

## THAT'S NOT NEW MONEY

2022

ASSESSING HOW MUCH PUBLIC CLIMATE FINANCE HAS BEEN "NEW AND ADDITIONAL" TO SUPPORT FOR DEVELOPMENT



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Thanks to Karl Deering, Sven Harmeling, Frederic Haupert, Karen Knipp-Rentrop, Juliet Perry, Fanny Petitbon, Marek
Soanes, Gregory Spira, Rosa Van Driel, Inge Vianen, and Nicola Ward for providing valuable comments. The views
expressed in this publication are those of the authors and do not necessarily represent those of CARE International.

Suggested citation: Hattle, A. and J. Nordbo. 2022. "That's Not New Money: Assessing how much public climate

finance has been "new and additional" to support for development". CARE Denmark.

Thanks to Enrique Spacca for preparing the report for release.

Cover photo by Josh Estey/CARE (Central and East Africa).

The study was commissioned by CARE Denmark.

## **CONTENTS**

EXECUTIVE SUMMARY	. 4
Recommendations	12
INTRODUCTION	. 14
THE ORIGINS OF "NEW AND ADDITIONAL"	
METHODOLOGY	
Two approaches to assess additionality	
Our data and calculations	21
HOW MUCH CLIMATE FINANCE IS NEW AND ADDITIONAL?	
Australia	32
Austria	34
Belgium	36
Canada	38
Denmark	40
Finland	42
France	44
Germany	46
Greece	
Iceland	50
Ireland	
Italy	54
Japan	
Luxembourg	
The Netherlands	
New Zeland	
Norway	
Portugal	
Spain	68
Sweden	
Switzerland	
The United Kingdom	
The United States	76
REFERENCES	. 78

## **EXECUTIVE SUMMARY**

In 2009 developed countries committed to supporting climate change adaptation and mitigation activities in developing countries. It was agreed that they would provide scaled-up, new and additional finance, reaching USD 100 billion a year in 2020.

Rich countries have admitted that they missed this target, but as we document in this research, they also failed to ensure that climate finance was "new and additional" to their support for development. In fact, most of the public climate finance reported by rich countries is taken directly from development aid budgets. This means less support for health, education, women's rights, poverty alleviation, and progress towards the achievement of the Sustainable Development Goals.

By assessing the most up-to-date data reported to the UNFCCC, only 6 per cent of the climate finance provided from 2011 to 2018 is seen to be new and additional to rich countries' official development assistance commitments. Even under a weaker definition of additionality, 55 per cent of the global North's public climate finance is development finance being diverted towards climate change action.



## LACK OF ADDITIONAL CLIMATE FUNDS THREATENS SUSTAINABLE DEVELOPMENT GOALS

In 2015, the UN General Assembly set an agenda to secure sustainable development across the world by 2030. The agenda requires that 17 Sustainable Development Goals are met, including the eradication of extreme poverty and hunger as well as achieving gender equality and empowerment of all women and girls.

The finance required for SDG investments is vast and needed urgently. For many developing countries, external public resources, such as official development assistance (ODA), remain essential. It is, therefore, important that rich countries meet their commitments to provide 0.7 percent of GNI in ODA, but the developed countries in the OECD currently provide only half of this amount.

As documented in this report, the majority of climate finance reported by rich countries means less finance for broader development priorities which threatens the achievement of the SDGs. This in turn undermines resilience to climate change, as noted by the IPCC:

"A key agreement was that climate financing should be 'new and additional' and not at the cost of SDGs. Resources prioritising climate at the cost of non-climate development finance increases the vulnerability of a population for any given level of climate shocks, and additionality of climate financing is thus essential." (IPCC, 2022)

2009's climate finance commitment was not an altruistic pledge by rich countries. It was a component of a broader global green deal arising from the UNFCCC's COP15 negotiations. According to that deal, the global South would begin to step up climate action as part of their sustainable development and poverty reduction efforts - despite their more pressing needs for economic development and poverty reduction. This would be necessary as the global North had failed to cut its own emissions fast enough to bring climate change under control, and because of the growing need for countries to leap-frog fossil fuel intensive processes.

It was recognized that climate action would not be cost free for the global South. Despite the prospect of technology costs falling over time, mitigation through, for example, the deployment of renewable energy, would carry extra costs compared to fossil fuel-based supplies. Global warming had also reached a level that necessitated costly adaptation to climate change. While CARE has been a constant advocate for an integrated approach to sustainable development, poverty reduction and climate action, the urgent need for additional funds for climate action was enormous.

It was considered fair that rich countries would pick up at least some of the bill for climate action in the global South. This was seen as justified due to the economic benefits gleaned by the global North's near unrestricted combustion of fossil fuels, which had led to both high per capita emissions and incomes. In contrast, many developing countries had, and continue to have, per capita emissions far below the global average.

However, rich countries failed to comply with their side of the deal. And while vulnerable countries in the global South began the process of climate-proofing their futures, the finance promised to assist them in doing so has never fully materialised. The Glasgow Climate Pact agreed during the UNFCCC's COP26 negotiations noted "with deep regret that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020" had "not yet been met".

Furthermore, rich countries over-report how much climate finance they deliver and have failed to ensure a balance between the finance they provide for climate change mitigation and adaptation objectives, issues which have been laid out in numerous reports from academics, the OECD, the UNFCCC, and civil society alike (Timmons Roberts and Weikmans, 2017; OECD, 2021a; Bhattacharya et al., 2020; Carty, Kowalzig and Zagema, 2020; Hattle et al., 2021).

In this report, we look at another crucial aspect of climate

finance. We investigate whether the public climate finance reported by the 23 rich countries with obligations under the UNFCCC is new and additional to their support for development.

Our analysis includes all the public climate finance reported by these countries from 2011 to 2018. The analysis therefore covers the most recent and comprehensive data available, with further reporting likely to be published by the UNFCCC in January 2023 at the latest.

We use and compare two definitions of additionality to outline what counts as "new and additional" climate finance:

- Strong additionality: The amount of climate finance which has been provided on top of the long-standing international commitment made by rich countries to provide 0.7 per cent of their GNI as official development assistance (ODA).
- Weak additionality: The amount of climate finance which has been provided by a rich country on top of the level of development finance they contributed in 2009, the year of the COP15 climate finance commitment.

In total, rich countries reported USD 220 billion of public climate finance across the 8 years from 2011 to 2018, as outlined in Figure 1. Yet we find just USD 14 billion of that climate finance to be strongly additional. Only 6 per cent of rich countries' climate finance has been provided on top of the commitment to provide 0.7 per cent of their GNI towards development in the global South.

Considering the second assessed definition, USD 99 billion, or 45 per cent, of reported climate finance was found to be weakly additional and provided above the level of development finance observed in 2009. Even under this weaker definition of additionality, more than half of the climate finance reported by rich countries does not represent extra support for the global South. Instead, this support is development finance being 'rebadged' with climate change objectives when it should have been provided on top of any support for development.

And the problem is only getting worse. CARE finds that from 2011 to 2018, a decreasing share of the climate finance reported by rich countries was "new and additional" to support for development.

In 2011, the share of reported climate finance found to be weakly additional was 60 per cent, while the share of reported figures found to be strongly additional was 10 per cent. By 2018 these shares had dropped to 40 per cent and 4 per cent, respectively.

Despite the rhetoric surrounding the adoption of the Sustainable Development Goals and the focus on ending poverty and hunger by 2030, little effort is being made to contribute climate finance on top of existing development finance obligations.

We have analysed the climate finance reported by each of the 23 rich countries and our analysis shows that they fall into 3 broad groups:

#### Countries providing significant amounts of strongly additional climate finance: The 1% club

Only 3 countries, Luxembourg, Norway, and Sweden, have consistently surpassed the commitment to provide 0.7 per cent of their GNI as ODA. At the same time, these countries have provided large per capita amounts of both strongly and weakly additional climate finance on top of their support for development.

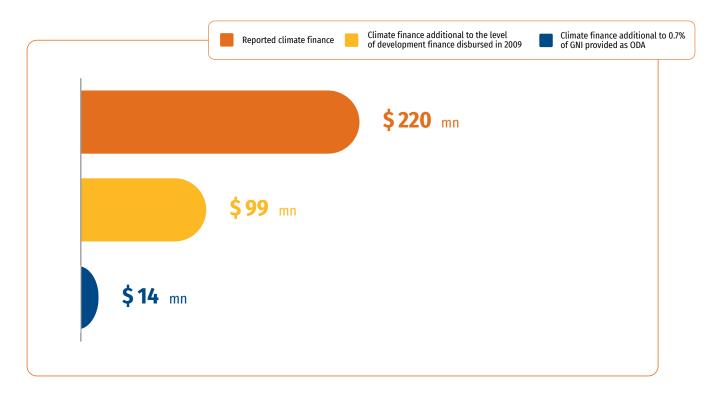
Across the 8-year period, these countries provided just over 1 per cent of their GNI as ODA towards development and climate change objectives.

## Countries providing some strongly and weakly additional climate finance

A further 10 countries, Denmark, the Netherlands, the United Kingdom, Germany, Switzerland, Iceland, Austria, Finland, Australia, and New Zealand, provided much lower shares of their GNI as ODA compared to Luxembourg, Norway and Sweden. As a result, these countries provided low, or no, amounts of strongly additional finance.

Denmark and the Netherlands saw years where all or some of their climate finance came on top of the 0.7 per cent target. Yet, for both countries, amounts of new and additional climate finance and overall development support significantly reduced over the period.

The only other member of this group to provide strongly additional climate finance was the United Kingdom, who provided a tiny amount of strongly additional support on top of their 0.7 pledge. Despite providing much lower per capita amounts than Luxembourg, Norway and Sweden, the country did consistently increase the amount of development finance it contributed from 2011 to 2018 in absolute terms, relative to 2009. This meant that all the United Kingdom's reported climate finance met CARE's definition of weak additionality.



**Figure 1:** Climate finance reported by Annex II Parties to the UNFCCC from 2011 to 2018 and amounts which can be considered "new and additional" (USD billions).

Germany came close to providing 0.7 per cent of its GNI as ODA in some years, while Switzerland consistently provided around 0.5 per cent, yet both countries failed to exceed the target. As a result, Germany and Switzerland failed to provide any strongly additional climate finance. As was the case with the United Kingdom, almost all of Germany and Switzerland's climate finance met the weak definition of additionality.

Iceland, Austria, Finland, Australia and New Zealand make up the remainder of this group. These countries failed to provide any strongly additional climate finance and provided much less weakly additional finance on a per capita basis.

### Countries providing no strongly additional finance, and small amounts of weakly additional finance

The final 10 countries, Italy, Canada, Japan, the United States, France, Spain, Belgium, Portugal, Greece, and Ireland, failed to surpass the 0.7 per cent target in any of the 8 years, and provided no strongly additional climate finance. On average these countries provided just USD 10 per capita of weakly additional climate finance to the global South from 2011 to 2018.

This group contains 5 members of the Group of Seven (G7) large economies: Italy, Canada, Japan, the United States, and France. The per capita amounts of weakly additional climate finance being contributed by these 5 rich countries were very low, yet the United States, Canada, and Italy did manage to ensure that around 80% of their reported totals met the weak definition of additionality.

In contrast, just 4 per cent and 12 per cent of the climate finance reported by France and Japan to the UNFCCC was provided on top of the level of development finance they contributed in 2009. France and Japan have reported large amounts of climate finance while largely failing to ensure that their climate finance was additional to their support for development.

The remaining 5 countries in this group, Spain, Belgium, Portugal, Greece and Ireland, provided less than USD 2 per capita of weakly additional finance across the period. 23 per cent of the climate finance reported by Portugal was found to be weakly additional, while less than 10 per cent of the finance reported by Spain and Belgium qualified as new and additional under the weak definition. Greece and Ireland failed to provide any new and additional support at all.



Country	New and additional climate finance (Per capita annual average; 2011-2018; USD)			
Country	Strongly additional: Additional to 0.7% of GNI provided as ODA	Weakly additional: Additional to the level of development finance in 2009		
Luxembourg	\$155	\$95		
Norway	\$148	\$111		
Sweden	\$58	\$55		
Denmark	\$35	\$10		
Netherlands	\$6	\$0		
United Kingdom	\$1	\$29		
Germany	\$0	\$57		
Switzerland	\$0	\$34		
Iceland	\$0	\$23		
Austria	\$0	\$13		
Finland	\$0	\$10		
Australia	\$0	\$10		
New Zealand	\$0	\$10		
Italy	\$0	\$8		
Canada	\$0	\$8		
Japan	\$0	\$8		
United States	\$0	\$6		
France	\$0	\$3		
Spain	\$0	\$1		
Belgium	\$0	\$1		
Portugal	\$0	\$1		
Greece	\$0	\$0		
Ireland	\$0	\$0		
Annex II Parties	\$2	\$13		

Table 1: The relative efforts of Annex II Parties to provide new and additional climate finance in the context of two definitions of additionality: (1) Funds in excess of 0.7% of GNI provided as ODA; and (2) Funds in excess of the level of development finance in 2009 (USD; 2011-2018; Per capita annual averages). Ordering presents the countries providing finance above 0.7% of GNI first, and then those providing climate finance above the levels of development finance observed in 2009.

The members of the G7, Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States, are some of the largest economies in the world, and countries who report large amounts of climate finance. G7 countries were responsible for 85 per cent of the USD 220 billion of climate finance collectively reported to the UNFCCC by rich countries from 2011 to 2018.

Despite reporting large quantities of finance, these large economies provide almost no strongly additional climate finance. Only the United Kingdom succeeded in doing so, contributing, on average, just USD 1 per capita annually.

Collectively, G7 countries contributed just 2 per cent of the USD 14 billion of climate finance provided by rich countries on top of their commitment to provide 0.7 per cent of their GNI as ODA. In contrast, Luxembourg, Norway, and Sweden,

countries accounting for 2 per cent of the rich countries' collective GNI, provided 81 per cent of the total.

Table 2 looks more closely at the absolute and relative amounts of new and additional climate finance being contributed by members of the G7.

Concerning weakly additional finance, G7 countries contributed 84 per cent of the USD 99 billion total, with Germany and the United Kingdom providing the most on a per capita basis. Canada, France, Italy, Japan, and the United States provided some of the lowest per capita amounts of weakly additional finance of all rich countries.

Comparing the figures reported by countries themselves, and the amounts found to be weakly additional, France and Japan contributed very little of their climate finance above

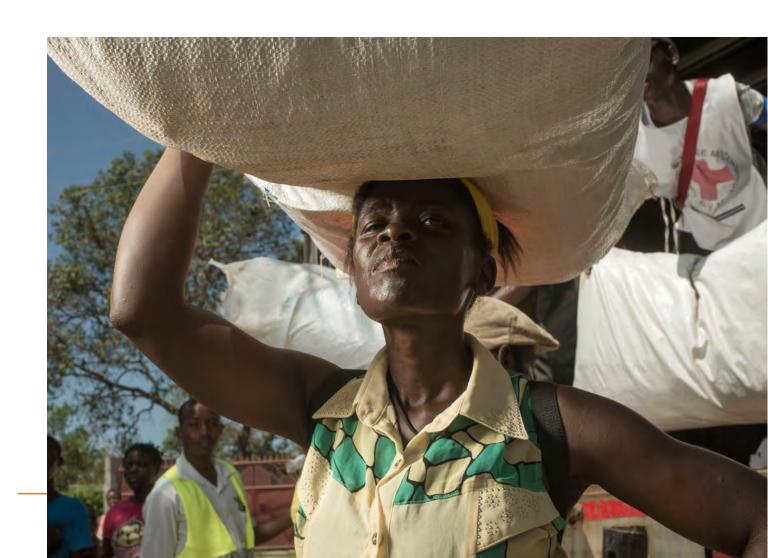
G7 country	Reported climate finance	Reported climate finance as a share of GNI	Strongly additional: Additional to 0.7% of GNI provided as ODA	Weakly additional: Additional to the level of development finance in 2009
Canada	\$2.8 bn (\$10 per capita)	0.02%	\$0.0 bn (\$0 per capita)	\$2.4 bn (\$8 per capita)
France	\$33.7 bn (\$64 per capita)	0.16%	\$0.0 bn (\$0 per capita)	\$1.4 bn (\$3 per capita)
Germany	\$45.8 bn (\$70 per capita)	0.15%	\$0.0 bn (\$0 per capita)	\$37.3 bn (\$57 per capita)
Italy	\$4.5 bn (\$9 per capita)	0.03%	\$0.0 bn (\$0 per capita)	\$4.1 bn (\$8 per capita)
Japan	\$67.8 bn (\$67 per capita)	0.16%	\$0.0 bn (\$0 per capita)	\$8.3 bn (\$8 per capita)
United Kingdom	\$15.0 bn (\$29 per capita)	0.07%	\$0.3 bn (\$1 per capita)	\$15.0 bn (\$29 per capita)
United States	\$16.8 bn (\$7 per capita)	0.01%	\$0.0 bn (\$0 per capita)	\$14.6 bn (\$6 per capita)
G7 subtotal	\$186 bn	0.06%	\$0.3 bn	\$83 bn
Annex II total	\$220 bn	0.06%	\$14 bn	\$99 bn

**Table 2:** Absolute and relative amounts of reported and new and additional climate finance contributed by members of the Group of Seven (G7).

the level of development support they provided in 2009. As stated above, just 4 per cent and 12 per cent of the climate finance reported by these two wealthy nations was found to be weakly additional. This means that these two countries have not provided their climate finance in the context of a significantly growing development budget. The contrast between France and Japan's reported climate finance totals of USD 33.7 billion and USD 67.8 billion, respectively, and the USD 1.4 billion and USD 8.3 billion deemed to be weakly additional, is significant.

Most striking, however, are the low amounts of both reported and additional climate finance being contributed by the United States. The United States accounted for 24 per cent of global GNI in 2018 and is the largest economy in the World (World Bank, 2021). Despite this, the United States reported just 0.01 per cent of its GNI as climate finance from 2011 to 2018, some of which was not additional to the country's support for development.

Analyses show that regardless of the metric and methodology used to determine a rich country's fair share of international efforts to contribute climate finance to the global South, the United States falls well short of shouldering its responsibility (Colenbrander, Cao, & Pettinotti, 2021; Egli & Stunzi, 2019; Kowalzig, 2019; WRI, 2018).



#### RECOMMENDATIONS

CARE calls on the G7 and other Annex II Parties to the UNFCCC to begin to honour their obligations and commitments to provide USD 100 billion of new and additional climate finance. Rich countries should follow the example of Luxembourg, Norway, and Sweden by delivering all of their climate finance on top of the pledge to provide 0.7 per cent of their GNI as ODA.

Countries not yet meeting the 0.7 per cent target should redouble their efforts to do so within the next few years, and make sure that their climate finance is contributed on top of a growing aid budget.

In the on-going climate finance negotiations under the UNFCCC, a clear definition of what constitutes "new and additional" climate finance should be agreed. This definition should ensure that climate finance is additional to any support provided for "loss and damage" and development. It is in the interest of all Parties to know either exactly what they can expect to receive or what they are expected to provide.

Development and climate activities require substantially increased funding. Despite the falling costs of mitigation technologies, and the many synergies between mitigation and adaptation actions and sustainable development, it is imperative that rich countries' contributions of climate finance come on top of their support for development, complementing developing countries own efforts and investments.

In many contexts, the physical realities of climate change will add substantial costs to the development agendas in global South countries. Diverting funds from tackling poverty to support the response to climate change is unjust and attributes the responsibility for action to the world's poorest, who have contributed least to the crisis.





## INTRODUCTION

In 2009's Copenhagen Accord, developed countries committed to providing financial support to address the needs of developing countries to respond to climate change. In doing so, developed country Parties to the United Nations Framework Convention on Climate Change (UNFCCC) promised to mobilise \$100 billion a year in climate finance for developing countries by 2020, a pledge reaffirmed by Article 9 of the Paris Agreement (UNFCCC, 2015).

Despite the historic responsibility for global emissions residing squarely with the rich, industrialised countries of the global North, the impacts of climate change are hitting the poorest and most vulnerable hardest. Climate shocks are compounding global inequalities, exacerbating existing development challenges, and adding a substantial burden to public budgets in the global South. As an exercise recognising historic responsibility and building trust, provisions of climate finance to cover the full costs of climate change are considered central to the grand bargain of multilateralism under the Paris Agreement (Bhattacharya et al., 2020).

Key decisions surrounding the \$100 billion goal made clear that finance had to be contributed on top of existing efforts to support development in the global South: that finance must be "new and additional". The 2009 Copenhagen Accord stated "scaled up, new and additional, predictable and adequate funding" needed to be provided from rich to poor countries to implement the Convention. Additionality as a precondition for climate finance recognised that if resources were to be diverted from tackling inequality to tackling the climate emergency, a population's vulnerability to climate shocks would likely increase.

Over the last decade, organisations have tracked progress towards the joint mobilisation goal, often landing at different estimates. Estimates of the total amount of public climate finance provided by developed to developing countries in 2018 vary from \$61.6 to \$19-22.5 billion in reports from the OECD and Oxfam, respectively (Carty, Kowalzig and Zagema,

2020; OECD, 2021a). These differences reflect divergent views concerning what exactly counts as climate finance. The OECD largely aggregate the finance reported by, and attributable to, rich countries, regardless of whether that finance is provided as a grant or a market-rate loan. Oxfam, on the other hand, attempts to include only the most equitable finance, accounting for inaccurate reporting on the part of rich countries and the loan-based finance which will eventually make its way back to the global North.

Despite forewarnings, efforts to ensure finance is new and additional have been lacking over the last decade and concerns remain surrounding additionality (IPCC, 2022). And without international consensus on the concept, neither the OECD nor Oxfam have assessed how much finance can be considered "new and additional" to support for development. More generally, few studies have attempted to quantify additionality. In one existing analysis, the Center for Global Development assessed the OECD's aggregate climate finance totals for 2018, finding almost half could not be considered as new and additional support (Mitchell, Ritchie and Tahmasebi, 2021).

This report builds on existing literature and assesses the additionality of the climate finance reported by individual rich countries in the global North, the 23 Annex II Parties of the UNFCCC. The analysis covers the years 2011 to 2018 and considers the most up to date data officially reported to the Convention, with financial figures covering 2019 and 2020 having not yet been published. Through the lens of two definitions of new and additional climate finance, we explore the extent to which considering additionality affects the amounts of climate finance being contributed to the global South.

## THE ORIGINS OF "NEW AND ADDITIONAL"

Broadly, additionality can be defined as "the need for climate finance to be added on top of existing development aid flows and ensure that development finance does not decline as climate finance increases" (Bhattacharya et al., 2020).

The roots of additionality can be traced back over three decades to 1989. The UN General Assembly, considering the then-upcoming UN Conference on Environment and Development (UNCED), decided to identify "ways and means of providing new and additional financial resources, particularly to developing countries, for environmentally sound development" (UN, 1990). The subsequent Agenda 21 text resulting from the UNCED meet in Rio de Janeiro, 1992, asserted that "[developmental and environmental objectives] will require a substantial flow of new and additional financial resources to developing countries, in order to cover the incremental costs for the actions they have to undertake to deal with global environmental problems and to accelerate sustainable development" (UNSD, 1992).

In the explicit context of climate change, the concept of "new and additional" finance appeared as foundational to the UNFCCC itself. Under Article 4.3, the Convention states that financial resources to meet the full incremental costs of climate actions should be "new and additional" (UN, 1992).

In both Agenda 21 and the UNFCCC, there was an explicit understanding that climate change and environmental problems represented further burdens for developing countries, and that they would need extra support to overcome them.

Moving forward, additionality as a precondition for climate finance was consistently reiterated during the establishment of the \$100 billion goal. The Copenhagen Accord of 2009 stated that "scaled up, new and additional, predictable and adequate funding as well as improved access shall be provided to developing countries" (UNFCCC, 2010). The Cancun Agreement then formalised the pledges

made in Copenhagen, deciding "scaled-up, new and additional, predictable and adequate funding shall be provided to developing country Parties, taking into account the urgent and immediate needs of developing countries that are particularly vulnerable to the adverse effects of climate change" (UNFCCC, 2011). And while the phrase "new and additional" does not appear in the text of the Paris Agreement, it was mentioned in the subsequent Katowice Rulebook (UNFCCC, 2016a, 2018a).

Despite constant reference, progress towards an internationally agreed definition of "new and additional" climate finance failed to materialise. The Standing Committee on Finance's Biennial Assessment reports moved to review the literature, suggesting eight possible definitions of additionality. None were universally adopted, and additionality remains undefined under the UNFCCC architecture to this day. Most rich countries make use of hollow definitions, allowing them to report all their finance as new and additional (Hattle and Nordbo, 2021).



**METHODOLOGY** 

To assess the additionality of rich countries' climate finance, CARE has selected two definitions of the "new and additional" concept cited in the UNFCCC's Biennial Assessment reports (UNFCCC, 2014; 2016). Efforts to provide climate finance have then been tracked and compared against wider trends in public development finance and existing development obligations, as published by the OECD. As a result, we analyse the extent to which climate finance can be considered as additional to support for development.



## TWO APPROACHES TO ASSESS ADDITIONALITY

Two definitions of additionality are explored in the analysis, and outlined in detail below:

- 1 Strong additionality: The amount of climate finance which has been provided on top of the long-standing international commitment made by rich countries to provide 0.7% of their GNI as Official Development Assistance (ODA).
- Weak additionality: The amount of climate finance which has been provided by rich countries on top of the level of development finance they contributed in 2009, the year of the COP15 climate finance commitment.

## Strong additionality: New and additional funds in excess of 0.7% of GNI

Strongly additional climate finance is the finance provided by rich countries on top of a commitment to provide 0.7% of their GNI as ODA annually. This is because many of the costs of climate change come on top of those for development, and because support for development should not decline as a result of increased support for climate change. Only funds in excess of this existing pledge to support development in the global South can be considered as new and additional here.

In 1970, developed countries committed to providing 0.7% of their GNI as ODA annually (UN General Assembly, 1970). The pledge has been repeatedly endorsed at the highest level at international development conferences. All OECD Development Assistance Committee (DAC) members accept the target, apart from Switzerland and the US (OECD, n.d b).

At the G8 meeting at Gleneagles in 2005, rich nations repeated their promise to increase financial assistance to developing countries, and to finally reach the 0.7% target. In the same year, the EU, G8 and UN World Summit all referenced the commitment (ibid.). These commitments were reaffirmed through the Addis Ababa Action Agenda on Financing for Development in 2015 (UNDESA, 2015).

Unfortunately, neither the G7, Russia, nor the EU has realised these promises. In 2020 and 2021, EU Member States contributed around 0.5% of their GNI as ODA, while developed countries provided just 0.33% collectively (OECD, 2022). In 2021, only five countries, Denmark, Germany, Luxembourg, Norway, and Sweden, met or exceeded the 0.7% target, while the United States contributed 0.17% of its GNI as ODA. The United Kingdom has more recently announced a lowering of its ODA budget from 0.7% to 0.5% in the coming years (UK Parliament, 2020). Regardless of concerns surrounding the over-reporting of loan-based ODA and ODA in support of COVID-related activities and incountry refugee costs, after 50 years, rich countries are still far from achieving the 0.7% target (Cutts, 2022; Dissanayake, 2022).

It is therefore important to determine how much climate finance has been contributed by rich countries on top of their 0.7% pledge. Doing so will highlight the extent to which climate finance is additional to development support, rather than simply ODA rebadged with climate objectives.

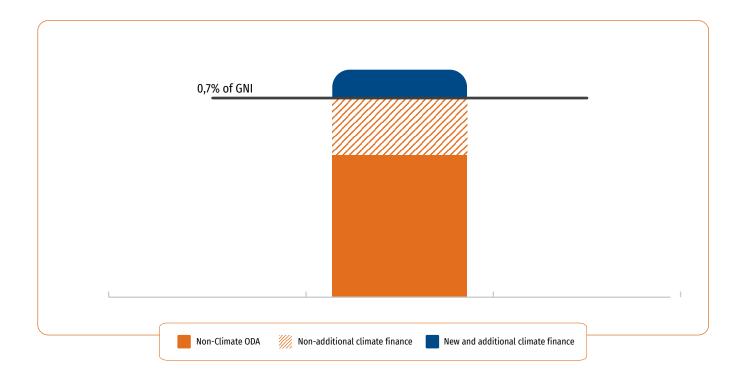
CARE has collected OECD data concerning ODA and GNI for each rich country (OECD, n.d; n.d c). These data allow for annual climate finance totals to be compared against annual provisions of ODA - both as shares of GNI. Only

climate finance provided in excess of an annual 0.7% GNI baseline can be considered as new and additional support, as presented in Figure 2.

This definition of new and additional climate finance creates a hard distinction between the financial efforts in support of development and climate objectives, respectively. Of the two selected definitions, this GNI-ODA metric best accounts for the reality of climate change in the global South: where many of the costs of climate change have added to the costs of development.

Importantly, for climate finance to be considered as strongly additional it must also qualify as ODA – as "concessional" finance being provided on terms more favourable to countries in the global South than other forms of development support. Strongly additional finance

Luxembourg reports climate finance as both ODA and International Climate Finance (ICF). ICF is reported to the UNFCCC as non-concessional OOF to distinguish it from climate-related ODA. However, OECD records show that Luxembourg did not provide any OOF to developing countries between 2011-2018. Luxembourg's ICF is treated as "new and additional" finance in this analysis, even though precise information regarding its concessionality is lacking.



**Figure 2:** Schematic outlining the climate finance qualifying as new and additional under the definition: Funds in excess of 0.7% of GNI provided as ODA.

recognises the common but differentiated responsibilities of Parties under the UNFCCC, and the obligation of the global North to shoulder the full costs of climate change by contributing primarily grant-based and concessional support.

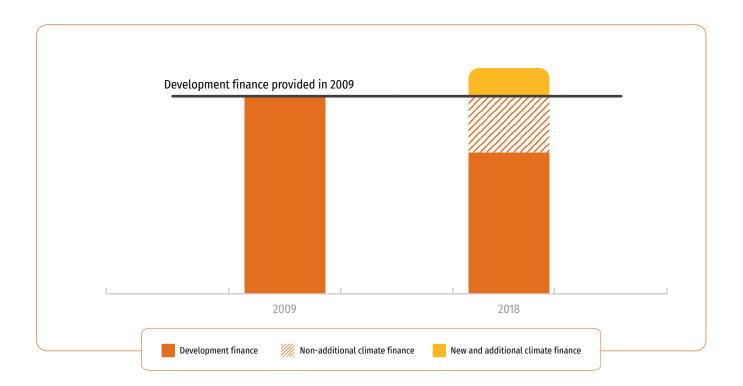
## Weak additionality: New and additional funds in excess of development finance provided in 2009

Weakly additional climate finance represents the finance provided by rich countries on top of the level of development finance they contributed in 2009. To be providing weakly additional climate finance, an Annex II Party must contribute more development finance in a given year, relative to 2009, before any of that country's climate finance can be deemed as new and additional.

Because the Copenhagen Accord was agreed upon at the end of 2009, development finance disbursed in that year forms a logical baseline to describe the level of financial effort invested into development obligations before the agreement of the \$100 billion goal (Mitchell, Ritchie and Tahmasebi. 2021).

The climate finance reported by rich countries to the UNFCCC is therefore placed within the broader context of trends in development finance. The change in a country's contribution of development finance relative to 2009 sets the upper bound for new and additional support, as indicated in **Figure 3**, below. If a Party's annual provision of development finance has stayed level or decreased relative to 2009, no climate finance can be considered as additional.

This definition considers contributions of climate finance reported as both concessional ODA and "non-concessional" finance, reported as Other Official Flows (OOF). While



**Figure 3:** Schematic outlining the climate finance qualifying as new and additional under the definition: Funds above a baseline of development finance (ODA and OOF, respectively) in 2009.

concessional finance must follow strict rules dictating how favourable the finance is for the recipient, non-concessional finance does not and can be extended with conditions closer to those seen on private markets.<sup>2</sup>

Many argue that OOF should not be considered a legitimate source of climate finance, due to the less favourable terms it is provided with, often through loans (Carty, Kowalzig and Zagema, 2021). These conditions add further burden to public budgets in the global South and cause substantial debt. Despite these concerns, climate finance provided towards the \$100 billion goal is reported as both concessional and non-concessional finance.

To assess this definition, CARE collected OECD data concerning each Party's total provision of ODA and OOF through both bilateral and multilateral channels, to compare it to the climate finance they reported to the UNFCCC as ODA and OOF in a given year (OECD, n.d). The annual climate

finance reported by rich countries as ODA and OOF is treated as two separate flows when comparing them to total ODA and OOF flows, and then combined to present a total figure for additional climate finance.

Because both ODA and OOF is considered, the amount of climate finance provided in excess of the levels of development finance contributed in 2009 can be considered a very liberal definition of additionality (Brown, Bird and Schalatek, 2010; Stadelmann, Timmons Roberts and Michaelowa, 2011). It is therefore referred to here as "weak additionality".

In effect, concessionality describes the degree to which a rich country's returns are reduced when providing development finance, as compared to returns which would be expected if the same finance was provided at full market rates. ODA is highly concessional development finance: alongside grants, ODA loans and other non-grant financial instruments result in smaller returns for the provider. On the other hand, OOF is nonconcessional, resulting in larger returns for the provider.



## OUR DATA AND CALCULATIONS

CARE has compiled rich countries' first, second, third and fourth biennial reports (BRs) to the UNFCCC using the Biennial Reports Data Interface (BR-DI) (UNFCCC, n.d). These reports allow an analysis of reported public climate finance from 2011 to 2018 and represent all the data officially reported to the UNFCCC to date. Climate finance totals for 2010 were not reported to the UNFCCC, while figures covering 2019 and 2020 were not published at the time of writing.

## **Tracking climate finance and accounting for inconsistency**

CARE has tracked climate finance from 2011 to 2018 using the data reported by rich countries themselves to the UNFCCC. However, there are well-documented inconsistencies and inaccuracies included in this reporting (Bos and Thwaites, 2021). For each Annex II Party, CARE has quality assured each Party's reporting to ensure better consistency between their totals.

The principal adjustments made to the information reported by rich countries to the UNFCCC account for: the inconsistent use of exchange rates and financial units; non-granular, or generalised, reporting; errors regarding number formats produced by the BR-DI's processing of small financial values; the simultaneous reporting of both commitments and disbursements to the same activity.

Regarding "non-granular", or "generalised", reporting, it is commonplace for Parties to provide aggregate and imprecise information regarding their finances. For example, Parties can commonly report finance with both an ODA and OOF component, yet without providing a breakdown of the proportions of each.

Where generalised reporting has been found, CARE has used a 50:50 approach. For example, a financial contribution reported as both ODA and OOF has been treated as 50% ODA, and 50% OOF.

The annual totals produced by CARE have themselves been quality assured and are in close agreement with those published by the UN in Biennial Assessment reports (UNFCCC, 2014, 2016b, 2018b, 2021). CARE's calculation of the total amount of climate finance contributed by rich countries

from 2011 to 2018 is within 0.1% of the total published in the UN's Biennial Assessment reports.

## Accounting for core contributions to multilateral organisations

Parties use a variety of methods to process their core contributions to multilateral organisations.

Core contributions represent finance provided by a country which enters the general budget of a recipient multilateral organisation. Such finance cannot be said to explicitly support climate objectives.

Some Parties report a portion of this core finance as climate finance using the OECD's imputed multilateral contributions method, while others note that the methodology is imperfect and avoid using it.<sup>3</sup> The OECD method relies on a set of coefficients which represent the share of climate finance within a given multilateral organisation's total financial outflows to developing countries. These coefficients can be multiplied with a rich country's core contribution to multilateral organisations to estimate flows of climate finance (OECD, 2018).

A significant amount of the public climate finance which is attributable to each rich country originates from its core support to multilaterals, including the multilateral development banks (MDBs). Currently, the OECD's method is one of the few available and accessible ways to estimate the climate-relevant share of core contributions.

To capture as much of each country's financial effort as possible, CARE has calculated the share of each Party's core contributions to multilateral organisations which can be classified as climate finance and included it in their totals. The OECD's imputed multilateral contributions method has been used where Parties have not made use of it, or another method, already (OECD, 2018). Annex A contains a summary of each Party's treatment of core contributions from 2011 to 2018.

The OECD has published imputed multilateral shares for a selection of multilateral organisations, covering finances

<sup>&</sup>lt;sup>3</sup>Annex A provides a summary of the methods used by Annex II Parties.

contributed to those organisations from 2013 to 2018. For core contributions provided in 2011 and 2012, CARE has calculated and applied an imputed multilateral share that considers all available data for each organisation.

## Attributing the EU's public climate finance to Member States

The funds extended by the European Union through the European Development Fund and European Commission are directly attributable to the public budgets of EU Member States. As a result, the climate finance provided by the Commission and Development Fund from 2011 to 2018 can be distributed between those Member States.

CARE has attributed the finance reported by the EU in its biennial report submissions to individual member states using their respective contributions to the EU budget (European Commission, n.d). Again, this is to capture as much of each country's financial effort as possible.

## Comparison with the OECD's estimate of provided and mobilised climate finance

In 2018 the OECD reported that developed countries had provided and mobilised a total of \$78.9 billion of climate finance. Of this total, \$14.6 billion was private finance mobilised by the rich countries and a further \$2.1 was provided as export credits, leaving an estimated \$62.2 billion of public climate finance being provided by developed to developing countries (OECD, 2021a).

Again taking 2018 as an example, CARE's analysis assessed the \$38 billion of public climate finance provided to developing countries, as reported to the UNFCCC. The analyses therefore differ in a number of ways. Firstly, the present assessment considers the efforts made by countries with obligations under the UNFCCC to provide public climate finance, rather than the efforts of all developed countries. Secondly, only the finance which is most strongly attributable to the public budgets in rich Annex II countries is considered. It is these financial efforts which are seen as the most suitable for an assessment of additionality under the UNFCCC, and for comparison with efforts to provide public support for development.

For example, the \$14.6 billion of mobilised private finance estimated by the OECD is not sourced directly from public budgets, only mobilised by them. Furthermore, because mobilised private finance is likely to be provided alongside conditions commonly found on private markets, it is difficult to consider the finance as developmental, or as support to aid the implementation of the UNFCCC. Because of these issues, mobilised private finance is seen to be unsuited for comparisons with public support for development in an assessment of additionality.<sup>4</sup>

Separate to the issue of mobilised private finance, OECD reports include a large amount of climate finance channelled through multilateral organisations. This is, in part, because outflows of climate finance from a multilateral organisation to a recipient country in the global South can be larger than the public finance originally channelled to them, as reported to the UNFCCC.

Multilateral organisations can generate and reinvest revenue while leveraging finance on private markets. In effect, they have a large capacity to create their own resources. Because multilateral organisations overwhelmingly utilise loans to provide their climate finance, and because loans stretch those provisions by recycling repayments into other climate-relevant activities, it is questionable whether such finance can be considered as "new" in nature. This means that a portion of multilateral outflows are also unsuitable to be compared against public development support under the present analysis' conceptualisation of additionality.

Ultimately, by making attempts to capture the total effort made by each Annex II country, and by considering only officially reported public climate finance, the present analysis critically assesses the financial effort of individual rich countries to provide climate finance on top of their public support for development.

The Center for Global Development considered climate finance mobilised from private sources to be new and additional (Mitchell, Ritchie and Tahmasebi, 2021). They argued that prior to the \$100 billion goal being agreed, little private finance was being mobilised by rich countries to support climate action in the global South. For this reason, the finance was seen as additional to the level of development support provided prior to the Copenhagen Accord.

## HOW MUCH CLIMATE FINANCE IS NEW AND ADDITIONAL?

CARE estimates that \$220 billion of public climate finance was contributed by rich countries to the global South from 2011 to 2018.

After assessing these contributions, we find that \$14 billion was strongly additional and provided on top of the 0.7% of GNI pledged towards ODA budgets. \$99 billion was found to be weakly additional and provided in excess of the levels of development finance each country provided in 2009. In the context of these respective definitions, just 6% and 45% of the public climate finance reported by rich countries is found to be "new and additional".

Considering only the climate finance provided in excess of the level of development finance disbursed in 2009, the Center for Global Development found that around half of the amounts reported by rich countries to the OECD in 2018 were additional (Mitchell, Ritchie and Tahmasebi, 2021). CARE's finding that 45% of the climate finance reported to the UNFCCC is weakly additional is in general agreement.

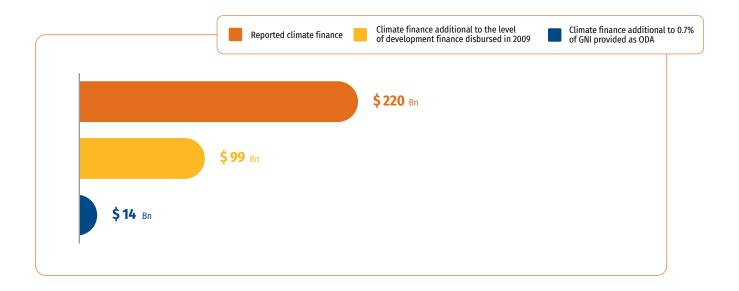


Figure 4: Aggregated climate finance reported by Annex II Parties to the UNFCCC from 2011 to 2018, and amounts which can be considered "new and additional" (USD billions)

Below, Figure 5 presents an annual breakdown of the climate finance reported collectively to the UNFCCC by the 23 rich countries, and the amounts which can be considered "new and additional".

Although not rising quickly enough to meet their commitments, and without any accounting for over-reported climate finance, the climate finance reported to the UNFCCC is seen to increase over the period in agreement with existing literature (Carty, Kowalzig and Zagema, 2021; OECD, 2020; Bos and Thwaites, 2021). Yet, these increases contrast with the trends for new and additional finance.

Looking at the annual totals of new and additional finance provided from 2011 to 2018, there is an increasing trend seen for weakly additional finance relative to 2009, while the trend describing strongly additional finance in excess of the 0.7% target falls slightly across the period. Under both definitions, the proportion of climate finance which

was found to be new and additional decreases over the eight years.

In 2011, the share of reported climate finance found to be in excess of the level of development finance in 2009 was 60%, while the share of reported figures which were provided on top of 0.7% of GNI contributed as ODA was 10%. In 2018 these shares had dropped to 40% and 4%, respectively.

A decreasing share of the climate finance reported by rich countries is found to be new and additional across the period. In turn, this highlights that an increasing share of rich countries' development finance is being rebadged with climate objectives: less effort is being made to contribute climate finance on top of existing development obligations.

To highlight the relative effort of each rich country to provide new and additional climate finance, Table 3 presents per capita contributions of additional funds below.

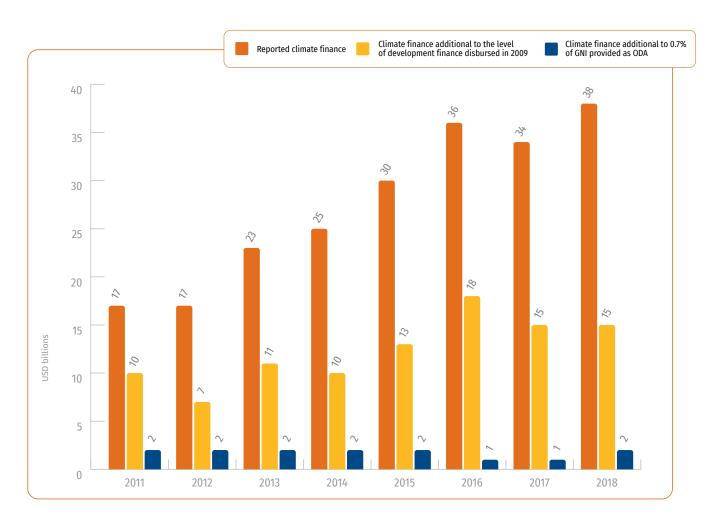


Figure 5: Annual climate finance reported collectively by Annex II
Parties from 2011 to 2018, and amounts that can be considered "new and additional" (USD billions)

Only six countries contributed climate finance in addition to the 0.7% of GNI they provide as ODA: Luxembourg, Norway, Sweden, Denmark, the Netherlands, and the United Kingdom. Three smaller contributors of climate finance, Luxembourg, Norway, and Sweden provided the most strongly additional climate finance per capita.

Concerning absolute amounts, **Table 4** compares the climate finance reported by each country from 2011 to 2018, and the

amounts which can be considered to be new and additional under the two assessed definitions.

Of the six countries providing strongly additional finance on top of their pledge to provide 0.7% of their GNI as ODA, three, Luxembourg (100%), Sweden (99.8%), and Norway (94%), are found to provide more than 90% of their self-reported totals as new and additional finance.

Carretina	New and additional climate finance (Per capita annual average; 2011-2018; USD)			
Country	Strongly additional: Additional to 0.7% of GNI provided as ODA	Weakly additional: Additional to the level of development finance in 2009		
Luxembourg	\$155	\$95		
Norway	\$148	\$111		
Sweden	\$58	\$55		
Denmark	\$35	\$10		
Netherlands	\$6	\$0		
United Kingdom	\$1	\$29		
Germany	\$0	\$57		
Switzerland	\$0	\$34		
Iceland	\$0	\$23		
Austria	\$0	\$13		
Finland	\$0	\$10		
Australia	\$0	\$10		
New Zealand	\$0	\$10		
Italy	\$0	\$8		
Canada	\$0	\$8		
Japan	\$0	\$8		
United States	\$0	\$6		
France	\$0	\$3		
Spain	\$0	\$1		
Belgium	\$0	\$1		
Portugal	\$0	\$1		
Greece	\$0	\$0		
Ireland	\$0	\$0		
Annex II Parties	\$2	\$13		

**Table 3:** The relative efforts of Annex II Parties to provide new and additional climate finance in the context of two definitions of additionality: (1) Funds in excess of 0.7% of GNI provided as ODA; and (2) Funds in excess of the level of development finance in 2009 (USD; 2011-2018; Per capita annual averages). Ordering presents the countries providing finance above 0.7% of GNI first, and then those providing climate finance above the levels of development finance observed in 2009.

20 countries provided some weakly additional climate finance in excess of the level of development finance they disbursed in 2009, with only the Netherlands, Greece, and Ireland failing to do so. However, only six countries provided 90% or more of their self-reported climate finance totals as weakly additional finance, namely Australia, Italy, New Zealand, Sweden, Switzerland, and the United Kingdom.

Germany, Italy, Japan, the United Kingdom and the United States, represent some of the largest global economies and countries reporting large amounts of climate finance. Collectively, G7 countries account for 85% of the climate finance reported by all rich countries from 2011 to 2018.

The members of the Group of Seven (G7), Canada, France,

Country	Reported climate finance	Strongly additional: Additional to 0.7% of GNI provided as ODA	Weakly additional: Addi- tional to the level of devel- opment finance in 2009
Norway	\$6.5 bn	\$6.1 bn (93%)	\$4.6 bn (70%)
Sweden	\$4.5 bn	\$4.5 bn (99.8%)	\$4.3 bn (95%)
Denmark	\$2.2 bn	\$1.6 bn (72%)	\$0.4 bn (19%)
Netherlands	\$4.5 bn	\$0.8 bn (17%)	\$0
Luxembourg	\$0.7 bn	\$0.7 bn (100%)	\$0.4 bn (61%)
United Kingdom	\$15.0 bn	\$0.3 bn (2%)	\$15.0 bn (100%)
Germany	\$45.8 bn	\$0	\$37.3 bn (81%)
United States	\$16.8 bn	\$0	\$14.6 bn (87%)
Japan	\$67.8 bn	\$0	\$8.3 bn (12%)
Italy	\$4.5 bn	\$0	\$4.1 bn (91%)
Canada	\$2.8 bn	\$0	\$2.4 bn (85%)
Switzerland	\$2.2 bn	\$0	\$2.2 bn (100%)
Australia	\$1.9 bn	\$0	\$1.8 bn (99.7%)
France	\$33.7 bn	\$0	\$1.4 bn (4%)
Austria	\$1.7 bn	\$0	\$0.9 bn (53%)
Spain	\$5.2 bn	\$0	\$0.5 bn (9%)
Finland	\$1.1 bn	\$0	\$0.4 bn (40%)
New Zealand	\$0.4 bn	\$0	\$0.4 bn (99.7%)
Belgium	\$1.5 bn	\$0	\$0.1 bn (6%)
Portugal	\$0.3 bn	\$0	\$0.1 bn (23%)
Iceland	\$0.1 bn	\$0	\$0.1 bn (61%)
Greece	\$0.2 bn	\$0	\$0
Ireland	\$0.7 bn	\$0	\$0
Annex II Parties	\$220 bn	\$14 bn (6%)	\$99 bn (45%)

Table 4: Reported climate finance totals and the subsequent amounts which can are determined to be new and additional in the context of two definitions of additionality: (1) Funds in excess of 0.7% of GNI provided as ODA; and (2) Funds in excess of the level of development finance in 2009 (USD billions; 2011-2018 aggregate totals). Ordering presents the countries providing finance above 0.7% of GNI first, and then those providing climate finance above the levels of development finance observed in 2009. Percentages in parentheses represent additional finance as a share of a Party's reported climate finance.

G7 country	Reported cli- mate finance	Reported cli- mate finance as a share of GNI	Strongly additional: Additional to 0.7% of GNI provided as ODA	Weakly additional: Additional to the level of development finance in 2009
Canada	\$2.8 bn	0.02%	\$0.0 bn	\$2.4 bn
	(\$10 per capita)		(\$0 per capita)	(\$8 per capita)
France	\$33.7 bn	0.16%	\$0.0 bn	\$1.4 bn
rialice	(\$64 per capita)	0.10%	(\$0 per capita)	(\$3 per capita)
<b>C</b>	\$45.8 bn	0.450/	\$0.0 bn	\$37.3 bn
Germany	(\$70 per capita)	0.15%	(\$0 per capita)	(\$57 per capita)
l±al.	\$4.5 bn	0.020/	\$0.0 bn	\$4.1 bn
Italy	(\$9 per capita)	0.03%	(\$0 per capita)	(\$8 per capita)
la na na	\$67.8 bn	0.100/	\$0.0 bn	\$8.3 bn
Japan	(\$67 per capita)	0.16%	(\$0 per capita)	(\$8 per capita)
United	\$15.0 bn	0.070/	\$0.3 bn	\$15.0 bn
Kingdom	(\$29 per capita)	0.07%	(\$1 per capita)	(\$29 per capita)
	\$16.8 bn	0.01%	\$0.0 bn	\$14.6 bn
United States	(\$7 per capita)		(\$0 per capita)	(\$6 per capita)
G7 subtotal	\$186.5 bn	0.06%	\$0.3 bn	\$83.2 bn
Annex II total	\$220 bn	0.06%	\$14 bn	\$99 bn

**Table 5**: Total and relative amounts of reported and new and additional climate finance contributed by members of the Group of Seven (G7).

Above, Table 5 looks more closely at the total and relative amounts of new and additional climate finance being contributed by G7 countries.

Respectively, Japan, Germany, France, the United States, the United Kingdom, Italy and Canada are responsible for 31%, 21%, 15%, 8%, 7%, 2%, and 1% of the \$220 billion of climate finance reported across the eight-year period.

Despite reporting such large quantities of finance, these large economies provide almost no strongly additional climate finance and have largely failed to provide 0.7% of their GNI as ODA. Only the United Kingdom provided any funds on top of their GNI-ODA pledge, contributing, on average, \$1 per capita annually. G7 countries contributed just 2% of the \$14 billion of strongly additional finance. In contrast, Norway, Sweden and Denmark, accounting for 3% of Annex II Parties' collective GNI, provided 90% of the \$14 billion total.

Concerning weakly additional finance, G7 countries contributed 84% of the \$99 billion total, with Germany and

the United Kingdom providing the most on a per capita basis. Canada, France, Italy, Japan, and the United States provided less weakly additional finance on a per capita basis, and some of the lowest per capita amounts of all Annex II Parties.

Comparing the figures reported by countries themselves, and the amounts found to be weakly additional, France and Japan provided very little of their self-reported totals above the level of support they provided for development finance in 2009. Just 4% and 12% of the climate finance reported by these countries was found to be weakly additional. This means that these two countries have not provided their climate finance in the context of a significantly growing development budget. The contrast between France and Japan's reported climate finance totals from 2011 to 2018 of \$33.7 billion and \$67.8 billion, respectively, and the \$1.4 billion and \$8.3 billion deemed to be weakly additional, is significant.

Most striking, however, are the low amounts of both reported and new and additional finance being provided by the United States. The United States accounts for 25% of global GNI in 2018 and is the 2<sup>nd</sup> largest economy in the world (World Bank, 2022). Despite this the United States reported just 0.01% of its GNI as climate finance between 2011 to 2018. Moreover, \$2.1 billion of the \$16.8 billion of climate finance reported by the Unites States was found not to be additional to the country's support for development.

Analyses show that regardless of the metric and methodology used to determine a country's fair share of international efforts to provide climate finance, the United States falls well short of shouldering its responsibility (Colenbrander, Cao, & Pettinotti, 2021; Egli & Stunzi, 2019; Kowalzig, 2019; WRI, 2018).

# HOW MUCH NEW AND ADDITIONAL CLIMATE FINANCE DOES EACH COUNTRY PROVIDE?



CARE has compiled the climate finance reported by Annex II Parties to the UNFCCC from 2011 to 2018, using the UN'S BR-DI (UNFCCC, n.d). Figures covering 2019 and 2020 cannot be included, as they are not due to be published until 2023. The data represents the most up to date figures officially reported to the UNFCCC, and allows the finance reported by individual countries to be assessed in the context of their contributions of development finance.

Development finance, GNI, and population statistics are sourced from the OECD. Development finance totals represent net disbursements of both ODA and OOF, provided through both bilateral and multilateral channels (OECD, n.d).

The following 'factsheets' presented in this chapter contain information on reported and new and additional climate finances being provided by each country, allowing for detailed assessment of their respective efforts.

**Each factsheet contains four figures: A, B, C, and D.** Alongside the climate finance reported by each country to the UNFCCC, figures include an estimate of the imputed climate-relevant share of each country's core contributions to multilateral organisations, and, where relevant, their share of EU climate finance.

**Figure A** presents the total amount of climate finance reported by each country across the eight years, alongside the total amounts found to be weakly and strongly additional. Where a country has reported more climate finance in a given year than the observed increase in total development finance relative to 2009, weakly additional finance totals represented by yellow columns will decrease compared to reported climate finance totals presented in orange

columns. Regarding strongly additional finance, in any given year, if a country has not surpassed the 0.7% GNI-ODA target by an amount which is larger than the climate finance they reported, then new and additional totals represented by dark blue columns will decrease relative to reported totals. In the best-case scenario, three annual columns of equal value indicate that all of the climate finance reported by a country has been found to be both strongly and weakly new and additional.

**Figure B** presents the same three totals as in Figure A, yet annually from 2011 to 2018.

**Figure C** presents weakly additional climate finance in excess of the level of development finance disbursed in 2009. The extent of any increase in a given year's development finance total, relative to 2009, sets the annual upper bound for weakly additional climate finance. The figure is schematic and does not include to-scale depictions of total development finance totals from 2011 to 2018, due to its simultaneous presentation of both new and additional ODA and OOF.

**Figure D** presents strongly additional climate finance in excess of the 0.7% of GNI pledged as ODA annually. Figures are provided as a percentage of total GNI. Each country's reported climate finance totals include only the most equitable finance and exclude any non-ODA amounts. Only climate finance provided on top of the 0.7% GNI-ODA pledge can be considered as new and additional finance.

#### **AUSTRALIA**



Australia was the 14th largest provider of climate finance from 2011-2018 in absolute terms, and the 18th largest provider per capita. As a provider of development finance, Australia was the 11th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 13th largest per capita.

CARE estimates that Australia provided \$1.853 billion of climate finance across the eight years, with annual totals showing no significantly increasing trend. Of this \$1.853 billion, CARE finds:

- None was provided in excess of the 0.7% of GNI pledged as ODA. Meaning Australia failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Australia's annual contributions of ODA fell from 2011-2018.
- → 99.7%, or \$1.848 billion, was provided above the level of development finance disbursed in 2009. This means Australia has reported almost all its climate finance in the context of an increased total development finance spend, relative to 2009.
- → On average, Australia provided less new and additional finance annually after the Paris Agreement than before.

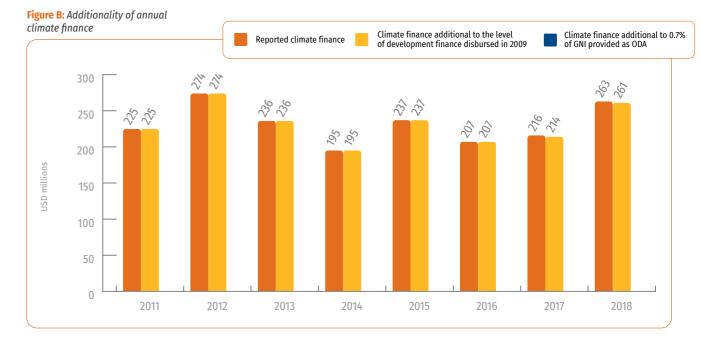
At COP26, Australia pledged to provide A\$2 billion of climate finance from 2021-2025, including A\$700 million for renewable energy and disaster risk reduction in the Pacific (COP26 Presidency, 2021b). The commitment included no information on whether this finance would be new and additional to the country's development support.

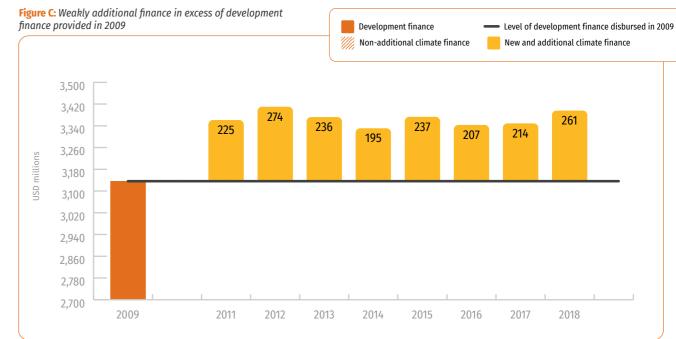
#### **Characteristics of climate finance reported to** the UNFCCC from 2011 to 2018

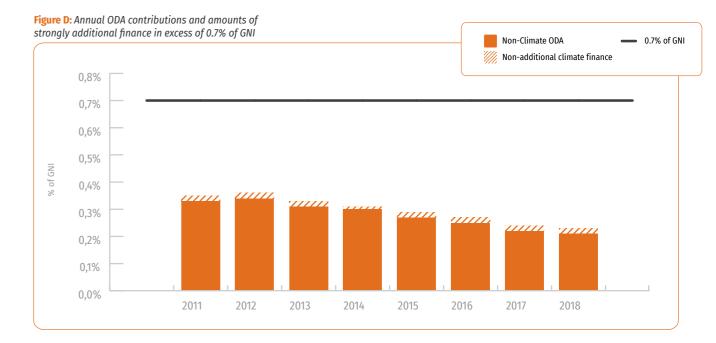
Concessional share (ODA):	99.70%
Non-concessional share (OOF):	0.30%
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	18%
Mitigation share:	11%
Cross-cutting share:	71%



That's Not New Money







#### **AUSTRIA**

Of the 23 Annex II Parties, Austria was the 15th largest provider of climate finance from 2011-2018 in absolute terms, and the 13th largest provider per capita. As a provider of development finance, Austria was the 16th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 15th largest per capita.

CARE estimates that Austria provided \$1.7 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of this \$1.7 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Austria failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Austria's annual contributions of ODA increased towards 2016, yet sharply decreased in 2017 and 2018.
- 53%, or \$0.9 billion, was weakly additional and provided above the level of development finance disbursed in 2009. This means that, relative to 2009, Austria has not consistently increased its annual development finance totals enough for all its reported climate finance to be considered as new and additional.
- On average, Austria provided more new and additional climate finance annually after the Paris Agreement than before.

Since 2018, Austria has not provided clear information indicating the country will significantly enhance the level and predictability of its its future climate finance (Hattle and Nordbo, 2021). However, Austria has pledged: €130 million to the Green Climate Fund; that the climate finance portfolio of the Ministry for Climate Action will be increased by €5 million per year; and that 40% of new business volume of the Development Bank of Austria will go to climate-relevant projects (UNFCCC, 2021b).

Figure B: Additionality of annual

400 350

300

250

200

150

100

finance provided in 2009

1,500

1,400

1,300

1,200

1,100 1,000

900

800 700

600

500

0,8%

0,7%

0,6%

0,5%

0,4%

0,3%

0,2%

0,1% 0,0% 2009

Figure D: Annual ODA contributions and amounts of

strongly additional finance in excess of 0.7% of GNI

2011

Figure C: Weakly additional finance in excess of development

2012

2011

2011

2012

2013

2014

2015

2016

2017

2018

2012

2013

2014

2015

2016

Climate finance additional to 0.7% of GNI provided as ODA

2018

Climate finance additional to the level

Reported climate finance

2013

2014

2015

Mon-additional climate finance

Development finance

2016

2017

Level of development finance disbursed in 2009

New and additional climate finance

155

2017

Non-Climate ODA

Non-additional climate finance

2018

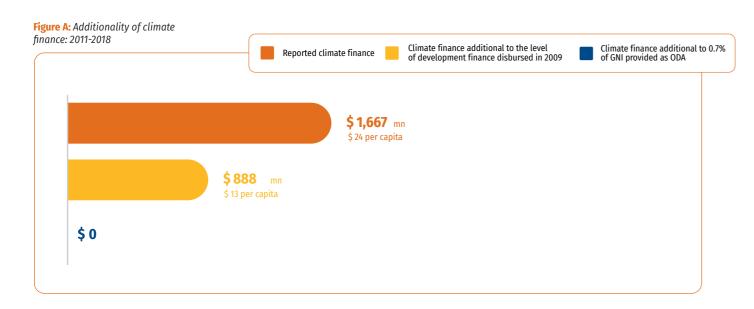
\_\_\_\_ 0.7% of GNI

climate finance

Austria provided 0.31% of their GNI as ODA in 2021 (OECD,

Chambridge of allower former and a

the UNFCCC from 2011 to 2018		
Concessional share (ODA):	67%	
Non-concessional share (OOF):	33%	
Concessional grant share:	62%	
Non-grant share:	38%	
Adaptation share:	7%	
Mitigation share:	51%	
Cross-cutting share:	42%	



That's Not New Money



#### **BELGIUM**

Of the 23 Annex II Parties, Belgium was the 16th largest provider of climate finance from 2011-2018 in absolute terms, and the 15th largest provider per capita. As a provider of development finance, Belgium was the 15th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 10th largest per capita.

CARE estimates that Belgium provided \$1.5 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of this \$1.5 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Belgium failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Belgium's annual contributions of ODA fell from 2011-2018.
- 6%, or \$98 million, was weakly additional and provided above the level of development finance disbursed in 2009. This means that, relative to 2009, Belgium has largely failed to increase its annual development finance totals, meaning almost all reported climate finance cannot be considered as new and additional.
- On average, Belgium provided less new and additional climate finance annually after the Paris Agreement than before.

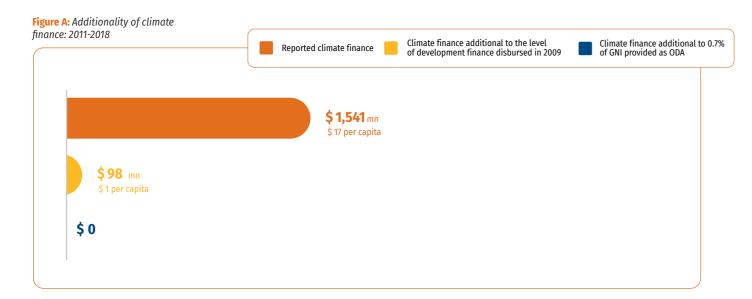
In its 2020 biennial communication submission to the UNFCCC, Belgium did not provide clear information to show the level and predictability of its future climate finance will adequately increase (Hattle and Nordbo, 2021). However, at

COP26, Belgium stated plans to increase its climate-specific contributions to at least €455 million from 2021-2024 (approximately \$540 million) (COP26 Presidency, 2021b). The commitment included no information on whether this finance would be new and additional to the country's development support.

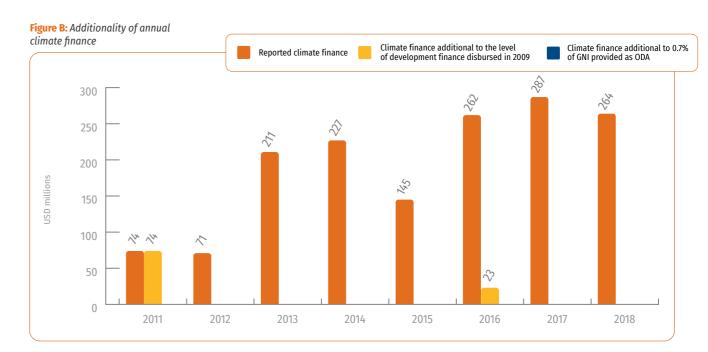
Belgium provided 0.46% of their GNI as ODA in 2021 (OECD,

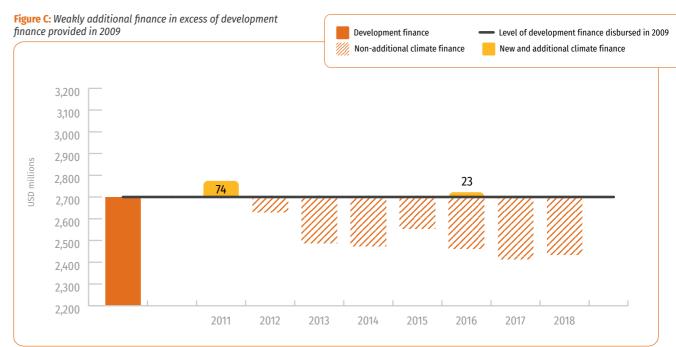
#### Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

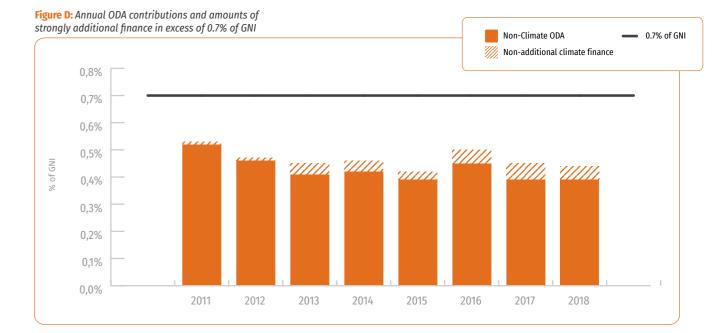
Concessional share (ODA):	99.70%
Non-concessional share (OOF):	0.30%
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	18%
Mitigation share:	11%
Cross-cutting share:	71%



That's Not New Money







#### **CANADA**



Of the 23 Annex II Parties, Canada was the 11th largest provider of climate finance from 2011-2018 in absolute terms, and the 17th largest provider per capita. As a provider of development finance, Canada was the 9th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 17th largest per capita.

CARE estimates that Canada provided \$2.8 billion of climate finance across the eight years, with annual totals showing a decreasing trend towards 2015, increasing thereafter. Of this \$2.8 billion, CARE finds:

- → None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA as Canada failed to provide 0.7% of its GNI as ODA in any of the years. As a share of GNI, Canada's annual contributions of ODA fell from 2011-2014, then rising slightly from 2014-2018.
- → 85%, or \$2.4 billion, was weakly additional and provided above the level of development finance disbursed in 2009. This means that, relative to 2009, Canada has not always increased its annual development finance totals, indicating not all reported climate finance can be considered to be new and additional.
- On average, Canada provided less new and additional climate finance annually after the Paris Agreement than before.

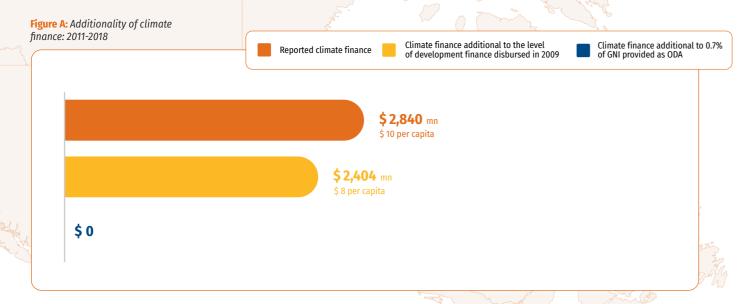
Trends between 2015-2018 demonstrate increases in Canada's climate finance disbursements back to levels above those observed in 2011-2012. At the G7 leaders'

summit in 2021, and after consultations with the public and civil society, Canada committed to doubling its five-year climate finance contribution to C\$5.3 billion from 2021-22 to 2025-26 (COP26 Presidency, 2021b). The pledge also included commitments toward increased adaptation and grant-based finance.

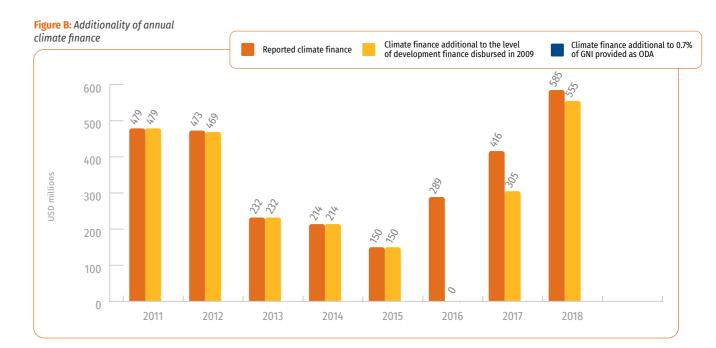
Canada provided 0.32% of their GNI as ODA in 2021 due to increases in climate finance and spending on hosting refugees (OECD, 2022).

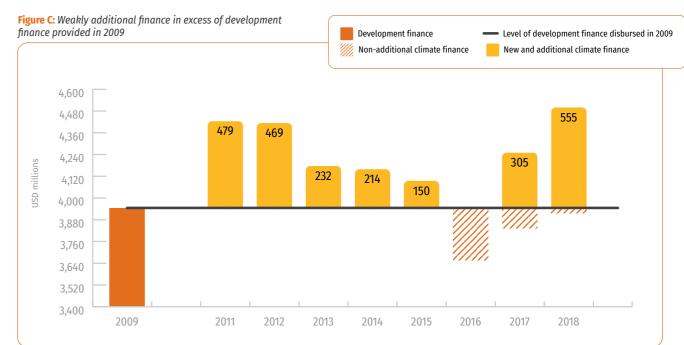
## Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

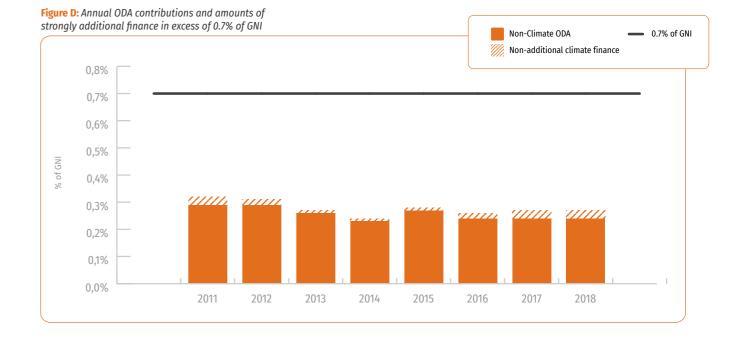
Concessional share (ODA):	98%
Non-concessional share (OOF):	2%
Concessional grant share:	96%
Non-grant share:	4%
Adaptation share:	38%
Mitigation share:	11%
Cross-cutting share:	51%



That's Not New Money







## DENMARK

Of the 23 Annex II Parties, Denmark was the 13th largest provider of climate finance from 2011-2018 in absolute terms, and the 7th largest provider per capita. As a provider of development finance, Denmark was the 14th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 4th largest per capita.

CARE estimates that Denmark provided \$2.2 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of the \$2.2 billion, CARE finds:

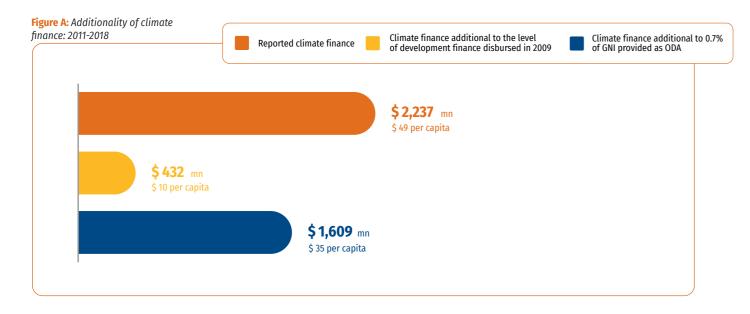
- → 72%, or \$1.6 billion, was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Denmark surpassed the 0.7% target in all years, yet insufficiently so in 2016, 2017, and 2018 for all reported climate finance to be considered additional. As a share of GNI, Denmark's annual contributions of ODA fell from 2011-2018.
- 19%, or \$0.4 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that Denmark has not adequately increased its annual development finances, indicating that most reported climate finance cannot be considered to be new and additional.
- On average, Denmark provided less new and additional climate finance annually after the Paris Agreement than before.

After a change of government in 2019, Denmark has increased

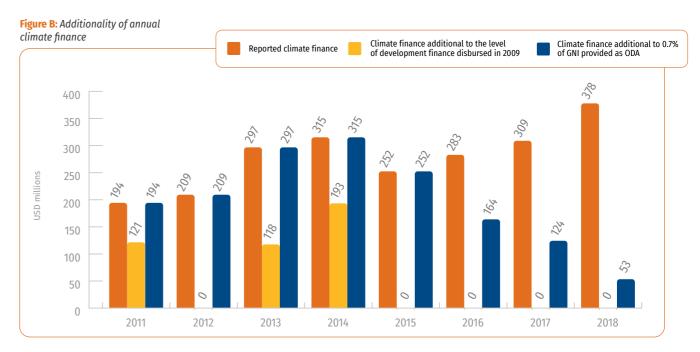
its contributions of public climate finance. Denmark has pledged to provide \$500 million annually in public grantbased climate finance by 2023, or 25% of its total ODA contributions (COP26 Presidency, 2021b). At least 60% of the country's public grant-based support will reportedly be in support of adaptation objectives (ibid.).

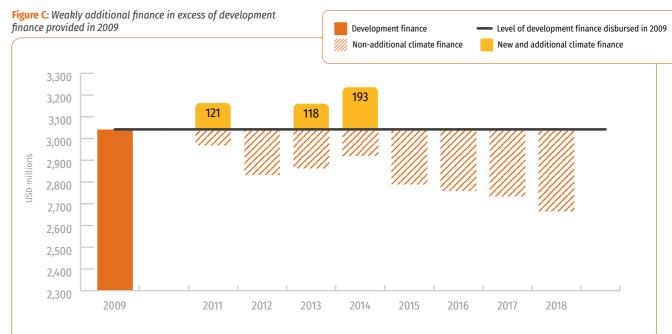
Denmark provided 0.70% of their GNI as ODA in 2021 (OECD,

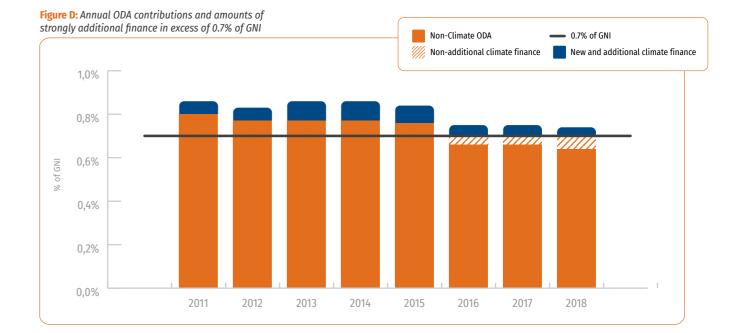
#### Characteristics of climate finance reported to the UNFCCC from 2011 to 2018 Concessional share (ODA): 100% Non-concessional share (OOF): Concessional grant share: 99% 1% Non-grant share: Adaptation share: 17% Mitigation share: 27% 56% Cross-cutting share:



That's Not New Money







#### **FINLAND**



Of the 23 Annex II Parties, Finland was the 17th largest provider of climate finance from 2011-2018 in absolute terms, and the 12th largest provider per capita. As a provider of development finance, Finland was the 17th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 9th largest per capita.

CARE estimates that Finland provided \$1.1 billion of climate finance across the eight years, with annual totals showing no significant trend. Of the \$1.1 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Finland failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Finland's annual contributions of ODA fell from 2011-2018.
- → 40%, or \$0.4 billion, was weakly additional and provided above the level of development finance disbursed in 2009. This means that, relative to 2009, Finland has not consistently increased its annual development finance totals, indicating that most reported climate finance cannot be considered new and additional.
- On average, Finland provided less new and additional climate finance annually after the Paris Agreement than before.

Finland's 2020 biennial communication submission to the UNFCCC did not provide clear information to show the level and predictability of its its future climate finance will adequately increase (Hattle and Nordbo, 2021). However,

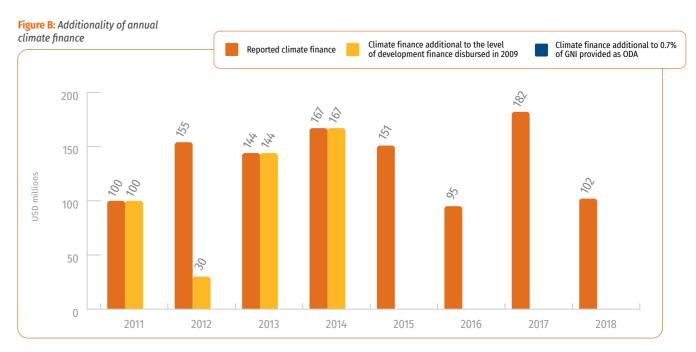
Finland subsequently pledged to contribute €900 million in climate support for developing countries from 2020-2025 (COP26 Presidency, 2021). Finland has increased its international climate finance during the current government.

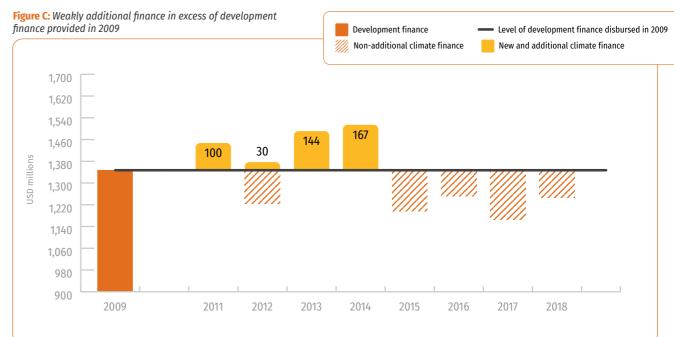
Finland provided 0.47% of their GNI as ODA in 2021 (OECD, 2022).

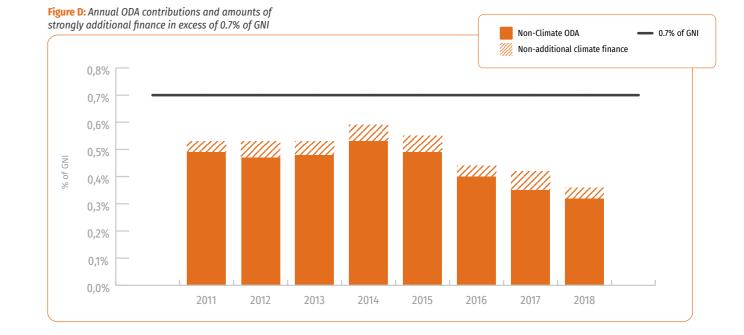
#### **Characteristics of climate finance reported to** the UNFCCC from 2011 to 2018 Concessional share (ODA): 100% Non-concessional share (OOF): 82% Concessional grant share: 18% Non-grant share: 12% Adaptation share: Mitigation share: 18% Cross-cutting share: 70%



That's Not New Money







#### **FRANCE**



Of the 23 Annex II Parties, France was the 3rd largest provider of climate finance from 2011-2018 in absolute terms, and the 5th largest provider per capita. As a provider of development finance, France was the 5th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 11th largest per capita.

CARE estimates that France provided \$33.7 billion of climate finance across the eight years, with reported totals showing an increasing trend. Of the \$33.7 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning France failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, France's annual contributions of ODA fell from 2011 to 2014, rising thereafter towards 2018 reaching a level slightly above that observed in 2011.
- 4%, or \$1.4 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that France has failed to increase its annual development finance totals significantly enough to ensure its support is additional.
- On average, France provided less new and additional climate finance annually after the Paris Agreement than before.

At the Climate Ambition Summit of 2020, and in subsequent announcements, France pledged to contribute €6 billion (approximately \$6.8 billion) of climate finance annually post-2020, with 30% dedicated towards adaptation (COP26 Presidency, 2021b). This effectively commits the country to maintain the level of support contributed in 2019 (Hattle and Nordbo, 2021; UNFCCC, 2021b). The commitment included no information on whether this finance would be new and additional to the country's development support.

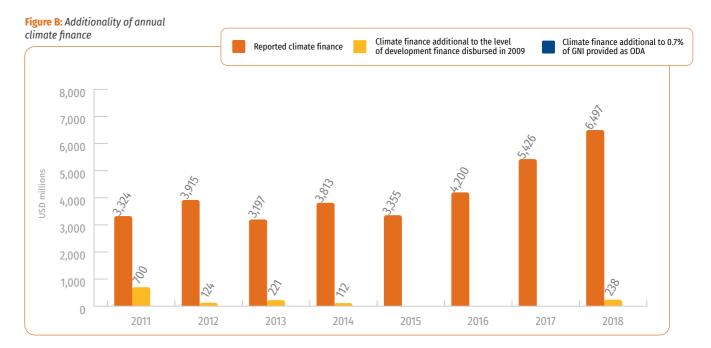
France provided 0.52% of their GNI as ODA in 2021 (OECD,

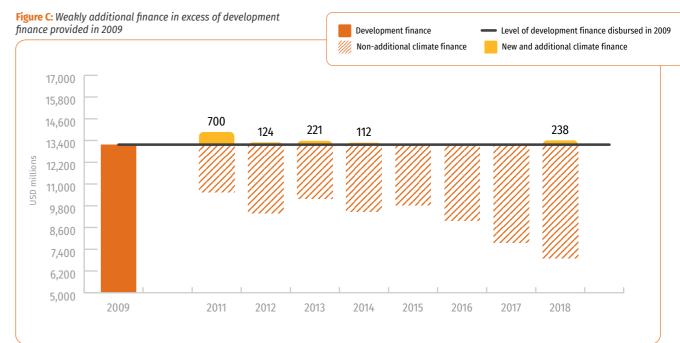
#### Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

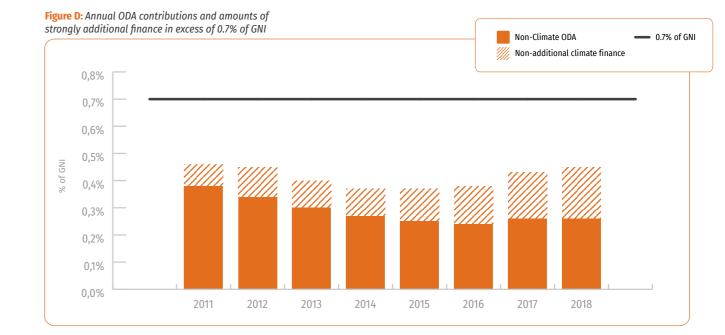
Concessional share (ODA):	81%
Non-concessional share (OOF):	19%
Concessional grant share:	13%
Non-grant share:	87%
Adaptation share:	15%
Mitigation share:	70%
Cross-cutting share:	15%











#### **GERMANY**

Of the 23 Annex II Parties, Germany was the 2nd largest provider of climate finance from 2011-2018 in absolute terms, and the 3rd largest provider per capita. As a provider of development finance, Germany was the 3rd largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 8th largest per capita.

CARE estimates that Germany provided \$45.8 billion of climate finance across the eight years, with reported totals increasing sharply between 2014 and 2015 and maintained thereafter. Of the \$45.8 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Germany failed to significantly surpass 0.7% of its GNI as ODA in all years, despite meeting the target in 2016. As a share of GNI, Germany's annual contributions of ODA rose from 2011-2016, then decreased in 2017 and 2018.
- 82%, or \$37.3 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that Germany has not consistently and adequately increased its annual development finance totals, indicating not all reported climate finance can be considered to be new and additional.
- On average, Germany provided more new and additional climate finance annually after the Paris Agreement than before.

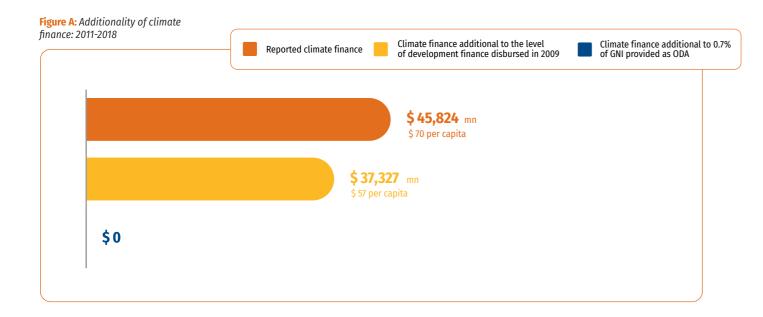
At the G7 Leaders' Summit in 2021, Germany pledged to

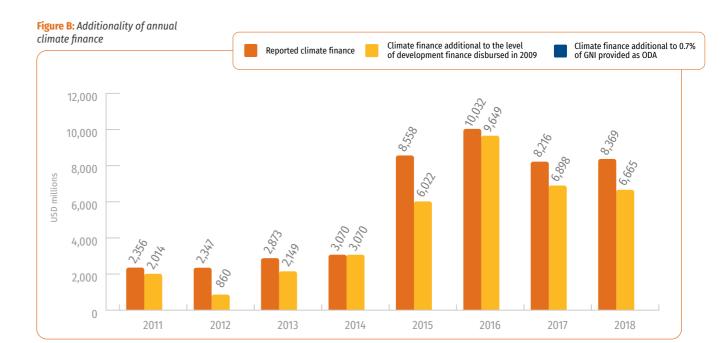
increase the climate finance it provides from budgetary sources from €4 to €6 billion (from approximately \$4.6 to \$6.8 billion) by 2025 at the latest (COP26 Presidency, 2021). The commitment included no information on whether this finance would be new and additional to the country's development support.

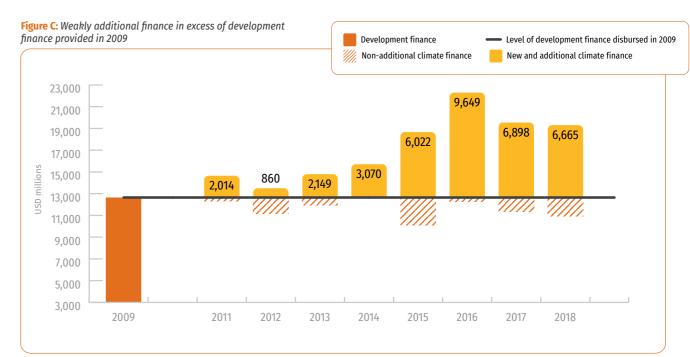
Germany provided 0.74% of their GNI as ODA in 2021 (OECD, 2022)

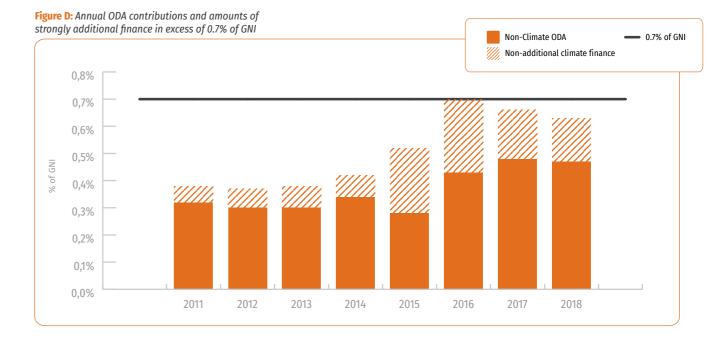
## Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

92%
8%
51%
49%
20%
57%
23%









#### **GREECE**



Of the 23 Annex II Parties, Greece was the 22nd largest provider of climate finance in absolute terms, and the 23rd largest per capita. As a provider of development finance, Greece was again the 22nd largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 23rd largest per capita.

CARE estimates that Greece provided \$221 million of climate finance across the eight years, with annual totals at their largest from 2016-2018. Of the \$221 million, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Greece failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Greece's annual contributions of ODA showed no significant trend through the period.
- None was weakly additional and provided above the level of development finance disbursed by Greece in 2009. This means that, relative to 2009, Greece has failed to increase its annual development finance totals in each year.

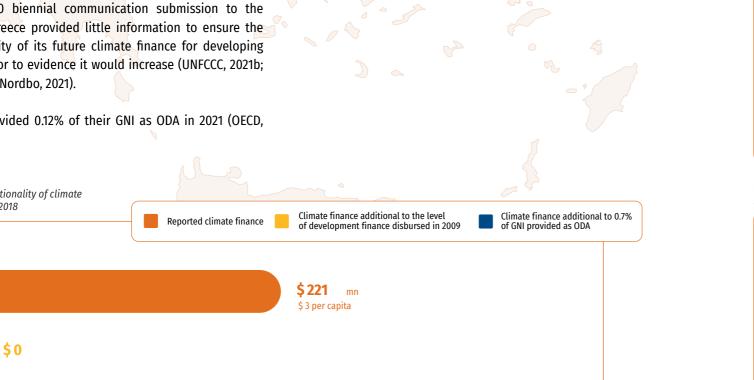
In its 2020 biennial communication submission to the UNFCCC, Greece provided little information to ensure the predictability of its future climate finance for developing countries, or to evidence it would increase (UNFCCC, 2021b; Hattle and Nordbo, 2021).

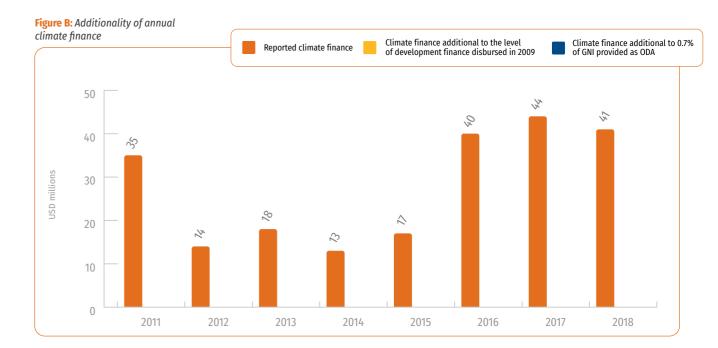
Greece provided 0.12% of their GNI as ODA in 2021 (OECD, 2022).

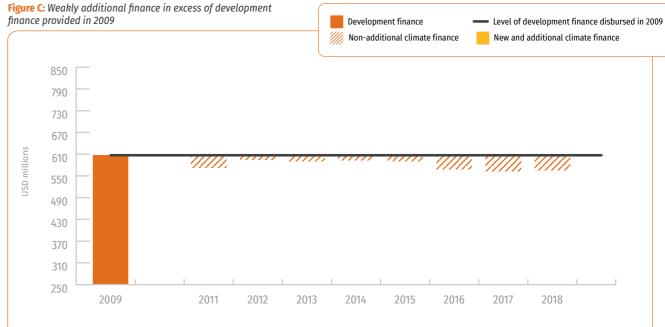
#### **Characteristics of climate finance reported to** the UNFCCC from 2011 to 2018

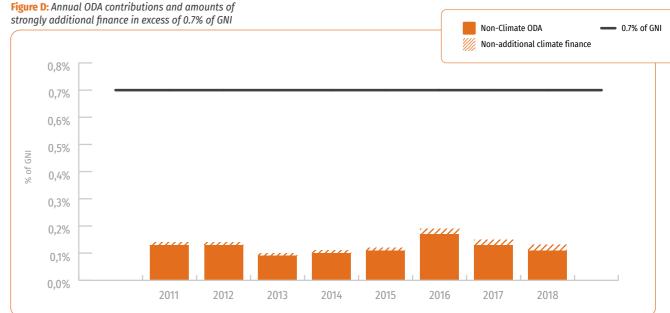
Concessional share (ODA):	100%
Non-concessional share (OOF):	-
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	5%
Mitigation share:	63%
Cross-cutting share:	32%











#### **ICELAND**



Of the 23 Annex II Parties, Iceland was the smallest provider of climate finance from 2011-2018 in absolute terms, and the 8th largest provider per capita. As a provider of development finance, Iceland was the smallest largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 16th largest per capita.

CARE estimates that Iceland provided \$102 million of climate finance across the eight years, with annual totals showing an increasing trend. Of this \$102 million, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Iceland failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, annual contributions of ODA rose from 2011-2018.
- → 61%, or \$62 million, was weakly additional and provided above the level of development finance disbursed in 2009. This means Iceland has not consistently reported its climate finance in the context of an increasing total development finance budget, relative to 2009.
- On average, Iceland provided more new and additional climate finance annually after the Paris Agreement than before.

It is unclear what has happened regarding Iceland's climate finance since 2018. Iceland did not submit a biennial communication to the UNFCCC in 2020 or make a subsequent announcement at COP26 to outline its future climate finance plans.

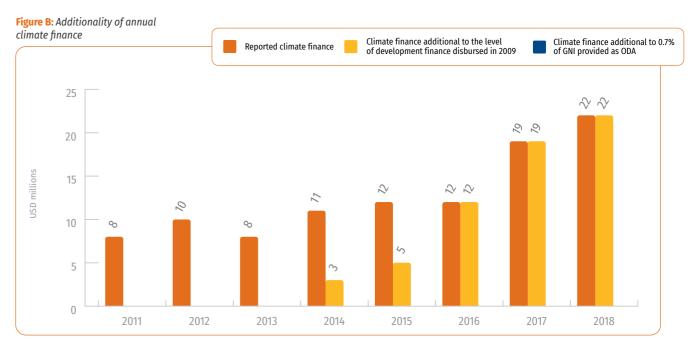
Iceland provided 0.28% of their GNI as ODA in 2021 (OECD, 2022)

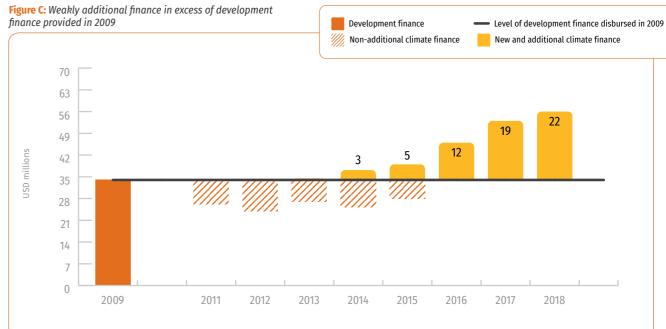
#### Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

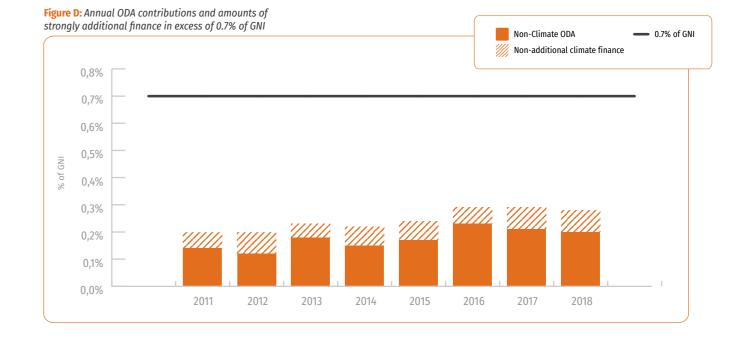
Concessional share (ODA):	99.70%
Non-concessional share (OOF):	0.30%
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	18%
Mitigation share:	11%
Cross-cutting share:	71%



That's Not New Money







#### **IRELAND**



Of the 23 Annex II Parties, Ireland was the 18th largest provider of climate finance from 2011-2018 in absolute terms, and the 14th largest provider per capita. As a provider of development finance, Ireland was the 14th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 18th largest per capita.

CARE estimates that Ireland provided \$706 million of climate finance across the eight years, with annual totals increasing from 2014-2018. Of the \$706 million, CARE finds:

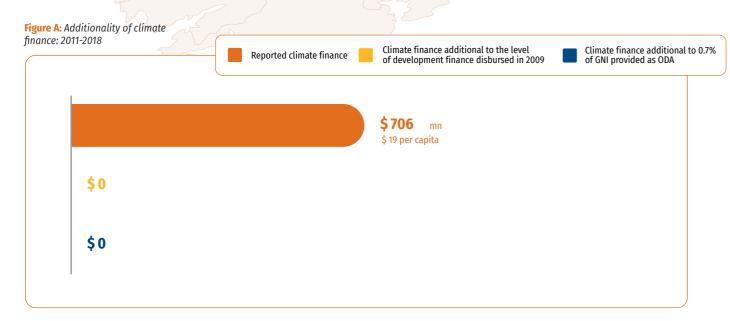
- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Greece failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, annual contributions of ODA decreased from 2011-2018.
- None was weakly additional and provided above the level of development finance disbursed by Greece in 2009. This means that, relative to 2009, Ireland has failed to increase its annual development finance totals in each year.

Since 2018, Ireland has pledged to increase its climate finance by 140%, from €93 million to at least €225 million annually by 2025 (COP26 Presidency, 2021b). The commitment included no meaningful information on whether this finance would be new and additional to the country's development support.

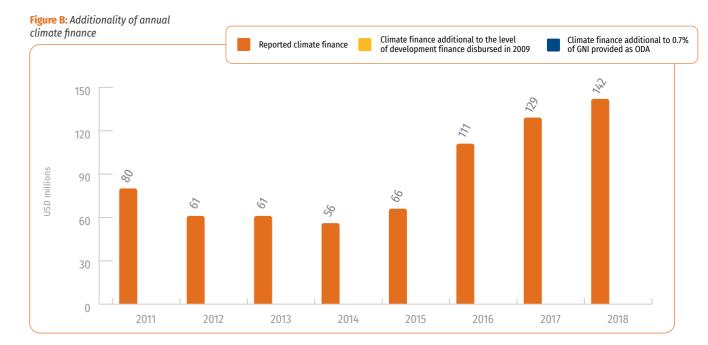
Ireland provided 0.31% of their GNI as ODA in 2021 (OECD, 2022).

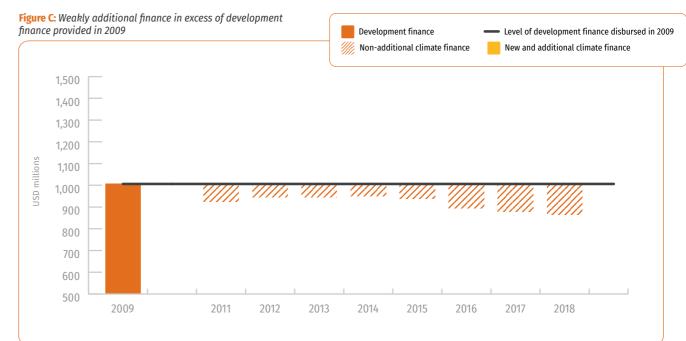
## Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

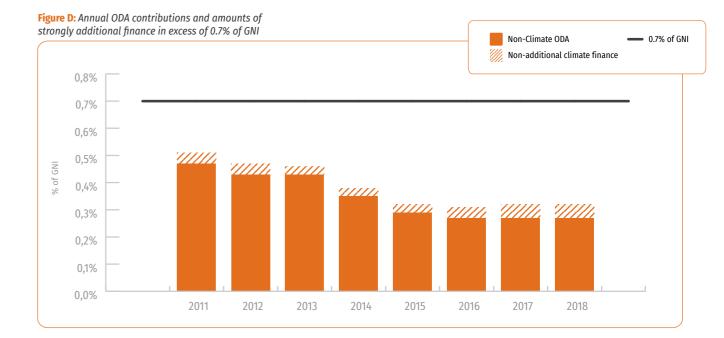
Concessional share (ODA):	100%
Non-concessional share (OOF):	-
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	58%
Mitigation share:	2%
Cross-cutting share:	40%



That's Not New Money







#### ITALY

Of the 23 Annex II Parties, Italy was the 10th largest provider of climate finance from 2011-2018 in absolute terms, and the 20th largest provider per capita. As a provider of development finance, again, Italy was the 10th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 20th largest per capita.

CARE estimates that Italy provided \$4.5 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of this \$4.5 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Italy failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, annual contributions of ODA increased from 2012-2017, yet dropped significantly in 2018.
- → 91%, or \$4.1 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means Italy has to a large extent, provided its climate finance in the context of increased spending on development.
- On average, Italy provided more new and additional climate finance annually after the Paris Agreement than before.

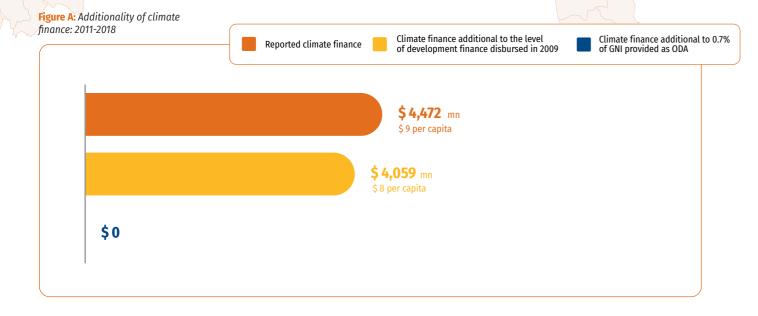
Since 2018, Italy has pledged to increase its contribution of climate financial to \$1.4 billion dollars annually, including pledges of finance for multilateral organisations such as the Green Climate Fund and Global Environment Facility (COP26 Presidency, 2021b; UNFCCC, 2021b). The commitment

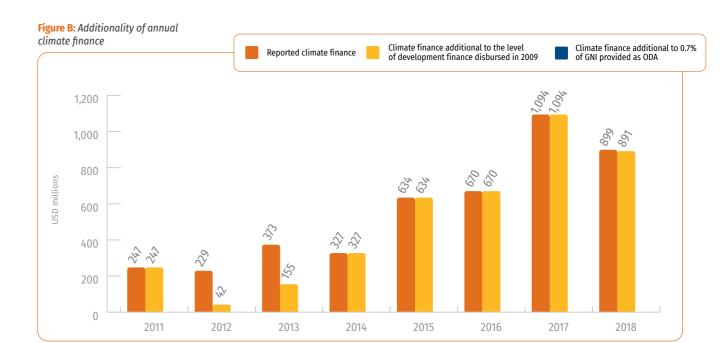
included no information on how or whether this finance would be new and additional to the country's development support.

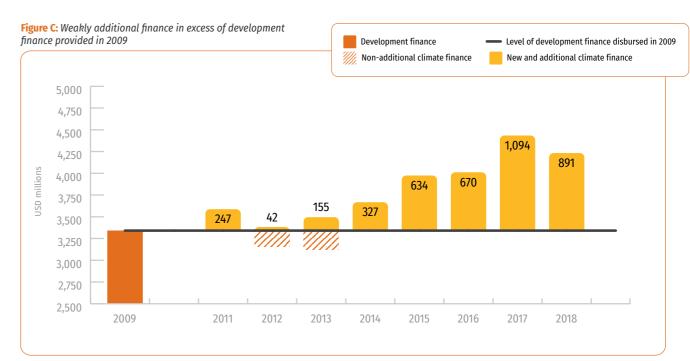
Italy provided 0.28% of their GNI as ODA in 2021 (OECD, 2022).

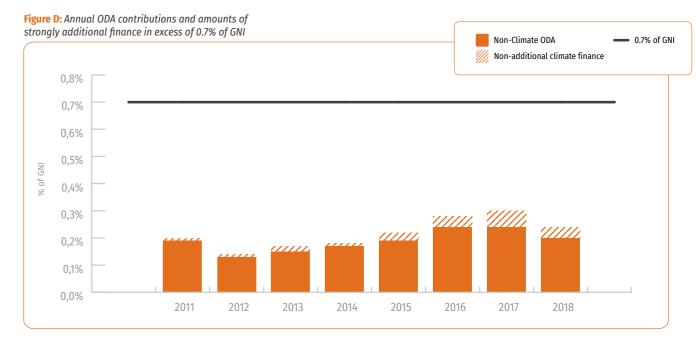
## Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

Concessional share (ODA):	97%
Non-concessional share (OOF):	3%
Concessional grant share:	90%
Non-grant share:	10%
Adaptation share:	12%
Mitigation share:	10%
Cross-cutting share:	78%









#### **JAPAN**



Of the 23 Annex II Parties, Japan was the largest provider of climate finance from 2011-2018 in absolute terms, and the 4th largest provider per capita. As a provider of development finance, Japan was the 2nd largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 12th largest per capita.

CARE estimates that Japan provided \$67.8 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of this \$67.8 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Japan failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Japan's annual contributions of ODA showed no significant trend across the period.
- 12%, or \$8.3 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means Japan has failed to provide its climate finance in the context of increased spending on development.
- On average, Japan provided more new and additional climate finance annually after the Paris Agreement than before.

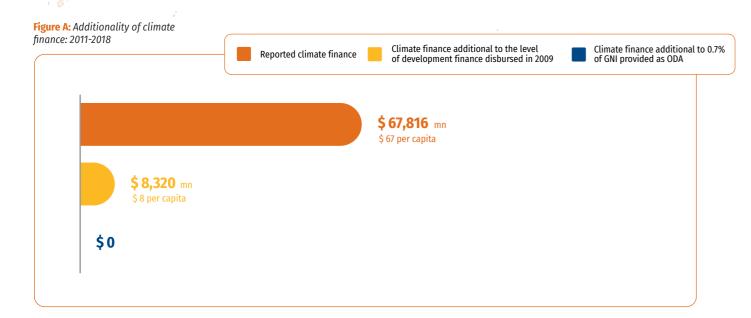
At COP26, Japan pledged to increase its climate finance contribution by \$10 billion, including both public and privately mobilised finance, bringing its total pledge to \$70 billion from 2021 to 2025 (COP26 Presidency, 2021b). The commitment included no information on how or whether

this finance would be new and additional to the country's development support.

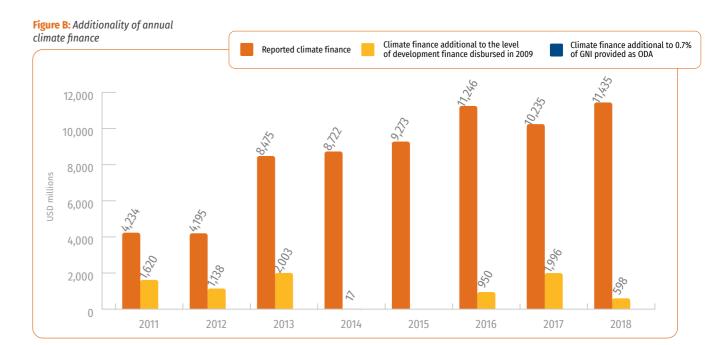
Japan provided 0.34% of their GNI as ODA in 2021 (OECD, 2022)

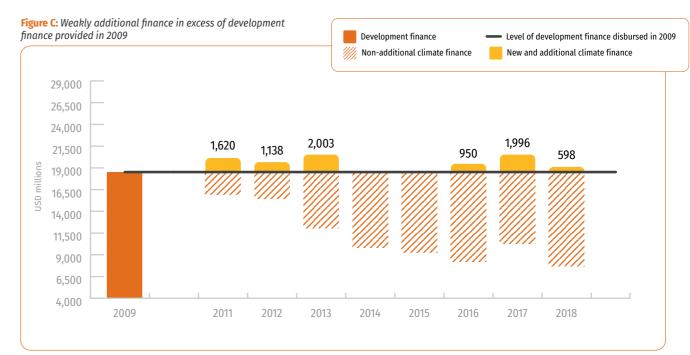
#### Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

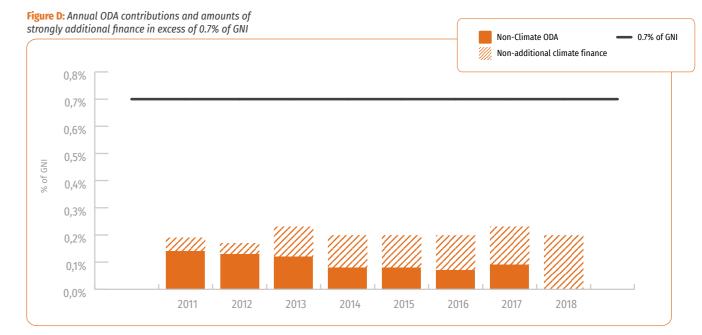
Concessional share (ODA):	99.70%
Non-concessional share (OOF):	0.30%
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	18%
Mitigation share:	11%
Cross-cutting share:	71%



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#### **LUXEMBOURG**

Luxembourg is one of the few countries who ensure the finance they report to the UNFCCC is additional to their support for development. Alongside provisions of climate finance from within its ODA budget, Luxembourg provides International Climate Finance (ICF) from a budget which is independent and on top of its development support. Additional information from Luxembourg regarding the concessionality of its ICF would help to determine its additionality more accurately.

Of the 23 Annex II Parties, Luxembourg was the 19th largest provider of climate finance from 2011-2018 in absolute terms, and the 2nd largest provider per capita. As a provider of development finance, Luxembourg was the 21st largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 2nd largest per capita.

CARE estimates that Luxembourg provided \$701 million of climate finance across the eight years, with annual totals showing an increasing trend. Of the \$701 million, CARE finds:

- → All was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. As a share of GNI, Luxembourg's annual contributions of ODA remained at around 1% from 2011-2018. Luxembourg surpassed the 0.7% target in all years.
- → 61%, or \$427 million, was weakly additional and provided above the level of development finance disbursed in 2009. This means that, relative to 2009, Luxembourg has failed to consistently and adequately increase its annual ODA totals, meaning that some climate-related

ODA cannot be considered as new and additional.

On average, Luxembourg provided more new and additional climate finance annually after the Paris Agreement than before.

In its 2020 biennial communication submission, Luxembourg pledged to provide €200 million of new and additional climate ODA from 2021-2025, an increase from the €120 million committed from 2014-2020 (UNFCCC 2021b). In effect, Luxembourg has pledged to maintain its current level of financial effort up to 2025.

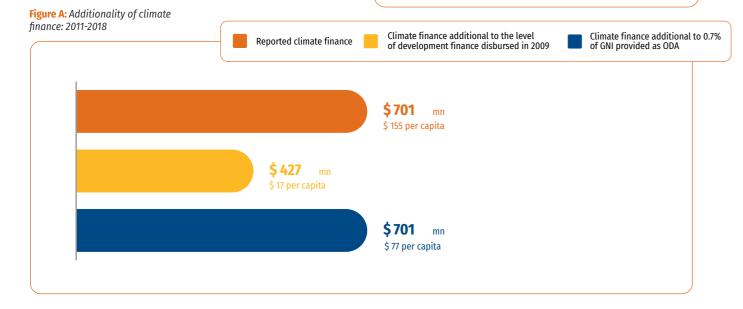
Luxembourg provided 0.99% of their GNI as ODA in 2021 (OECD, 2022).

# Characteristics of climate finance reported to the UNFCCC from 2011 to 2018 Concessional share (ODA): 50% "International Climate Finance" share (ICF): 50% Concessional grant share: 49% Non-grant share: 51%

28%

13%

60%

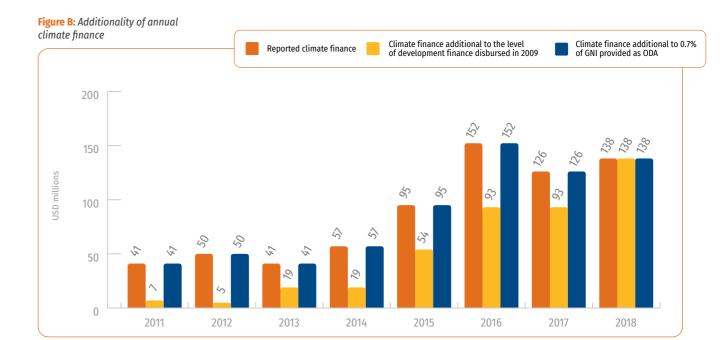


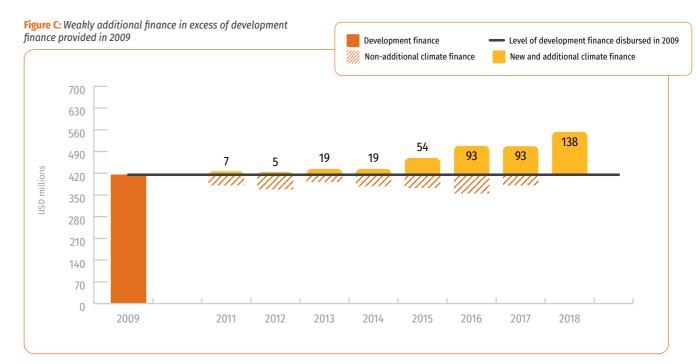
Adaptation share:

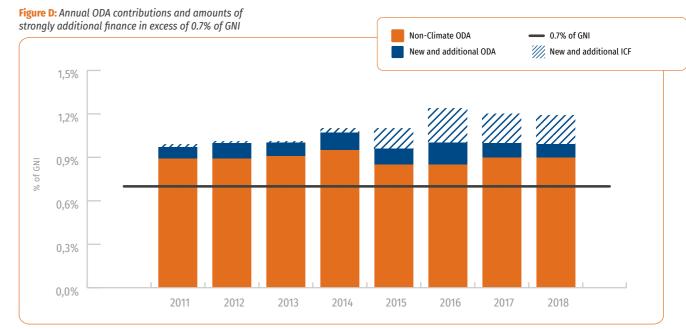
Mitigation share:

Cross-cutting share:

That's Not New Money







#### THE NETHERLANDS

Of the 23 Annex II Parties, the Netherlands was the 9th largest provider of climate finance from 2011-2018 in absolute terms, and the 10th largest provider per capita. As a provider of development finance, the Netherlands was the 7th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 6th largest per capita.

CARE estimates that the Netherlands provided \$4.5 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of the \$4.5 billion, CARE finds:

- → 22%, or \$1 billion, was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. The Netherlands surpassed the 0.7% target in 2011, 2012 and 2015, yet insufficiently so in 2012 and 2015 for all that year's climate finance to be considered additional.
- None was weakly additional and provided above the level of development finance disbursed by the Netherlands in 2009. This means that, relative to 2009, the Netherlands has failed to increase its annual development finance totals in each year.
- The Netherlands provided no new and additional climate finance in the post-Paris Agreement period.

Although the Netherlands firmly committed to provide new and additional climate finance in 2009, in 2010 it decided to decrease its ODA spending gradually from 0.8% GNI to 0.7% in 2012. Moreover, it was decided that the costs of international climate finance would be an integral part of this budget. Ever since, Dutch cabinets have not reaffirmed a commitment to provide 0.7% of GNI as ODA, resulting

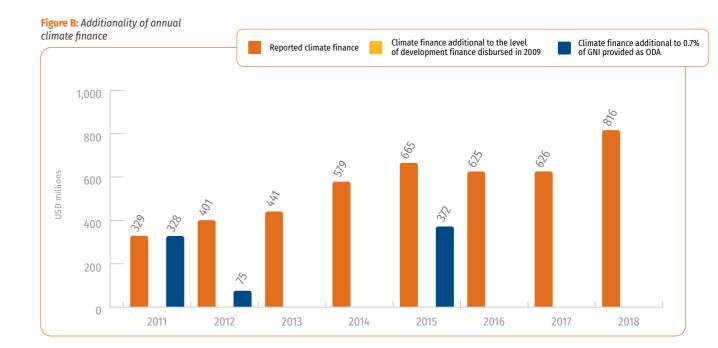
in shares of 0.59% and 0.52% in 2020 and 2021 (OECD, 2022). There are plans for a small increase in the overall development budget (with a large portion going to internal asylum expenses).

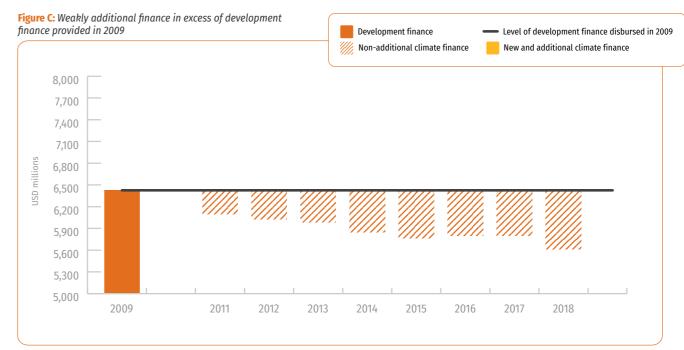
In 2022, the Netherlands expects to have increased its annual contribution of public climate finance to €660 million (approximately \$753 million), while also expecting to mobilise a further €640 million (\$730 million) in private climate finance (COP26 Presidency, 2021b).1 The Dutch government has no plans in place to ensure that these increases will be new and additional to their support for development.

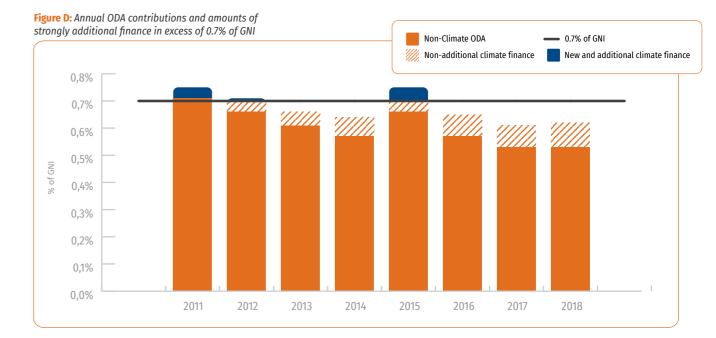
Characteristics of climate finance reported to the UNFCCC from 2011 to 2018	
Concessional share (ODA):	100%
Non-concessional share (OOF):	-
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	27%
Mitigation share:	17%
Cross-cutting share:	55%



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#### **NEW ZELAND**



Of the 23 Annex II Parties, New Zealand was the 20th largest provider of climate finance from 2011-2018 in absolute terms, and the 19th largest provider per capita. As a provider of development finance, again, New Zealand was the 20th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 19th largest per capita.

CARE estimates that New Zealand provided \$352 million of climate finance across the eight years, with annual totals showing no significantly increasing trend. Of this \$352 million, CARE finds:

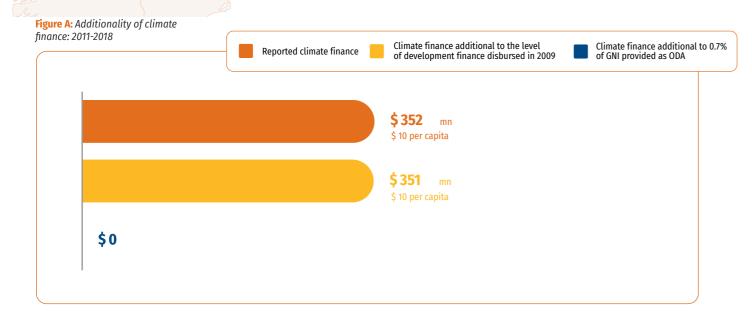
- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning New Zealand failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, annual contributions of ODA show no significant trend from 2011-2018.
- → 99.7%, or \$351 million, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means New Zealand has reported its climate finance in the context of increasing annual development support.
- On average, New Zealand provided less new and additional climate finance annually after the Paris Agreement than before.

In 2021, New Zealand pledged a four-fold increase in grant-based climate finance. The pledge increased the country's previous biennial communication commitment to provide NZD\$300 from 2022-2025, to NZD\$1.3 billion

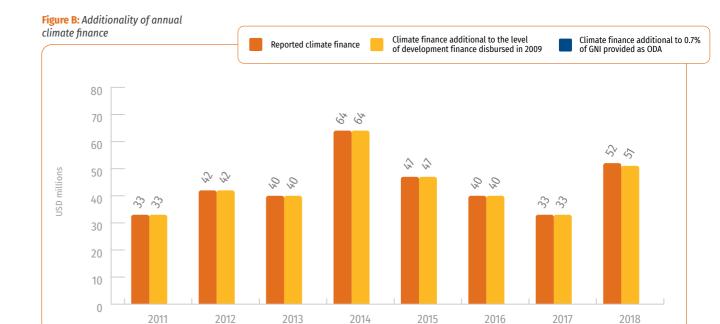
(COP26 Presidency, 2021). At least 50% of the support will target Pacific Island countries and at least 50% will target adaptation. New Zealand pledges this support in the context of a growing ODA budget, meaning it is likely to be provided above 2009 levels of ODA.

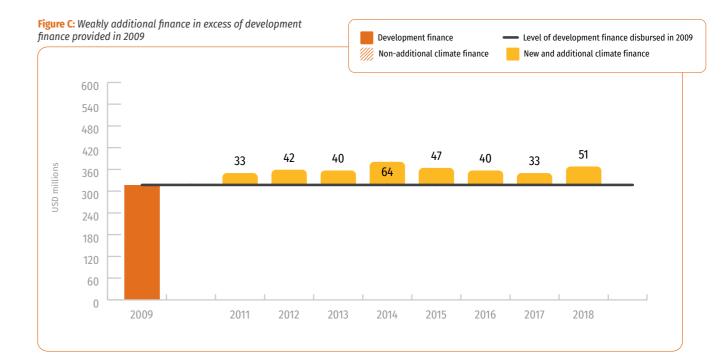
New Zealand provided 0.28% of their GNI as ODA in 2021 (OECD, 2022).

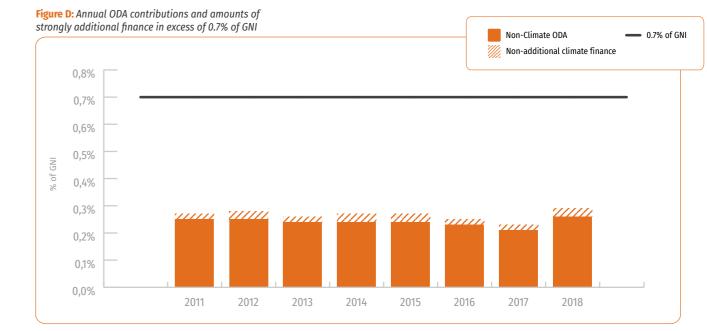
Characteristics of climate finance reported to the UNFCCC from 2011 to 2018	
Concessional share (ODA):	99.70%
Non-concessional share (OOF):	0.30%
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	18%
Mitigation share:	11%
Cross-cutting share:	71%



That's Not New Money







#### **NORWAY**



Of the 23 Annex II Parties, Norway was the 6th largest provider of climate finance from 2011-2018 in absolute terms, and the largest provider per capita. As a provider of development finance, Norway was the 8th largest provider of ODA and OOF from 2011-2018 in absolute terms, and, again, the largest per capita.

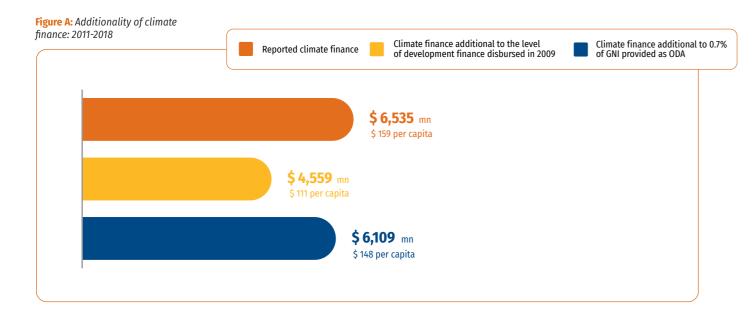
CARE estimates that Norway provided \$6.5 billion of climate finance across the eight years, with annual totals showing no consistent trend. Of the \$6.5 billion, CARE finds:

- 93.5%, or \$6.1 billion, was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. As a share of GNI, Norway's annual contributions of ODA remained above 0.9% across all years and rose to 1.0% or above from 2013-2017. Norway surpassed the 0.7% target in all years. However, the country reported 6.5% of its climate finance as non-concessional OOF: only concessional funds can be considered as new and additional under this definition.
- 70%, or \$4.6 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that Norway did not consistently provide its climate finance in the context of increased annual development support. Therefore, not all reported climate finance can be considered as new and additional.
- On average, Norway provided less new and additional climate finance annually after the Paris Agreement than before.

Since 2018, Norway has stated its aim to double annual climate finance contributions from NOK 7 billion in 2020 to NOK 14 billion (approximately \$1.7 billion) by 2026 at the latest (COP26 Presidency, 2021b). This figure includes both public climate finance and mobilized private climate finance.

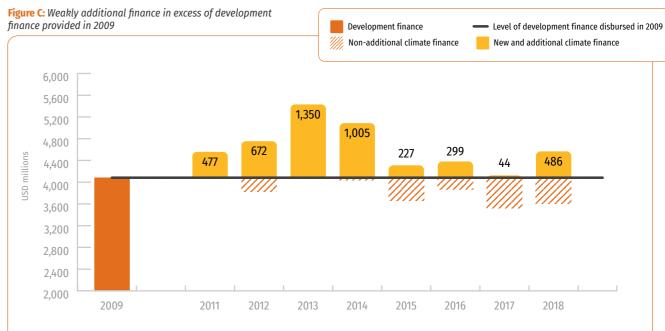
Norway provided 0.93% of their GNI as ODA in 2021 (OECD, 2022)

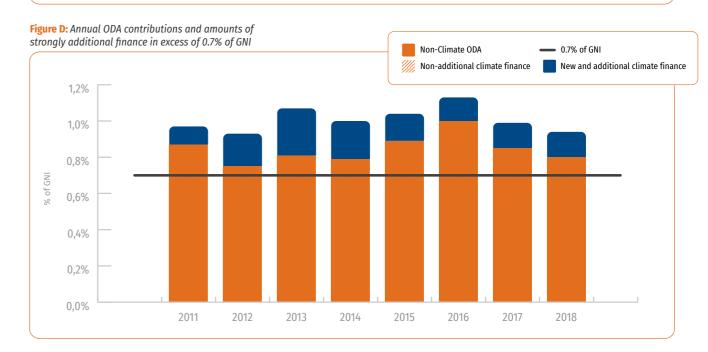
Characteristics of climate finance reported to the UNFCCC from 2011 to 2018	
Concessional share (ODA):	94%
Non-concessional share (OOF):	6.50%
Concessional grant share:	93%
Non-grant share:	7%
Adaptation share:	3%
Mitigation share:	32%
Cross-cutting share:	65%



climate finance Climate finance additional to 0.7% of GNI provided as ODA Climate finance additional to the level Reported climate finance elopment finance disbursed in 2009 1,500 1,200 900 \$\tau\_{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\ti}\}\\ \text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\texi}\\ \text{\text{\text{\text{\texi}\text{\text{\texi}\text{\text{\text{\texi}\text{\texi}\text{\texi}\text{\text{\texi}\text{\texi}\text{\texi}\text{\texi}\text{\texi}\text{\texit{\texi}\text{\tex 600 2013 2011 2012 2014 2015 2016

Figure B: Additionality of annual





#### **PORTUGAL**

Of the 23 Annex II Parties, Portugal was the 21st largest provider of climate finance from 2011-2018 in absolute terms, and the 22nd largest provider per capita. As a provider of development finance, Portugal was the 20th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 22nd largest per capita.

CARE estimates that Portugal provided \$322 million of climate finance across the eight years, with annual totals showing a decreasing trend from 2011-2014, yet an increasing trend thereafter. Of the \$322 million, CARE finds:

- → None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Portugal failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Portugal's annual contributions of ODA fell from 2011-2018.
- → 23%, or \$75 million, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means Portugal has not consistently reported its climate finance in the context of an increasing total development spend.
- On average, Portugal provided less new and additional climate finance annually after the Paris Agreement than before.

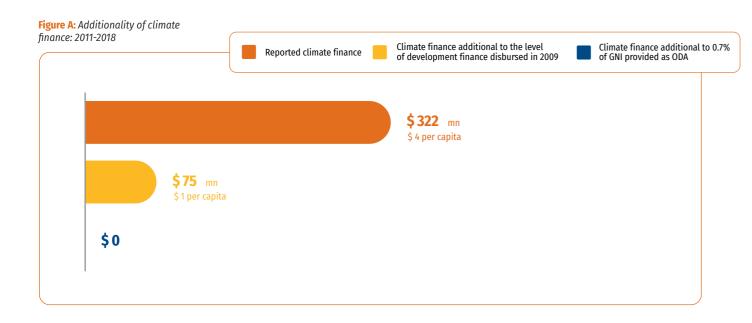
In its 2020 biennial communication submission to the UNFCCC, Portugal provided little information to ensure the predictability of its future climate finance for developing countries or to evidence it would increase (UNFCCC, 2021b;

Hattle and Nordbo, 2021). The country made no subsequent announcements during COP26 regarding its climate finance (COP26 Presidency, 2021b).

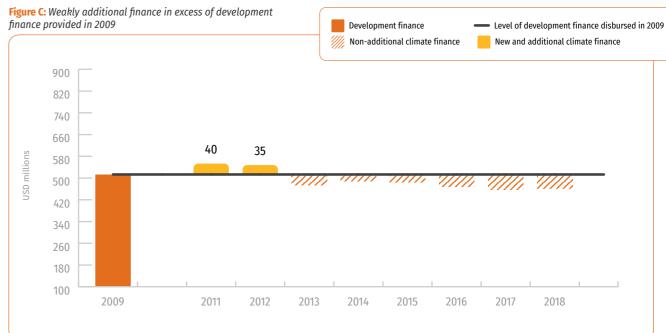
Portugal provided 0.18% of their GNI as ODA in 2021 (OECD, 2022).

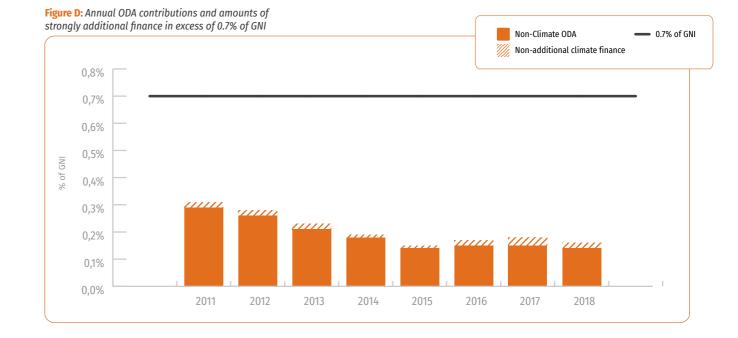
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Characteristics of climate finance reported to the UNFCCC from 2011 to 2018	
100%	
-	
81%	
19%	
4%	
64%	
32%	









#### **SPAIN**



Of the 23 Annex II Parties, Spain was the 7th largest provider of climate finance from 2011-2018 in absolute terms, and the 16th largest provider per capita. As a provider of development finance, Spain was the 13th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 21st largest per capita.

CARE estimates that Spain provided \$5.2 billion of climate finance across the eight years, with annual totals showing an increasing trend across the period. Of the \$5.2 billion, CARE finds:

- None was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. Meaning Spain failed to provide 0.7% of its GNI as ODA in all years. As a share of GNI, Spain's annual contributions of ODA showed no significant trend from 2011-2018.
- → 9%, or \$480 million, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means Spain failed to provide its climate finance in the context of increasing support for development.
- On average, Spain provided more new and additional climate finance annually after the Paris Agreement than before.

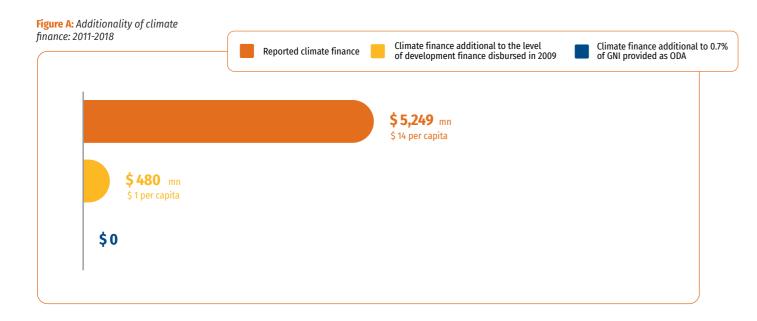
At COP26, Spain reaffirmed its pledge to provide up to €1.35 billion (approximately \$1.5 billion) of climate finance annually by 2025, a 50% increase from the €900 million pledged to provided by 2020 (COP26 Presidency, 2021b). The

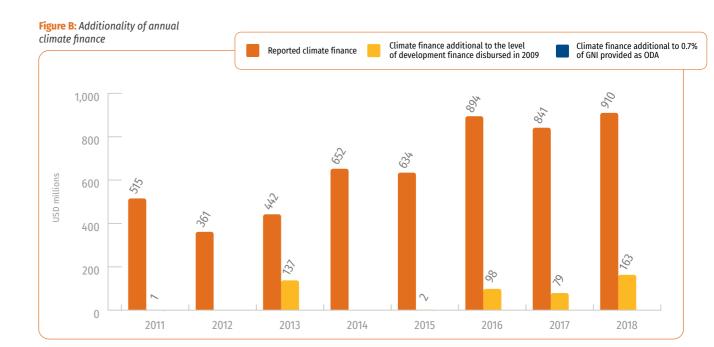
commitment included no information on how or whether this finance would be new and additional to the country's development support.

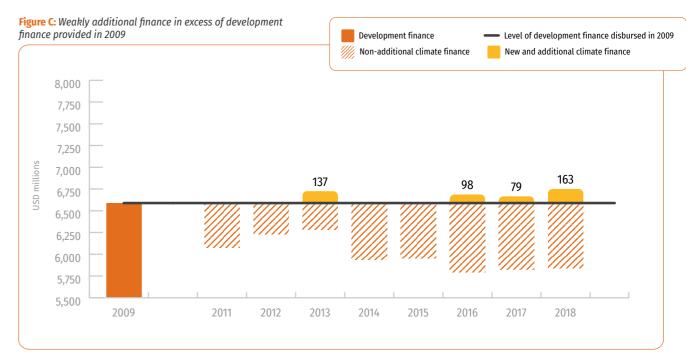
Spain provided 0.25% of their GNI as ODA in 2021 (OECD, 2022).

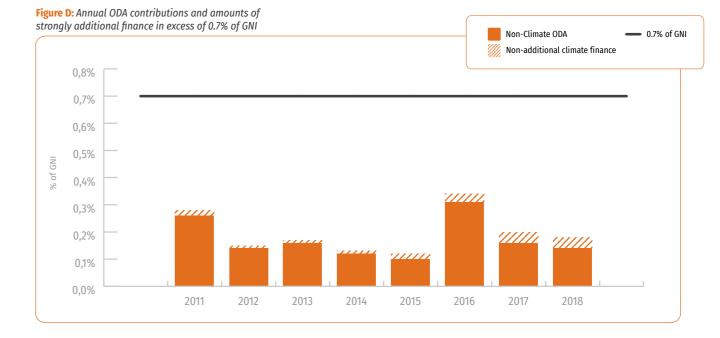
## Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

Concessional share (ODA):	48%
Non-concessional share (OOF):	52%
Concessional grant share:	41%
Non-grant share:	59%
Adaptation share:	8%
Mitigation share:	72%
Cross-cutting share:	20%









#### **SWEDEN**



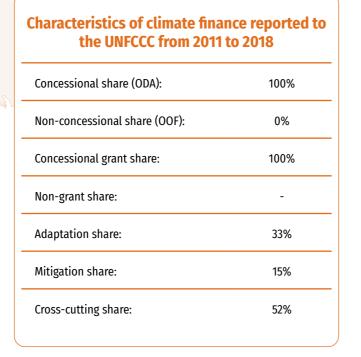
Of the 23 Annex II Parties, Sweden was the 8th largest provider of climate finance from 2011-2018 in absolute terms, and the 6th largest provider per capita. As a provider of development finance, Sweden was the 6th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 3rd largest per capita.

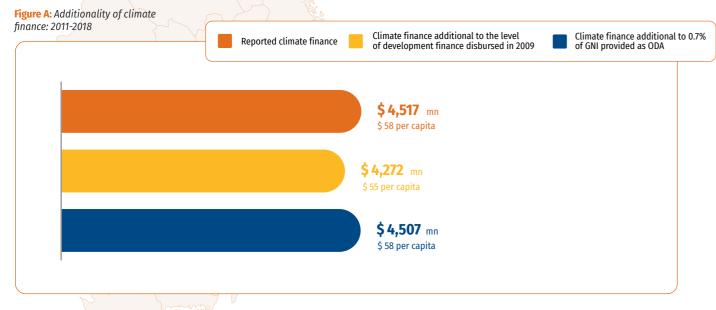
CARE estimates that Sweden provided \$4.517 billion of climate finance across the eight years, with annual totals decreasing from 2011-2014, then increasing to above the 2011 levels by 2018. Of the \$4.5 billion, CARE finds:

- → 99.8%, or \$4.507 billion, was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. As a share of GNI, Sweden's annual contributions of ODA as a share of GNI remained above 0.9% across the period, peaking to 1.4% in 2015. Sweden surpassed the 0.7% target in all years. The 0.2% of Sweden's climate finance reported as non-concessional OOF cannot be considered as new and additional under this definition.
- 95%, or \$4.272 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that Sweden has provided almost all of its climate finance in the context of annually increasing development finance totals.
- On average, Sweden provided more new and additional climate finance annually after the Paris Agreement than before.

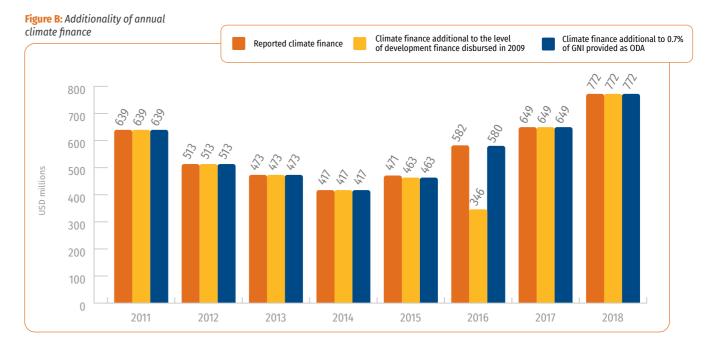
At COP26, Sweden stated it intends to double its annual public climate finance to developing countries to SEK 15 billion by 2025 (approximately \$1.6 billion) (COP26 Presidency, 2021b). Sweden will continue to provide around 50% of its bilateral climate finance to adaptation in line with partner countries' requests while strengthening efforts to mobilise private finance from other sources.

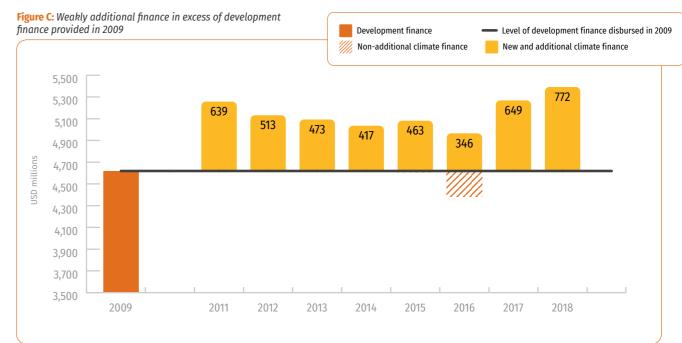
Sweden provided 0.92% of their GNI as ODA in 2021 (OECD,

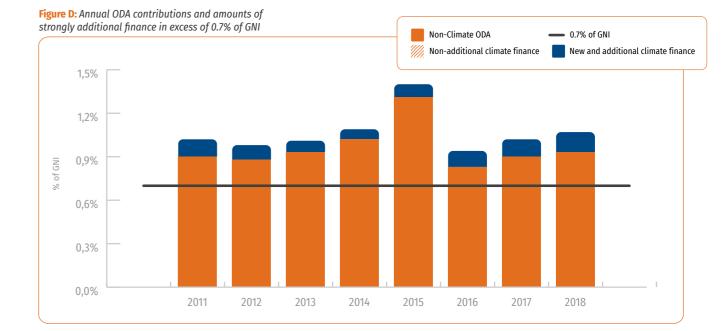












#### **SWITZERLAND**



Of the 23 Annex II Parties, Switzerland was the 12th largest provider of climate finance from 2011-2018 in absolute terms, and the 9th largest provider per capita. As a provider of development finance, Switzerland was the 12th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 5th largest per capita.

CARE estimates that Switzerland provided \$2.2 billion of climate finance across the eight years, with annual totals showing an increasing trend. Of the \$2.2 billion, CARE finds:

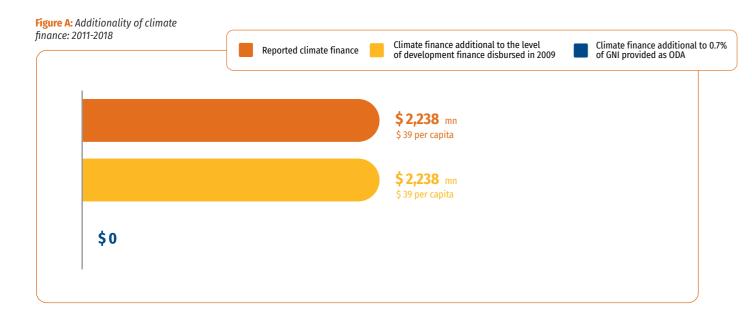
- None was strongly additional and provided in excess of 0.7% of GNI. Switzerland did not provide 0.7% of its GNI as ODA in any year.1 As a share of GNI, Switzerland's annual contributions of ODA show no significant trend from 2011-2018.
- → All climate finance was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that Switzerland has provided its climate finance in the context of annual development finance totals which are consistently higher than the levels observed in 2009.
- → On average, Switzerland provided more new and additional climate finance annually after the Paris Agreement than before.

Switzerland's 2020 biennial communication submission to the UNFCCC included a pledge to increase public climate finance to CHF 400 million annually by 2024 (approximately \$426 million) (UNFCCC, 2021b). At COP26, Switzerland increased the pledge to CHF 425 million annually by 2025 (approximately \$453 million) (COP26 Presidency, 2021b). The commitment included no information on how or whether this finance would be new and additional.

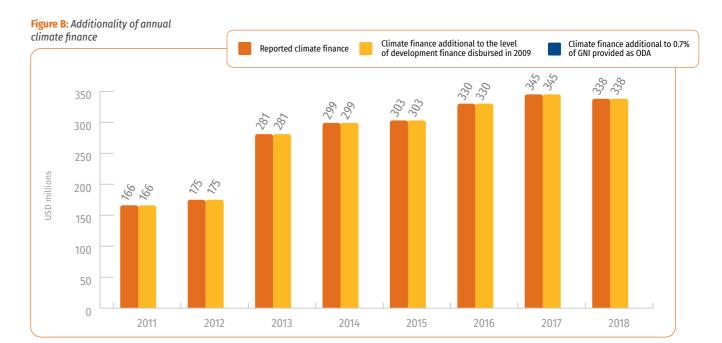
Switzerland provided 0.51% of their GNI as ODA in 2021 (OECD, 2022).

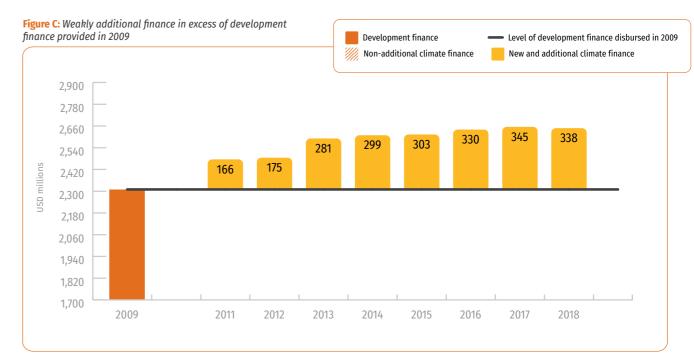
# Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

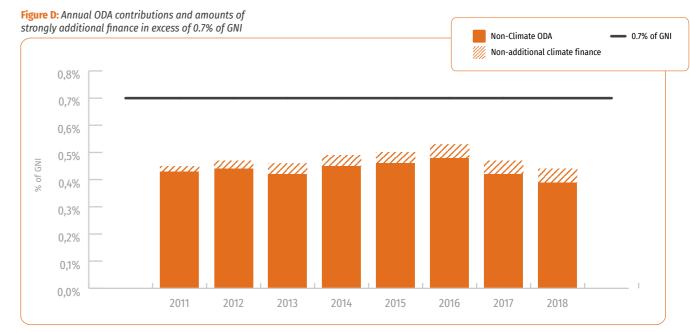
Concessional share (ODA):	100%
Non-concessional share (OOF):	-
Concessional grant share:	100%
Non-grant share:	-
Adaptation share:	38%
Mitigation share:	29%
Cross-cutting share:	34%



That's Not New Money







#### THE UNITED KINGDOM



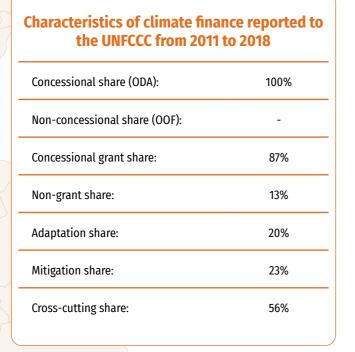
Of the 23 Annex II Parties, the United Kingdom was the 5th largest provider of climate finance from 2011-2018 in absolute terms, and the 11th largest provider per capita. As a provider of development finance, the United Kingdom was the 4th largest provider of ODA and OOF from 2011-2018 in absolute terms, and the 7th largest per capita.

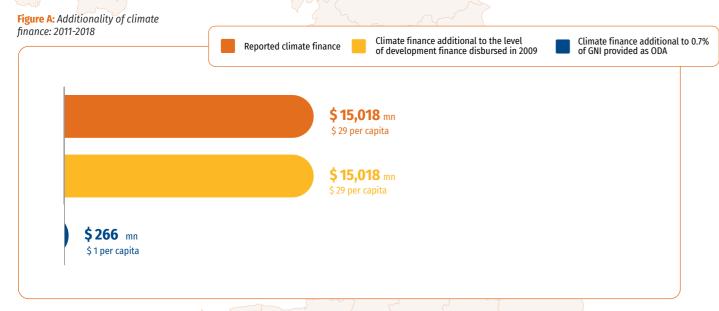
CARE estimates that the United Kingdom provided \$15.0 billion of climate finance across the eight years, with annual totals generally showing an increasing trend. Of the \$15.0 billion, CARE finds:

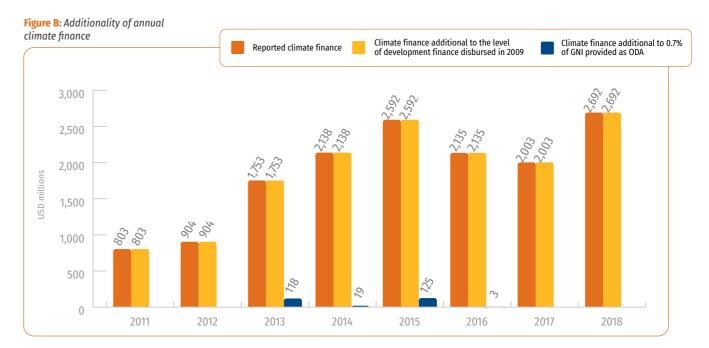
- $\rightarrow$  2%, or \$0.3 billion, was strongly additional and provided in excess of the 0.7% of GNI pledged as ODA. The United Kingdom met the 0.7% target from 2013-2018, yet insufficiently so for a substantial portion of reported climate finance to be considered additional. As a share of GNI, the United Kingdom's annual contributions of ODA increased from 2012-2013 and remained relatively constant thereafter.
- All climate finance was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means that the United Kingdom has provided its climate finance in the context of annual development finance totals which are consistently higher than the levels observed in 2009.
- On average, the United Kingdom provided more new and additional climate finance annually after the Paris Agreement than before.

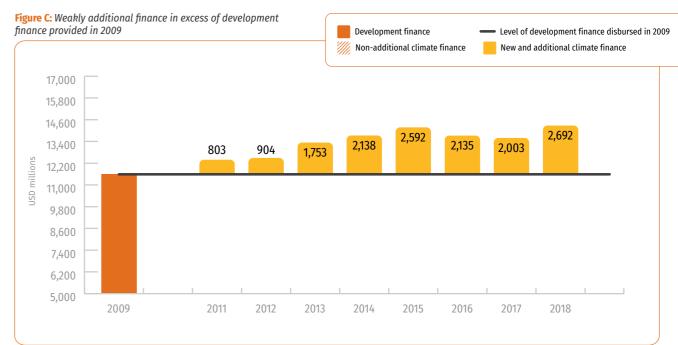
At the Climate Ambition Summit of 2020, the United Kingdom pledged to double its climate finance commitment to £11.6 billion across five years (COP26 Presidency, 2021b). However, the country's ODA budget has been significantly cut from 0.7% to 0.5% of GNI (UK Parliament, 2020). This calls into question whether any of the stated increase in climate finance will be new and additional, or whether it will simply displace provisions of development finance.

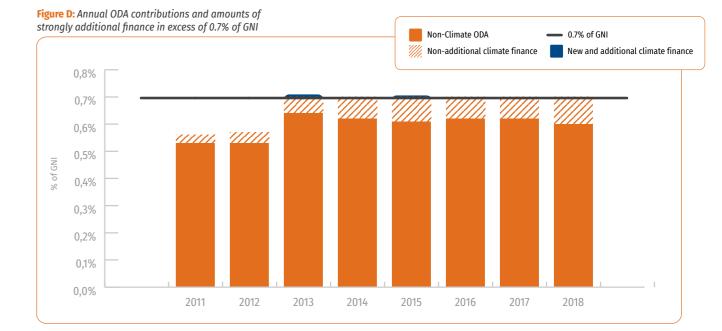
The United Kingdom provided 0.50% of their GNI as ODA in 2021 (OECD, 2022).











#### THE UNITED STATES



CARE estimates that the United States provided \$16.8 billion of climate finance across the eight years, with annual totals showing a weakly decreasing trend. Of the \$16.8 billion, CARE finds:

- None was strongly additional and provided in excess of 0.7% of GNI. The United States did not provide 0.7% of its GNI as ODA in any year.1 As a share of GNI, the United States' annual contributions of ODA decreased from 2011-2018.
- 87%, or \$14.6 billion, was weakly additional and provided above the level of development finance disbursed in 2009. Relative to 2009, this means the United States has not consistently reported its climate finance in the context of increasing annual development support.
- On average, the United States provided slightly less new and additional climate finance annually after the Paris Agreement than before.

In 2021, the United States pledged to, in effect, quadruple its public climate finance to developing countries by 2024 to around \$11.4 billion annually (COP26 Presidency, 2021b). However, the US Congress appropriated just \$1 billion for international climate finance for the 2022 fiscal year (US

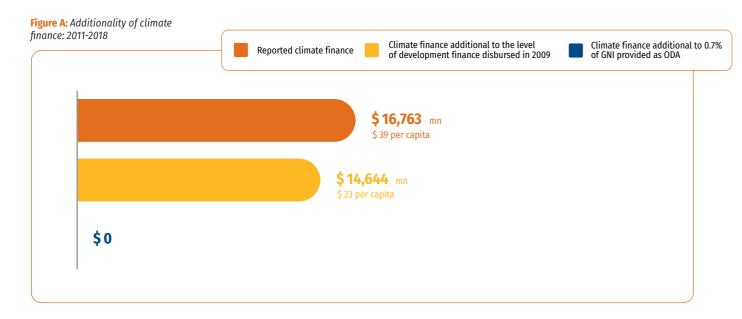
#### Congress, 2022).

Even if the issue of additionality is set aside, the United States' is failing to progress towards its 2021 pledge. This failure jeopardises rich nations' Climate Finance Delivery Plan, which stated that the \$100 billion goal would be met by 2023 - in large part due to the increases announced by the United States (COP26 Presidency, 2021).

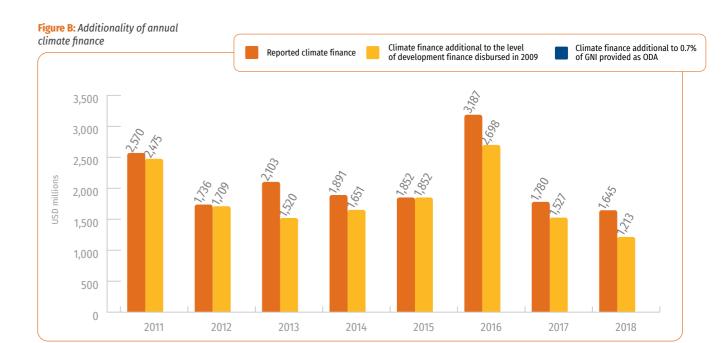
The United States provided 0.18% of their GNI as ODA in 2021 (OECD, 2022).

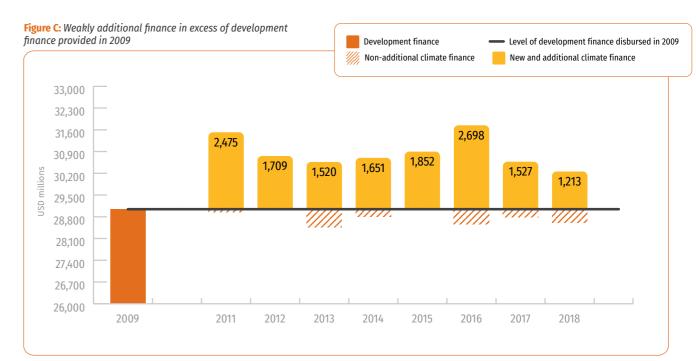
# Characteristics of climate finance reported to the UNFCCC from 2011 to 2018

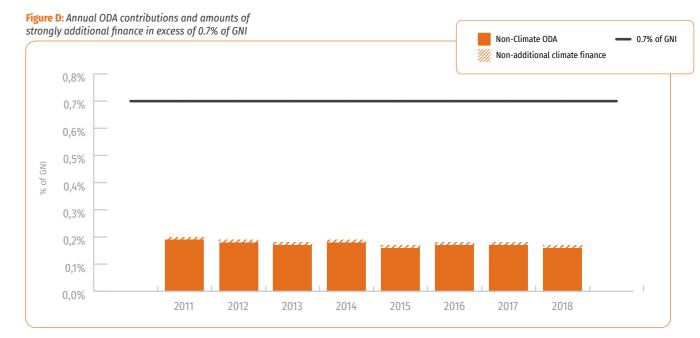
Concessional share (ODA):	84%
Non-concessional share (OOF):	16%
Concessional grant share:	84%
Non-grant share:	16%
Adaptation share:	18%
Mitigation share:	55%
Cross-cutting share:	28%



That's Not New Money







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# **ANNEX A**

Parties use a variety of methods to process their core contributions to multilateral organisations. Core contributions represent finance provided by a country which enters the general budget of a recipient multilateral organisation. Such finance cannot be said to explicitly support climate objectives. Some Parties report a portion of this core finance as climate finance using the OECD's imputed multilateral contributions methodology. Others note that the OECD's methodology is imperfect and avoid using it. This Annex contains CARE's assessment of how each country has treated their core contributions when reporting climate finance figures to the UNFCCC.

Treatment of core/general contributions in biennial reporting	BR1 (data covering 2011-2012)	BR2 (data covering 2013-2014)
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions methodology, reporting it in the climate-specific column (alongside the full amount in the core column).	Finland, Netherlands	Australia***, Finland, France, Netherlands
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method, reporting it in the climate-specific column (with no, or an adjusted value, included in the core contributions column).		Austria, Italy, Switzerland
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method and reporting it in the core column (with no value included in the climate-specific column).		Canada
Parties not calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method, instead reporting full core contributions to multilaterals in the core column.°	Australia*, Austria*, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Japan, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK, US	Belgium, Denmark, Germany, Greece, Iceland, Ireland, Japan, Luxembourg, New Zealand, Norway, Portugal, Spain, Sweden, UK, US
Parties who did not supply any data regarding core contributions or did not specify how it is treated.	Belgium, EU, Luxembourg	EU

Treatment of core/general contributions in biennial reporting	BR3 (data covering 2015-2016)	BR4 (data covering 2017-2018)
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method, reporting it in the climate-specific column (alongside the full amount in the core column).	Australia, Finland, France, Switzerland	Australia, Finland, France, Sweden, Switzerland
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method, reporting it in the climate-specific column (with no, or an adjusted value, included in the core contributions column).	Austria, Italy**, <mark>Netherlands,</mark> <mark>Spain</mark>	Austria, Italy**, Netherlands, Spain
Parties calculating the climate-specific share of their core/general contributions using the imputed multilateral contributions method and reporting it in the core column (with no value included in the climate-specific column).	Canada, <mark>Norway</mark>	Canada, Norway
Parties who do not calculate the climate-specific share of their core/general contributions using the imputed multilateral contributions method and instead report full core contributions to multilaterals in the core column.°	Belgium, Denmark, Germany, Greece, Iceland, Ireland, Japan, Luxembourg, New Zealand, Portugal, Sweden, UK, US	Belgium, Denmark, Germany, Iceland, Ireland, Japan, Luxembourg, New Zealand, Portugal, UK, US
Parties who did not supply any data regarding core contributions or did not specify how it is treated.	EU	EU, Greece

Red text shows a change in the methodology used to process core contributions when compared to the Party's prior Biennial Report submission.

<sup>°</sup> In this category, some Parties may have included finance relating to climate change funds in the climate-specific column, yet imputed multilateral contributions have not been calculated for the multilateral development banks.

<sup>\*</sup> In this biennial report, the Party did not supply clear methodological information regarding the treatment of its core contributions and other treatments that are possible. This classification represents an informed decision regarding the methodology used.

<sup>\*\*</sup> In its BR2 submission, Italy did not provide clear methodological information regarding the treatment of its core contributions. It is assumed that they were reported as they were in later BR3 and BR4 submissions. In BR3 and BR4 submissions, Italy calculated imputed multilateral contributions, reporting the climate-specific share in the climate-specific column, while reporting the difference between the full core contribution and the imputed climate-specific share in the core column.

<sup>\*\*\*</sup>Australia calculated imputed multilateral contributions for core contributions to multilateral development banks in 2014, but not for 2013.

#### **IMAGE CREDITS**

- p. 4 Eta & Itoa Hurricane, Crop destruction, Honduras 2020.
- p. 8 Josh Estey/CARE, Money Box, Niger.
- p. 11 Josh Estey/CARE Cyclone Idai, Beira, Mozambique.
- p. 13 Eva Marder Global Day of Climate Actions, Bonn, Germany.
- p. 14 Eric Kampherbeek "Now you hear us", Makmende, Indonesia.
- p. 17 Sudan.
- p. 18 Eta & Iota Hurricane, Honduras.
- p. 21 Johanna Mitscherlich, El Nino Ddrought, Mozambique 2016.
- p. 30 Eta and Iota Hurricane, Honduras 2020.



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