How to Make the New Climate Finance Target Work for Conflict-Affected Communities

The three global challenges of climate change, extreme poverty and conflict are converging to form a new epicenter of crisis. This convergence is neither a coincidence nor inevitable.

In regions like the Central Sahel, political decisions and developments over time have left the periphery of society economically underdeveloped and politically marginalized. As a result, these areas are unable to cope with the impacts of climate change and are at greater risk of insecurity than other countries and regions within these countries due to destabilized relations between farming and herding communities, a growing sense of grievance by marginalized communities, and an increasing dependence on climate-vulnerable livelihoods. This toxic feedback loop has led to a nearly 80% increase in the number of climate-sensitive countries like Syria, Sudan, and Myanmar experiencing armed conflict over the past two decades based on an analysis of ND-GAIN and UCDP data.

16 countries sit at this intersection of climate-vulnerability and armed conflict, representing a staggering 43% of all people living in extreme poverty, 44% of all people affected by natural disasters over the past three years, and 79% of all people in humanitarian need. And yet these are exactly the communities that are getting left behind by the international approach to the climate crisis.

The Relief, Recovery, and Peace Declaration from COP28 was a promising start to recognizing the unique needs of climate -vulnerable and conflict-affected countries. It is now time to turn those rhetorical commitments into tangible action through the New Collective Quantified Goal.

What is the New Collective Quantified Goal?

At COP15 in 2009, developed countries agreed to mobilize $100 billion annually by 2020 to support climate actions in developing countries. In 2015, with the adoption of the Paris Agreement, Parties agreed to set a new, more ambitious finance goal by 2025. The New Collective Quantified Goal on Climate Finance (NCQG) is the new global climate finance goal that will be set at this year's Conference of the Parties (COP), the UN-led decision-making body on climate that meets each year. This new financing target will take into account the needs and priorities of developing countries, which some estimates put at up to $1 trillion.

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Currently, 90 percent of climate financing is focused on middle-income, high emission-producing countries. For the remainder, the more fragile or conflict-affected a country is, the less climate finance it will receive according to UNDP. Within these climate-vulnerable and conflict-affected communities, women, girls and groups marginalized based on other intersecting identities, such as age, disability or ethnicity, are more vulnerable to the impacts of climate change with even less access to resources to adapt.

The United Nations Framework Convention on Climate Change's (UNFCCC) New Collective Quantified Goal (NCQG) on climate finance is a significant global opportunity to correct this injustice and establish, mobilize and deliver climate finance in a way that supports the most vulnerable and least supported to adapt to climate change.

This new climate finance goal should establish an ambitious target that matches the level of investment in solutions with the scale of the challenge, going far beyond the 15-year old pledge of $100 billion per year in climate finance. But without clear financing targets and intentional efforts in programming and policy from donors and climate funds, the NCQG could unintentionally replicate the same injustices we currently see in climate finance with conflict-affected communities continually left out of existing low-risk tolerance, inflexible, business-as-usual financing approaches. To correct this injustice, NCQG targets must include a focus on adaptation, loss and damage, and inclusive, gender-sensitive solutions designed for conflict settings.

Making the New Collective Quantified Goal work for conflict-affected communities

- Formally recognize the adaptation finance gap in climate-vulnerable, conflict-affected countries in the framework of the NCQG and set a target for these countries to receive 18% of all adaptation finance for developing countries to reduce this gap, based on the current best available estimate of the costed needs.
- Set balanced sub-targets for mitigation and adaptation finance (50-50%), with loss and damage established as a separate sub-goal.
- Ensure Loss & Damage funds are available and accessible in conflict-affected countries through a wider range of partnerships, including with civil society and local actors, and avoid recreating the same constraints these countries face for accessing adaptation finance.
- Periodically adjust the NCQG target amount to take into account updated and more accurate needs assessments, in line with the likely increasing impacts of climate change, and at a minimum aligned with the five-year NDC and NAP review cycles.
- Include a target to drive follow-through on gender inclusion. In line with the recommendation of the Generation Equality Forum, 88 percent of marked climate bilateral ODA-finance should be gender-sensitive, with at least 15 percent of this funding being gender-responsive, meaning specific actions and programs must be implemented to reduce gender inequalities.
- Establish mechanisms to ensure regular, transparent reporting on mitigation, adaptation, loss and damage, and gender-sensitive climate finance with disbursements per country.

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Close the Adaptation Finance Gap

The global approach to climate investments is heavily skewed toward long-term mitigation and emissions reduction. While this is a critical investment, mitigation alone will not meet the needs of conflict-affected communities, who face immediate impacts from the climate crisis despite having contributed so little to its cause.

Investing in innovative adaptation and resilience for climate action is essential for insulating people in conflict settings from the most devastating impacts of climate change. However, on average, conflict-affected communities receive just one-third of the adaptation funding of those in non-conflict settings.

IRC estimates a 75 percent annual gap between how much adaptation support is needed and how much adaptation support is provided to these 16 countries caught at the intersection of conflict and the climate crisis.[1] But even this figure may understate just how extreme the gap is because the costed adaptation needs identified in Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) could be underestimated by as much as 100 percent according to the Global Center on Adaptation.

Even under this conservative estimate, the climate adaptation finance needs for climate-vulnerable, conflict-affected countries represent 18 percent of the total adaptation finance needs for developing countries.[2] This 18 percent figure should be used as the benchmark for a NCQG sub-target for adaptation climate finance for climate-vulnerable, conflict-affected countries.

To boost adaptation finance available, the NCQG should formally recognize the adaptation finance gap for conflict affected countries, support the development of improved, more accurate NDCs and NAPs, and set a 50-50 sub-target for mitigation and adaptation finance within the goal.

Rashad, an IRC officer at the Livelihood Center in Northeast Syria, supporting the Seeds Security project - a climate adaptation and resilience program focused on food security. IRC works directly with Syrian farmers to test and identify seeds most suitable to a changing climate in order to scale the use of higher-yielding, climate-resilient strains of wheat.

[1] Data received from the authors of the UNEP's Adaptation Gap Report (2023) for the 16 countries based on extrapolations of adaptation finance per capita, show that about US$26 billion in adaptation will be needed annually for these countries. Currently these countries only receive US$6.5 billion according to OECD data in 2021 representing just 25% of the costed needs.

[2] IRC calculated the annual adaptation finance needs as specified in the available NDCs and NAPs of 12 climate-vulnerable, conflict-affected countries which represents $18.9 billion annually for 2021-2030, compared to data from the UNEP Adaptation Finance Gap Update report specifying 85 developing countries submitted costed adaptation needs for a total cost of $105 billion annually for 2021-2030.

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The burden of debt distress

One key reason why international finance for adaptation is critical for countries in crisis is because debt is strangling their domestic finance options. Somalia spent more than 95 percent of its government revenue on repaying its debt in 2022—the highest percentage in the world—preventing the country from investing in efforts to avert the catastrophic food security crisis that year driven by a record drought. The current financing gap and constraints on national budgets leaves communities without adequate resources to protect their livelihoods in the face of climate change, and allows the climate crisis to become a threat multiplier in these countries, impacting nutrition, health outcomes, economic growth, education, and other critical key areas.

Prioritize Climate Justice in the Loss and Damage Fund

A 2023 analysis found that, between 2000 and 2019, climate change cost $16 million in losses and damages every hour. But the burden of loss and damage is not spread evenly around the world. The 16 conflict-affected and climate-vulnerable countries represent 44 percent of all people affected by natural disasters over the last three years and 79 percent of all people in humanitarian need. Fragile and conflict-affected communities will continue to face more significant losses and damages than other developing countries if they continue to receive such a disproportionately small share of adaptation finance, resulting in weaker resilience to shocks and more damaging climate impacts.

The agreement on the establishment of the Loss and Damage Fund at COP27, further operationalized at COP28, represented a commitment to addressing the unjust costs borne by developing countries. It would be a mistake to correct the injustice facing developing countries by perpetuating the injustice facing conflict-affected countries.

The Loss & Damage Fund board should develop mechanisms to ensure this money is delivered to where it is needed the most, not just where it is easiest to deliver. This requires addressing both the lack of funding directed to conflict-affected communities and the current challenges to delivery in conflict-affected states. Humanitarians who have been working in and with these communities for decades have long-understood the need to ensure funding decisions are informed by climate and conflict risk mapping and take a people-first approach utilizing a more flexible range of partners to reach people, not exclusively working through governments. Loss and Damage funds should be available and accessible in conflict-affected countries including through partnerships with civil society and local actors.

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Embed Gender Equality Principles in Climate Finance

In humanitarian and development finance, gender equality and climate adaptation are often treated as two different sets of goals and activities, creating a financial zero-sum game, when in reality they are mutually supportive. Adaptation activities addressing gender and other social identities are linked with higher effectiveness in achieving their objectives. The UNEP's Adaptation Gap Report shows that as of August 2023, only 14 percent of adaptation actions communicated to UNFCCC specifically targeted women. Furthermore, just 20 percent of nationally determined contributions and national adaptation plans had a dedicated budget for activities integrating gender equality and social inclusion, and that the amount allocated is generally low, averaging 2 percent of budgeted activities.

The NCQG should include the target set forward by the Generation Equality Forum, which calls for 88 percent of marked climate bilateral finance to be at least gender-sensitive, with the additional recommendation by the Global Alliance for Green and Gender Action to ensure that 15 percent of this funding has gender equality as a principle objective.

While the climate sector has made significant progress in acknowledging the importance of integrating gender considerations in policies and international agreements, the follow through in funding and practice is still lacking. The keys to turning commitments and gender policies into action are accountability and transparency. This is why it is critical for the NCQG to establish regular, transparent reporting on mitigation, adaptation, loss and damage, and gender-sensitive climate finance.

The lack of standardized reporting rules, guidelines and definitions on climate finance across bilateral donors and international financial institutions limits transparency on climate finance flows. Furthermore, there are no clear reporting rules on the amounts that are actually disbursed, preventing a clear understanding of the actual spending that is reaching communities in need. Accountability mechanisms for reporting on the NCQG must include accessible and harmonized data on climate finance commitments as well as disbursements per country with data on gendered climate finance.

Muslimo Mohamed Issack, 35, resident of Bakar Yare IDP Camp in Baidoa, Somalia, collects water from a water pump in the camp.

A lack of access to water during drought seasons forces women and girls to travel farther to collect water and firewood, exposing them to greater risks of sexual exploitation and gender-based violence.

Conclusion

The climate crisis is becoming more dire across the world, with its impacts compounding in conflict-affected countries. The billions of dollars expected to be mobilized for the new global financing goal will be a failure if it reinforces the climate injustices faced by conflict-affected communities and marginalized groups within them like women and girls. Looking ahead to COP29 and its opportunities to create impact for conflict-affected countries, new and refreshed financing principles can support the communities unjustly bearing the brunt of impacts of the climate crisis.