

Climate finance for developing countries reached USD 79.6bn in 2019

17/09/2021 –

Climate finance for developing countries rose to USD 79.6 billion in 2019 – OECD

Climate finance provided and mobilised by developed countries for developing countries totalled USD 79.6 billion in 2019, up 2% from 78.3 billion in 2018, according to new figures from the OECD.

The small increase was driven by a rise in public climate finance provided by multilateral institutions, while bilateral public climate finance commitments dropped, as did climate finance mobilised from private sources.

[Climate Finance Provided and Mobilised by Developed Countries: Aggregate trends updated with 2019 data](#) is the OECD's fourth assessment of progress towards the UNFCCC goal of mobilising USD 100 billion per year by 2020 to help developing countries tackle and adapt to climate change.

“Climate finance continued to grow in 2019 but developed countries remain USD 20 billion short of meeting the 2020 goal of mobilising USD 100 billion,” **OECD Secretary-General Mathias Cormann said.**

“The limited progress in overall climate finance volumes between 2018 and 2019 is disappointing, particularly ahead of COP26. While appropriately verified data for 2020 will not be available until early next year it is clear that that climate finance will remain well short of its target. More needs to be done. We know that donor countries recognise this, with Canada and Germany now taking forward a delivery plan for mobilising the additional finance required to reach the USD 100bn a year goal.”

The report finds that public climate finance from developed countries reached USD 62.9 billion in 2019. Bilateral public climate finance accounted for USD 28.8 billion, down 10% from 2018, and multilateral public climate finance attributed to developed countries accounted for USD 34.1 billion, up by 15% from 2018. The level of private climate finance mobilised was down 4% at USD 14.0 billion in 2019, after USD 14.6 billion in 2018. Climate-related export credits remained small at USD 2.6 billion, accounting for just 3% of total climate finance.

The report also shows that out of the overall climate finance in 2019, 25% went to adaptation (up from 21% in 2018), 64% went to climate change mitigation activities (down from 70% in 2019), and the remainder to crosscutting activities. More than half of total climate finance targeted economic infrastructure – mostly energy and transport – with most of the

remainder going to agriculture and social infrastructure, notably water and sanitation.

Asia has been the main beneficiary of climate finance over 2016-19 with 43% of the total on average, followed by Africa (26%) and the Americas (17%). Climate finance for Least Developed Countries rose strongly in 2019 (up 27% on 2018) but funding for Small Island Developing States fell back to 2017 levels (from USD 2.1 billion to 1.5 billion) after a temporary increase in 2018.

This data confirm that SIDS face specific challenges in accessing climate finance. The international community needs to consider financing for climate that is appropriate for the challenges that SIDS face, less fragmented, easier to access, predictable and long-term.

Mr Cormann emphasised that, "It is more urgent than ever that developed countries step up their efforts to deliver finance for climate action in developing countries, particularly to support poor and vulnerable countries to build resilience against the growing impacts of climate change."

In terms of public finance instruments, public grant financing jumped by 30% from 2018 to reach USD 16.7 billion in 2019, after having remained stable the three previous years. In contrast, the volume of public loans, which had increased significantly up to 2018, fell by 5% in 2019. As a result, the share of grants in overall public climate finance was 27% in 2019, while loans (both concessional and non-concessional) represented 71%.

Note to Editors

At the 15th Conference of Parties (COP15) of the UNFCCC in Copenhagen in 2009, developed countries committed to a collective goal of mobilising USD 100 billion per year by 2020 for climate action in developing countries. The goal was formalised at COP16 in Cancun, and at COP21 in Paris, it was reiterated and extended to 2025.

At the request of donor countries, the OECD produces regular analysis of progress towards this goal based on a robust accounting framework, consistent with the COP24 outcome agreed by all Parties to the Paris Agreement as regards funding sources and financial instruments. The OECD figures capture four distinct components of climate finance provided and mobilised by developed countries: bilateral public climate finance, multilateral public climate finance attributed to developed countries, climate-related officially supported export credits, and private finance mobilised by bilateral and multilateral public climate finance, attributed to developed countries.

Due to time lags in official reporting of the various datasets, data for 2020 will not be available before 2022. At that point, a thorough analysis will be conducted to inform the period to 2025 and assess the extent to which the COVID-19 crisis may have affected climate finance flows. Meanwhile the 2021 update report adds 2019 to the 2013-18 series and adds data for US bilateral

public climate finance in 2018. This data was previously unavailable and had been estimated as the average level of US bilateral public climate finance over 2016-17. Actual US bilateral public climate finance in 2018 was USD 0.6 billion lower than this estimate.

The year-on-year time series is consistent from 2013 to 2019 for bilateral and multilateral public climate finance and export credits, however data for private climate finance from 2016 on are not directly comparable with those for 2013-14 due to the application of improved methodology and a resulting gap in the time series in 2015.

For further information journalists are invited to contact [Catherine Bremer](#) in the OECD Media Office (+33 1 45 24 80 97).

Working with over 100 countries, the OECD is a global policy forum that promotes policies to preserve individual liberty and improve the economic and social well-being of people around the world.