dilute your impact. Start by selecting one or two priority audiences—those whose actions could create the greatest ripple effects or whose support is most urgent.

CRAFT THE MESSAGE: WHAT NARRATIVE INGREDIENTS WILL CHANGE MINDSETS?

Once you've clarified your objectives and identified your audiences, the next step is to shape a message that connects. To move people, from decision-makers to everyday citizens, you need more than accurate data. You need a message that frames the problem in a way that sparks understanding, emotion, and urgency. One that makes the justice issues in climate finance impossible to ignore, and the solutions feel within reach.

Based on our *Shifting the Narrative Toolkit*, this section outlines five key ingredients that make messages powerful and persuasive: **values, explanations, tone, metaphors, and solutions.** Use them together to craft narratives that challenge dominant frames and help your audiences see both the injustice and the possibility of climate finance reform.

a. Use values to anchor your message

People are more likely to support action when they connect an issue to what they already care about. Start your message by appealing to widely shared values—like dignity, fairness, responsibility, or care for future generations. These values create an emotional and moral foundation that can shift people from passive awareness to active engagement.

Example:

"Everyone deserves to live in dignity—yet climate finance often bypasses those most affected, leaving communities without the resources they need to survive and adapt."

b. Explain the system—don't just name the problem

People are quick to blame individuals or governments for failures they don't fully understand. Good messaging helps them see the bigger picture: that structural injustices—like debt traps, corporate capture, or donor dominance—are driving outcomes. Your explanation should identify the systemic causes of injustice and point to systemic solutions.

Example:

"Multilateral development banks often claim to support climate action. But when 90% of their funds come as loans, they add to the debt burdens of countries already hit hardest by climate change. These institutions should be financing solutions—not deepening crises."

c. Strike the right tone

The tone of your message matters as much as its content. Avoid fatalism or despair, which can lead to disengagement. Instead, use a tone that combines urgency with agency—conveying that the situation is serious, but change is possible. Anger can be useful when directed at injustice, but it should be paired with hope or solidarity to sustain engagement.

Instead of:

"Climate finance is a broken, corrupt system that will never work."

Try:

"Climate finance has been captured by elite interests—but we can change that by demanding systems that work for people, not profit."

d. Use metaphors to make complex ideas accessible

Metaphors help people understand abstract or technical issues by relating them to everyday experience. In climate finance, they can illustrate unequal power, institutional failure, or hidden responsibility.

Example:

- "Climate finance isn't trickling down—it's getting stuck at the top."
- "Imagine a house on fire. Instead of sending water, MDBs offer a loan for a hose. That's how climate finance is failing communities on the front lines."

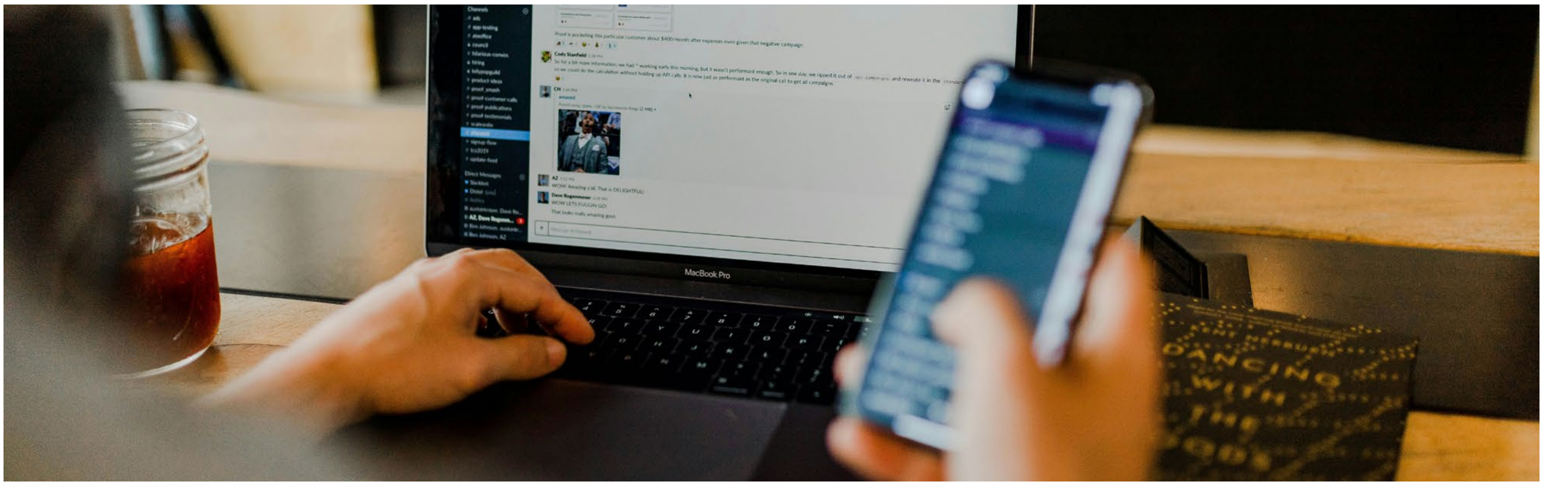
Be thoughtful with metaphors. They should clarify, not reinforce harmful narratives. Avoid war metaphors, apocalyptic framing, or language that blames the Global South for problems created elsewhere.

e. Always point to solutions

People are more likely to act when they see a path forward. Your message should not only expose injustice, but also highlight achievable changes—especially those rooted in collective power. Link your critique to policy alternatives and community-led innovations that show what's possible.

Example:

"Climate finance can be a tool for justice. By taxing the fossil fuel industry and redirecting subsidies toward community-led solutions, we can fund the future that people deserve."



CHOOSE THE RIGHT CHANNELS: REACH YOUR AUDIENCE WHERE THEY ALREADY ARE

Once you've defined your target audiences and understand their values, motivations, and barriers to action, the next step is identifying how best to reach them. Communication channels are not one-size-fits-all—what resonates with a policymaker may not reach a community leader or a young activist. Your audience profile should guide every choice, including format, tone, and delivery.

Ask yourself:

- When is your audience most likely to be open to receiving information?
- What types of formats do they engage with most—text-heavy reports, short videos, infographics, or live discussions?
- Which spaces—online or offline—do they already trust and use to form opinions?

Some examples from the climate finance landscape:

- **National policymaker**s might respond best to short, evidence-rich policy briefs, slide decks for internal presentations, or private briefings timed around key decision points like budget cycles or international negotiations.
- **Journalists and editors** may prefer press kits, human-centered story pitches, or timely op-eds that frame climate finance as a justice issue, especially around high-visibility global events like COP summits.
- **Community leaders or organizers** may rely on WhatsApp groups, community meetings, or radio for information sharing—formats that are more accessible and embedded in daily life.
- **Civil society coalition**s might prefer downloadable toolkits, joint statements, and coordination calls on platforms like Zoom or Signal to plan joint advocacy.

IMPLEMENT, REVIEW, AND IMPROVE

A good message doesn't end once it's shared, it evolves. Implementing your communications plan means more than posting or publishing. It's about embedding a feedback loop: monitoring how your messages land, reviewing what's working (and what's not), and adjusting to maximize impact.

Begin by rolling out your core messages through the most strategic channels for your priority audience(s). Focus on consistency across platforms and messengers: repetition builds recognition, and recognition builds trust. Wherever possible, coordinate messages with allies to amplify your reach and reinforce a shared frame.

Monitor responses and engagement

Track how your messages perform using both qualitative and quantitative tools. Are policymakers referencing your frames in public statements? Are journalists shifting the language they use? Is social media engagement deepening or just broadening your reach?

Use simple tools like:

- Google Alerts for media uptake
- Social media analytics
- Feedback from direct advocacy meetings
- Informal check-ins with allies, journalists, or community groups

Learn and adapt

The climate finance narrative is not static—and neither is your campaign. Use what you learn to refine your audience targeting, adjust your tone, or sharpen your visuals. Test different formats (e.g., short reels vs. infographics), metaphors, or framings and iterate based on what resonates.

FINAL RECOMMENDATIONS ON INSPIRING SYSTEMIC CHANGE

Injustice in climate finance is not a technical glitch, it's a design feature of systems built to concentrate wealth and power. Challenging it requires more than policy tweaks. It demands systemic transformation led by those most affected. As this guide has shown, evidence is powerful, but only when it's mobilized.

To inspire lasting change, we must connect rigorous analysis with bold advocacy. We must use data to expose inequities, narratives to shift mindsets, and pressure to hold decision-makers accountable. The path ahead is complex—but it is also open. With the tools in hand, the work begins now: to turn knowledge into action, and action into justice.

Below are four guiding principles to support you in turning analysis into impact. They distill lessons from across this guide into practical recommendations for shaping climate finance systems that are just rights-based, wherever you're working from.

START WHERE YOU HAVE LEVERAGE

You don't need to reach every audience or change every policy at once. Focus on the people, institutions, or decisions where your evidence and organizing can have the greatest impact, whether it's a national budget process, a multilateral development bank policy, or a narrative dominating the media.

USE THE FULL TOOLKIT

Advocacy is strongest when it's multifaceted. Combine legal strategies, direct policy engagement, public campaigning, and strategic communications to amplify your impact. Coordinate with others to align tactics across different arenas of influence.

CHALLENGE FALSE SOLUTIONS

Be ready to question dominant narratives like the over-reliance on private finance, or framing climate funding as charity. Push for systemic changes: taxing polluters, shifting subsidies, cancelling debt, and ensuring meaningful participation in climate decisions.

STAY CONNECTED AND COLLABORATIVE

Climate finance injustice is global, and so is the movement to fight it. Share tools, coordinate across borders, and support coalitions that uplift frontline leadership. Learn from others' successes and failures—and pass on what you've learned in turn.

We hope this guide supports your work to challenge climate finance injustice and push for rights-based alternatives. If you found it useful, share it with others in your network who might benefit too. We welcome your feedback: get in touch at info@cesr.org to tell us what resonated, what's missing, or how you're putting it into action.

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