

ASCOR



Grantham
Research Institute
on Climate Change
and the Environment

Assessing Sovereign Climate-related Opportunities and Risks (ASCOR) Explainer Series

Area CF1. International climate finance

Sylvan Lutz, Analyst
Transition Pathway Initiative Centre
London School of Economics and Political Science



ASCOR framework

Emissions Pathways (EP)	Climate Policies (CP)	Climate Finance (CF)
EP1. Emissions trends EP2. 2030 targets EP3. Net zero targets	CP1. Climate legislation CP2. Carbon pricing CP3. Fossil fuels CP4. Sectoral transitions CP5. Adaptation CP6. Just transition	CF1. International climate finance CF2. Climate costing CF3. Climate spending CF4. Renewable opportunities

Note: [ASCOR framework: methodology note - Version 1.1](#) was used to assess 70 countries in 2024.

Content

1. Introduction to international climate finance
2. How does ASCOR assess international climate finance?
3. Results and emerging good practices

1. Introduction to international climate finance

Why does ASCOR assess international climate finance?



In 2009, **developed countries (donors)** pledged **\$100 billion annually by 2020** in international climate finance (ICF) **for developing nations (recipients)**.



ICF is a cornerstone of the UN Framework Convention on Climate Change (UNFCCC) and puts into practice the principle of common but differentiated responsibilities.



Developed countries have an obligation to “**provide financial resources to assist developing country Parties with respect to both mitigation and adaptation**” under the Paris Agreement.



ICF can serve as a vital catalyst for the **\$2.4 trillion in climate finance that developing countries** are estimated to need annually by 2030.



Assessing whether developing countries contribute a proportional share to the \$100 billion commitment can help investors **hold high-income countries accountable**.

What is international climate finance?



Climate finance

Refers to all finance towards actions to cut emissions, boost carbon sinks, and build resilience.



International climate finance

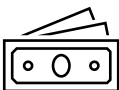
Refers to the flows of finance between donor and recipient countries under the UNFCCC.

Types of international climate finance



- **Bilateral finance:** Direct financial support from one country to another Public
- **Multilateral finance:** Funds pooled and distributed through international organizations
- **Private mobilised finance:** Investments from private entities, facilitated by public capital Private

Ways to provide public international climate finance



- **Grants:** Non-repayable funds for climate projects
- **Concessional finance:** Loans offered on below-market terms for climate projects
- **Market-rate loans:** Standard financial loans contributing to climate goals

2. How does ASCOR assess international climate finance?

Indicators and metrics



CF1a. Does the country contribute at least a proportional share of the \$100 billion commitment to climate finance?

CF1ai. What is the country's 3-year average climate finance contribution as a % of GDP?



CF1b. Does the country's targeted climate finance contribution represent at least a proportional share of the \$100 billion commitment?

CF1bi. What is the country's targeted level of international climate finance contributions as a % of GDP?

How does ASCOR assess international climate finance?



This area assesses if donor countries' past contributions and future commitments meet their proportional share of the US\$100 billion goal.



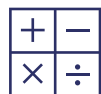
We estimate the proportional share to be 0.2% of gross domestic product (GDP) based on the ratio of US\$100 billion and the sum of the GDP of donor countries ([World Resources Institute](#)).



To assess ICF contributions, we review countries' biennial reports submitted to the UNFCCC.



To assess future ICF commitments, we rely on publicly-stated targets.



We divide past contributions and future targets by GDP to calculate the country's current and future contribution as a share of GDP.

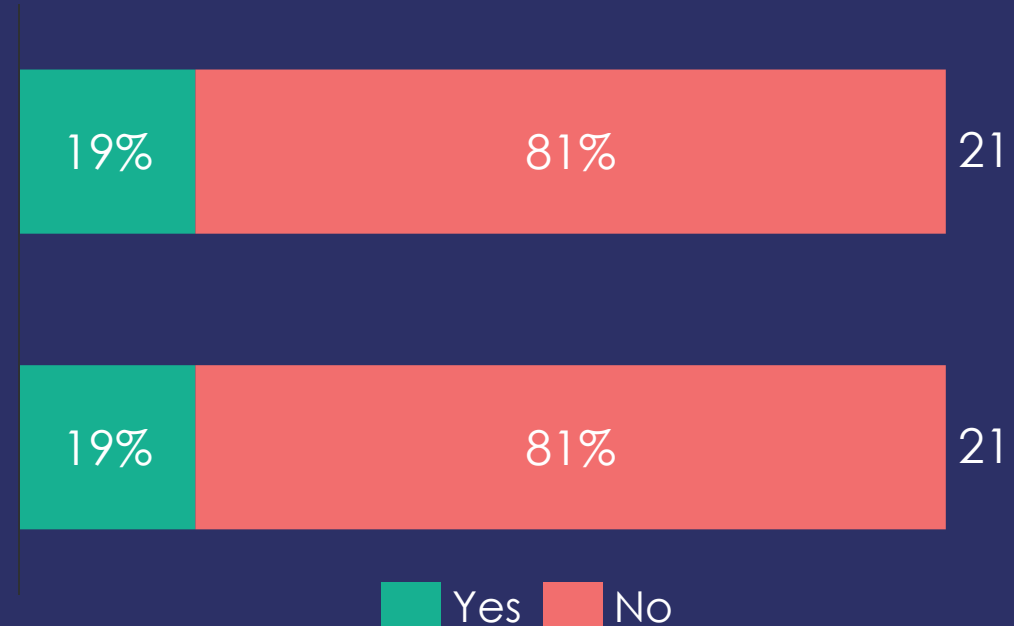
3. Results and emerging good practices

2024 assessment results

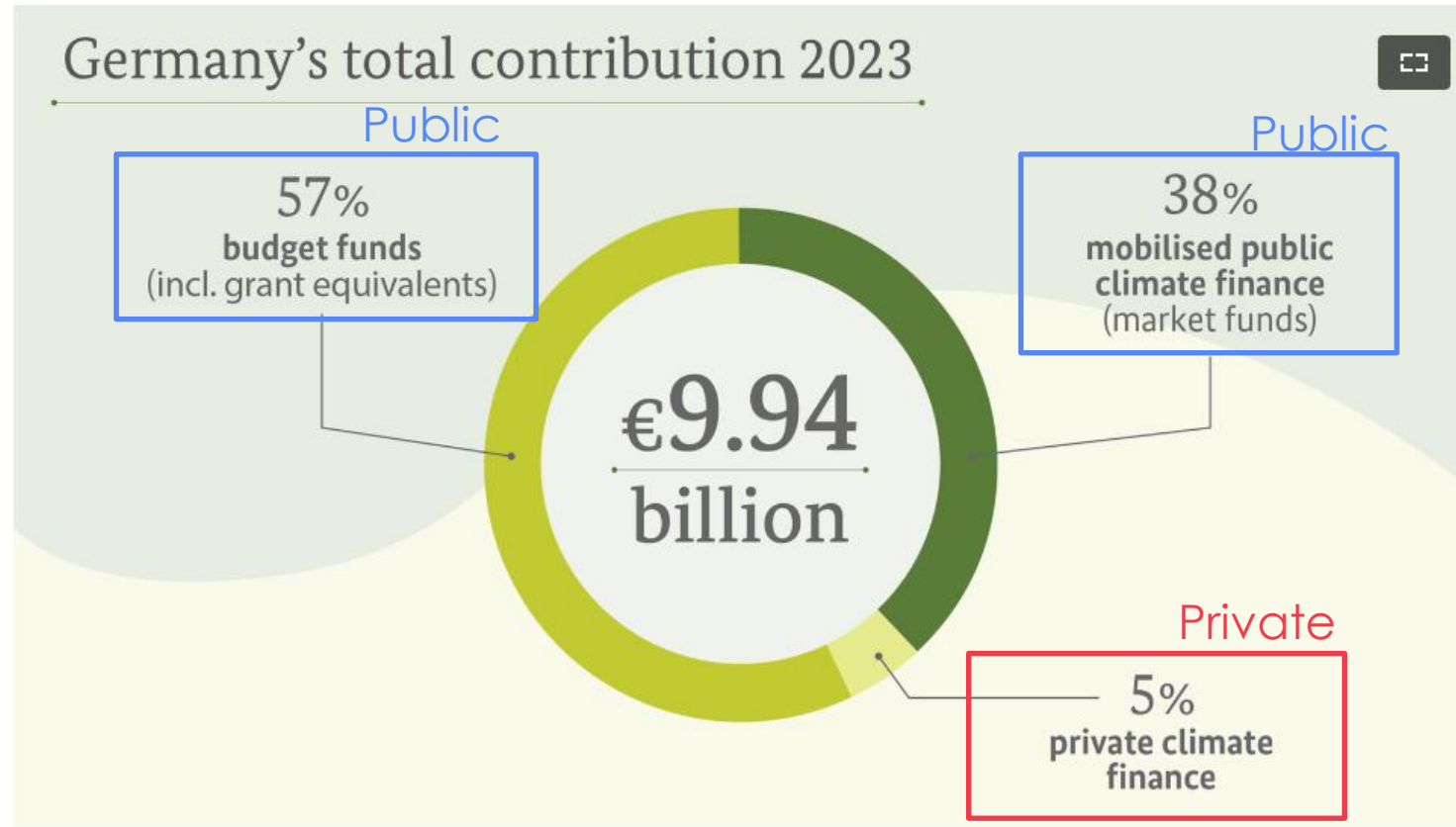
CF 1.a Does the country contribute at least a proportional share of the \$100 billion commitment to climate finance?

CF 1.b Does the country's targeted climate finance contribution represent at least a proportional share of the \$100 billion commitment?

Note: The number of countries assessed against each indicator is specified next to each bar.



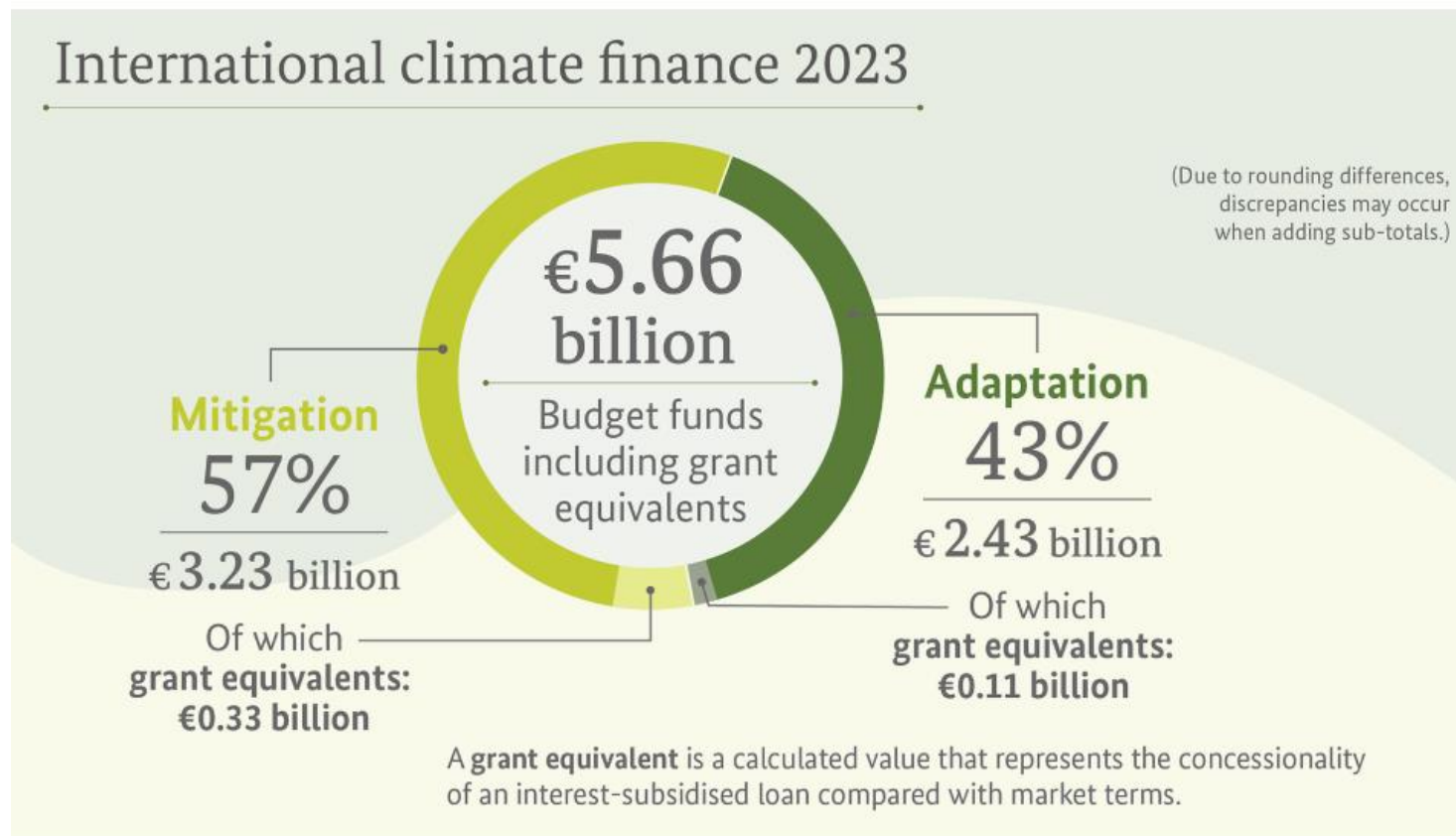
Emerging good practices – Germany



Germany's total contribution in 2023: Climate finance total from public funds and from funds mobilised through 6 of 6 public and private finance, e.g. in the form of revolving credit lines for local (development) banks, investment in structured funds and public-private partnerships. This represents Germany's total contribution to international climate finance and thus to the goal set by industrialised countries of providing 100 billion US dollars a year for climate protection and adaptation measures in developing countries. – © BMZ

Source: [German Federal Ministry for Economic Cooperation and Development](#)

Emerging good practices – Germany



***International climate finance:** In 2023, the German government provided a total of 5.66 billion euros in budget funds, including grant equivalents, for international climate financing. Of this, 57 per cent went to climate protection projects (3.23 billion euros) and 43 per cent to climate change adaptation measures (2.43 billion euros).*

– © BMZ

Source: [German Federal Ministry for Economic Cooperation and Development](#)

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www.ascorproject.org

Access the ASCOR tool and database:

www.transitionpathwayinitiative.org/ascor

Contact:

gri.ascor@lse.ac.uk

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