



SUBMISSION TO INFORM THE IMPLEMENTATION PROCESS OF THE WORK PROGRAMME ON CLIMATE FINANCE

The following submission has been prepared by members of the [Loss and Damage Collaboration](#) (L&DC) in response to the [call for submissions](#) to inform the implementation of the [Work Programme on Climate Finance](#), established in paragraph 54 of [decision 1/CMA.7](#). We have responded to the [guiding questions](#) provided by the co-chairs with our expectations for the work programme.

We must be guided by the needs and priorities of developing countries and the frontline communities within them, not by what is politically palatable. We therefore provide suggestions on how the work programme can be leveraged as a political space to curate discussions, mobilise solutions that enable action on the ground to address those needs. To do so, Loss and Damage must be fully integrated into the work programme as the third pillar of climate action.

For the work programme to be successful, it must reconcile with lessons from recent history. The goal of mobilising 100 billion USD a year to address the needs of developing countries in the context of meaningful mitigation actions was established in paragraph 8 of [decision 2/CP.15](#), which was, as with many decisions under the United Nations Framework Convention on Climate Change (UNFCCC) and its Paris Agreement, the lowest common denominator. The goal was not informed by the needs and priorities of developing countries but rather was guided by what was acceptable to all Parties in a process in which “nothing is agreed until everything is agreed”.

In paragraph 53 of [decision 1/CP.21](#), which adopted the Paris Agreement, Parties decided to continue the existing climate finance mobilisation goal to 2025 and, through 2025 and prior to that, to set a new, collective, quantified goal (NCQG) from a floor of 100 billion USD a year, taking into account the needs and priorities of developing countries. **Despite calls from developing countries, frontline communities, and civil society to learn from past mistakes, the [NCQG established at COP 29](#) was once again based on what was politically palatable rather than** on the needs and priorities of developing countries.

In the lead-up to and at COP 29, developing countries called for the NCQG to have a floor of 1.3 trillion USD per year. Paragraph 3 of [decision 1/CMA.6](#) highlighted that the costed needs for developing countries as articulated in their nationally determined contributions (NDCs) were 455 - 584 billion USD a year, with adaptation needs alone 215 - 387 billion USD a year. All attempts by developing Parties to include the costed needs for Loss and Damage in the decision were rebuffed, despite the fact that the NCQG is meant to respond to the needs and



priorities of developing countries. This means the NCQG must not only acknowledge but also address the needs of developing countries and encompass the full spectrum of climate action. As the third pillar of climate action, Loss and Damage must be included. Our [analysis](#) has estimated the needs of developing countries to respond to loss and damage at 724.43 billion USD per year.

While the decision at COP 29 noted “with concern” the widening gap between the climate finance needs and flows, the NCQG did not address those needs. Instead, Parties established a goal of mobilising 300 billion USD a year by 2035 from a wide variety of sources, with developed countries taking the lead. The decision called on all actors to work together to mobilise 1.3 trillion USD a year from all sources. What this effectively means is that developing countries will continue to finance climate change responses in their countries, for which many bear negligible responsibility. This has consequences for sustainable development and diverts resources from critical aspects of a healthy society, such as education and health.

This, despite the fact that finance exists to enable every human, every other species and every ecosystem to thrive on a healthy planet. We know that finance can be mobilised quickly and in large amounts by developed countries from the global COVID-19 pandemic. We also know that mobilising finance at the scale of the needs need not affect citizens in developed countries struggling to make ends meet amid a rising cost of living, exacerbated even more recently by the war in the Middle East.

We argue that it’s not too late to make things right. We need not saddle ourselves with an arbitrary number determined one evening in November of 2024 in Baku, Azerbaijan. Parties can and must revisit this decision and revise the NCQG to address the scale and scope of the needs and include Loss and Damage. **The work programme can facilitate this shift by helping developed countries see that providing finance to enable climate action at the scope and scale of the needs in developing countries is not only possible, it’s good for everyone.** Below, we provide more details on what we expect from the work programme, guided by the co-chairs’ questions.

(a) What are your overall expectations for the climate finance work programme? What concrete outputs and outcomes should the climate finance work programme deliver?

The work programme on climate finance is expected to enhance both discussions and the deployment of measures for facilitating the provision of public finance to developing countries by developed countries at the scale and scope of the needs.

The climate finance work programme must move beyond **rhetoric to drive real ambition aligned with the scale and urgency of developing countries’ needs.** It must compel developed countries to deliver **new, adequate, and predictable public finance to developing countries in the form of grants.** The work programme must drive meaningful action, replacing



empty promises and symbolic gestures of solidarity that ultimately deepen debt burdens with concrete commitments translated into contributions that genuinely meet the scope and scale of the needs. As such, the work programme must strengthen the operationalisation of financial commitments under the Paris Agreement, ensuring that climate finance flows are predictable, adequate, and aligned with the goals of limiting global warming to 1.5°C. Concrete outputs of the work programme must include:

Clear Roadmaps for Finance Mobilisation: Develop roadmaps with detailed strategies to scale up public and grant-based climate finance, with specific targets and timelines, emphasising support for mitigation, adaptation, and Loss and Damage (responses to loss and damage).

Integration of Loss and Damage Finance: Concrete mechanisms to operationalise financial support for Loss and Damage, including the full spectrum of actions from risk reduction to rehabilitation, recovery as well as compensation and redress measures, as appropriate, recognising its distinct nature from adaptation finance.

Capacity Building and Technical Assistance: Support for strengthening institutional capacities in recipient countries to design, implement, and monitor climate finance projects effectively is urgently needed. This must include the full spectrum of climate action, from mitigation, adaptation, and Loss and Damage.

Recognising the adaptation and Loss and Damage nexus and additionality: The work programme must meet developing countries and frontline communities where they're at, which means ensuring they have adequate resources for both adaptation and responding to loss and damage. Loss and Damage must be recognised as having synergies with adaptation, while requiring additional finance. The two are complementary, but Loss and Damage is distinct from adaptation. Ensuring that developing countries, and the communities within them, have access to both adequate adaptation and Loss and Damage finance will result in enhanced adaptive capacity, strengthened resilience, and societies more likely to thrive in the midst of global crises.

Transparent and inclusive: The work programme must also foster greater international cooperation and trust through transparent governance and inclusive stakeholder engagement.

Marginalised populations and vulnerable communities, including Indigenous Peoples, are change agents and solution providers. They know their needs and how to address them, but lack the resources to implement climate action. They must not only have a seat at the table but also drive decision-making and implementation.

Real conversations about meeting real needs: Finally, the work programme must provide space for real conversations about where the money must come from. Developed countries have tended to argue that they cannot mobilise finance at the scale of the needs in developing countries because they have their own problems at home to address. However, as articulated



above, we know from having come through a global pandemic that developed countries can quickly mobilise trillions of dollars to support their own citizens. We need to see that same ambition and innovation to mobilise climate finance at the scale of the needs. Doing so need not come at the expense of their citizens during a cost-of-living crisis exacerbated by the war in the Middle East. **Trillions can be mobilised through a range of taxes and levies that make polluters pay.** There is enough research to show how this can be done. Now we need to see the political will to act on it.

(b) What are the thematic pillars of the climate finance work programme and the related subtopics that we should address within each pillar?

The work programme must ensure **balanced, predictable, and needs-based climate finance across mitigation, adaptation, and Loss and Damage as a central pillar of climate action**, equal in importance to mitigation and adaptation, while addressing systemic barriers and enabling effective access and delivery at scale. The COP30 [UAE Just Transition Work Programme decision](#) also recognises the importance of support in incorporating just transition pathways into national plans, an important opportunity to avoid future loss and damage.

Below, we outline the thematic pillars and subtopics under each pillar:

Mitigation finance must focus on scaling up grant-based and concessional resources to support the implementation of NDCs, while enabling just energy transitions and the phase-out of fossil fuels. It must address persistent access barriers faced by developing countries, particularly LDCs and SIDS, and ensure that all financial flows align with low-emission development pathways in line with Article 2.1(c) of the Paris Agreement.

Adaptation finance must prioritise the urgent tripling of financial flows and ensure robust tracking of progress beyond 2025, while strengthening support for the development and implementation of National Adaptation Plans (NAPs). The UNEP [Adaptation Gap Report 2025](#) suggests that the adaptation finance gap for developing countries could rise to 284–339 billion USD per year by 2035, with LDCs and SIDS facing significant shortfalls. Tripling adaptation finance is only a first step towards aligning finance with the extent of funding and adaptation gaps facing the most vulnerable. As articulated above, the work programme must develop pathways and roadmaps for mobilising and providing adaptation finance at the scale of the needs with grant-based finance. **Adaptation must be country-driven and locally led.** Indicators must not place additional burdens on developing countries, and persistent barriers to access, as well as challenges in predictability and quality, must be addressed.

Loss and Damage finance must prioritise the full operationalisation and capitalisation of the [Fund for Responding to Loss and Damage](#) (FRLD), ensuring the provision of new, additional, predictable, and grant-based resources. It should address both economic and [non-economic](#)



[loss and damage](#), while strengthening anticipatory and rapid-response, such as forecast-based and pre-arranged contingency finance. This theme of the work programme should also explore debt relief and cancellation, recovery and resilient reconstruction and identify innovative financing sources such as levies and taxes aligned with [polluter-pays](#) approaches. It must look into measures to ensure direct access to finance for affected communities and the most vulnerable countries and communities.

The scale and urgency of Loss and Damage needs: The Loss and Damage needs of developing countries were estimated to be [724.43 billion USD](#) per year, whilst the FRLD has received pledges of only [822.06 million USD](#), of which [454.93 million USD](#) have been contributed at the time of writing. This gap is a crucial topic that must be explored.

Means of implementation and access: The work programme must have a dedicated focus on simplifying and harmonising access to climate finance, while enhancing country ownership through strengthened direct access modalities. The work programme must support capacity strengthening in developing countries for project preparation and implementation, while also strengthening national financial institutions and systems. It must also ensure the equitable allocation of finance across regions, particularly among vulnerable countries and groups.

Transparency, accountability, and tracking should focus on establishing a common definition for climate finance: The work programme must enhance reporting under the [Enhanced Transparency Framework](#), improve the measurement of the quality, accessibility, and impact of finance, and ensure robust safeguards to avoid double-counting and guarantee the additionality of climate finance.

Financial system transformation: The work program must include a focus on aligning both public and grant-based financial flows with the goals of the Paris Agreement, while advancing reforms of the international financial architecture, including multilateral development banks (MDBs) and international financial institutions (IFIs), towards a coherent and unified development finance system. It must address structural challenges such as the high cost of capital and debt burdens in developing countries, promote regulatory frameworks that shift investments away from high-emission activities, and tackle systemic barriers, including scrutinising the role of credit rating agencies.

Cross-cutting considerations: The work programme must ensure that climate finance is guided by [equity](#) and the principle of [common but differentiated responsibilities and respective capabilities](#) (CBDR-RC), while prioritising the needs of vulnerable developing countries. It must promote gender-responsive, human rights-based, and inclusive approaches and ensure the integration of climate finance with broader sustainable development priorities.

(c) How should the climate finance work programme be organised to ensure that the format is inclusive, balanced, and technically robust, while addressing climate finance comprehensively and delivering outcomes that are actionable and meaningful?



The climate finance work programme should be organised around **a balanced pillar-based structure that treats mitigation, adaptation, and Loss and Damage as equal and central pillars**, supported by cross-cutting workstreams on access, transparency, quality, and financial system reform. To ensure inclusiveness, **the format should enable equitable participation by all Parties, particularly developing countries, and allow input from constituted bodies, operating entities, civil society, Indigenous Peoples, local communities, and other relevant stakeholders**. To ensure technical robustness, each thematic area should be addressed through a mix of technical expert dialogues, Party and non-party submissions, synthesis reports, case studies, and focused workshops grounded in implementation experience and evidence.

The work programme should address climate finance comprehensively across provision, mobilisation, access, quality, predictability, and impact, while also considering systemic barriers in the international financial architecture. To deliver actionable and meaningful outcomes, each session should identify clear areas of convergence, practical recommendations, and options for consideration by Parties, with outputs feeding into formal decision-making processes and supporting implementation on the ground.