

2023 Development Cooperation Forum
Session II: Scaling up effective development cooperation for climate resilience
Background Note

Purpose/Objective: Explore opportunities for mainstreaming climate resilience into development cooperation to address multidimensional vulnerabilities

Background¹

Development cooperation, in all its forms – financing, capacity support, collective action for policy change and multi-stakeholder partnerships – can and should do more to support developing countries in meeting their climate goals. Developing countries have faced challenges maintaining progress on climate change adaptation while responding to sudden, urgent crises such as the pandemic. This underlines the importance of medium-to-long-term predictability of climate finance to ensure that climate priorities are considered while also addressing short-term emergencies. Developing countries are making strides in mainstreaming climate change priorities into their national development cooperation policies and disaster risk reduction plans, which helps to better align resources with needs.²

Despite this, current climate finance provided by developed countries to developing countries has fallen short of the goal of \$100 billion per year by 2020. However, even if the \$100 billion is met as a floor, it is estimated that emerging markets and developing countries other than China will need to spend around \$1 trillion per year by 2025 and around \$2.4 trillion per year by 2030 to manage the climate crisis. Financing is clearly not keeping pace. Most current climate finance is in the form of loans, which can place additional burdens on vulnerable countries. Meanwhile, shadow reporting by Oxfam suggests that the actual amount of climate finance available is significantly lower than what is reported. Vulnerable countries should be prioritized for grants and concessional finance, but there might not be a systematic link between their level of vulnerability and the amount of finance received. Further, women, youth, and groups in marginalized and vulnerable situations, such as Indigenous Peoples, must participate and engage in climate adaptation to ensure that actions address their needs and that capacities are built for the long-term.

The outcomes from COP27 have underscored the importance of Loss and Damage finance through the establishment of a fund to support developing countries recovery from the impacts of climate change and its resulting disasters. Work has begun on how to structure and operationalize the fund to address the gaps in the current climate finance architecture and ensure that the most vulnerable countries will get timely access to needed resources. While commitments have been made by several countries, a broader donor base will be needed to respond to the scale of loss and damage. The same is true for adaptation finance. Adaptation costs/needs are currently between 5 and 10 times higher than international adaptation finance flows, and the adaptation finance gap continues to widen. Developed countries have agreed to double adaptation finance by 2025, an important immediate step, but more of such financing will be needed for long-term resilience-building. The lack of agreement on a global goal for adaptation or framework continues to undermine progress on climate adaptation. Momentum will need to be built toward COP28 to arrive at a meaningful outcome which meets the scale and scope of climate adaptation finance needs.

¹ For more information and data sources, please see the [Report of the Secretary-General: Trends and progress in international development cooperation \(E/2023/48\)](#) and [2022 Development Cooperation Forum \(DCF\) Survey Study: Navigating COVID-19 recovery and long-term risks](#).

² [Joint capacity-development workshop](#) between the UNDESA, Financing for Sustainable Development Office, and the Government of Egypt on “Mainstreaming climate adaptation into development cooperation policies and practices”, New Administrative Capital, 2022.

Guiding questions

- Given the current climate finance architecture, including recent progress as well as remaining limitations, how can we ensure that climate-related vulnerabilities are more effectively accounted for in development cooperation policies and practices?
- Fiscal stimulus in the context of the COVID-19 crisis was not always well-aligned with climate priorities. What are recent examples of how development cooperation is helping to address the dual challenges of crisis recovery and climate action? What lessons can be learned from these initiatives in reaching the most vulnerable?
- How are development cooperation actors working to ensure the meaningful inclusion and participation of groups in marginalized and vulnerable situations in development cooperation for climate action and adaptation financing?
- As climate adaptation costs continue to grow, how are development partners responding to the widening climate adaptation finance gap? How are developing countries emphasizing their climate adaptation priorities in their development cooperation policies and partnerships?
- Considering the importance of the establishment of a Loss and Damage Fund, how can momentum be built around ensuring that the Fund is responsive to the needs of vulnerable countries and peoples that have been most impacted by climate change?

For more information, contact dcf@un.org.