

Donor updates in brief: Climate

The table below presents an overview of trends in official development assistance (ODA) that contributed to climate objectives and developments to watch in 2021 and beyond from 14 major Organisation for Economic Co-operation and Development (OECD) donors. Donors are listed in order of their ODA funding volume for climate (marked with the Rio Markers for mitigation and adaptation, principal and significant funding) in 2019 based on data from the OECD (expressed in US\$ millions, 2019 prices) and color-coded according to the trend of their compound annual growth rate for climate-related ODA between 2017 and 2019. COP26 in November 2021 represents a crucial moment during which countries will update their plans for tackling climate change.

ODA Trend 2017-2019

- rising
- declining

2019 rank ODA ¹ , US\$m	Donor	ODA growth 2017-2019 ²	What to watch in the second half of 2021 and beyond
#1 US\$8,251	 GERMANY	9 %	'BMZ 2030' strategy defines climate as one of five future core topics of German development cooperation. Germany puts a strong focus on the expansion of renewable energies in low-income countries, primarily on the African continent.
#2 US\$6,289	 Japan	-8 %	In October 2020, Prime Minister Yoshihide Suga announced his aim to make Japan carbon neutral by 2050. Key questions remain on the plan to reach this milestone, particularly given Japan's continued reliance on coal-fired power plants, which it has also financed abroad through ODA.
#3 US\$5,625	 EU INSTITUTIONS	-0 %	To strengthen climate action, the European Commission has proposed integrating climate action across all EU programs and using at least 25% of the budget outlined in the Multiannual Financial Framework (MFF) 2021-2027 to further climate objectives.
#4 US\$4,730	 FRANCE	7 %	Climate change is a longstanding priority for France. The French Development Agency (AFD) will host the 'Finance in Common Summit' in November of 2021, which aims to mobilize 400 public development banks to launch a new coalition in support of collective action for climate.
#5 US\$2,030	 UNITED KINGDOM	14 %	Climate change remains an area of focus for the UK. Climate change may be protected from overall ODA cuts since climate finance has been ringfenced at US\$14.8 billion from 2021 to 2025. The UK will host the UN Climate Summit, COP26, in November 2021.
#6 US\$1,276	 NETHERLANDS	30 %	The Netherlands dovetails climate measures with all preexisting and future development initiatives. In its 2021 development budget, the Netherlands announced it will double spending on fighting climate change, specifically fighting deforestation and land degradation.

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#7 US\$1,027	 SOUTH KOREA	108 %	After hosting the Partnering for Green Growth & the Global Goals (P4G) Summit in May 2021 — a stepping stone to the COP26 climate conference in November 2021 — South Korea will continue to accelerate international efforts to combat the climate crisis and meet the SDGs.
#8 US\$931	 UNITED STATES	-9 %	President Joe Biden has indicated that climate is a top issue. The US has rejoined the Paris Agreement and will aim to reduce emissions by 50-52% by 2030 compared to 2005 levels. The US will double public climate finance to low-income countries by 2024.
#9 US\$694	 SWEDEN	17 %	Climate change is a priority in Sweden's development cooperation. Its focus on synergies between climate adaptation, sustainable use of natural resources, and disaster risk reduction drives its investment in climate-smart agriculture, including forestry and fishing.
#10 US\$532	 CANADA	17 %	Canada is expected to renew its climate finance pledges in the lead-up to COP26, though the 2021 budget does not reveal exact allocations. So far in 2021, the largest programming approvals made by Global Affairs Canada have been for multilateral climate finance.
#12 US\$516	 AUSTRALIA	25 %	Australia's ODA for climate will likely increase in the years ahead, with US\$1.0 billion in climate finance pledged for 2020-2025. Overall climate allocations are not given in the FY2021/22 budget but it shows funding for Indo-Pacific 'Climate partnerships' will double compared to FY2020/21.
#13 US\$488	 NORWAY	-11 %	Fighting climate change is a cross-cutting issue and one of five priority areas for Norway. Funding will likely increase going forward as Norway has significantly stepped up its pledges to key multilaterals, including the Green Climate Fund and Global Environment Facility.
#15 US\$236	 ITALY	-10 %	Climate change is named a priority in Italy's 2019-2021 Programming Guidelines and as part of its G20 presidency. In November 2021, Italy will support the UK around COP26 by hosting several preparatory events. Still, Italy's climate-related ODA contributions remain moderate.
#16 US\$96	 SPAIN	4 %	Climate action is a strategic objective in Spain's 'Master Plan for Spanish Cooperation 2018-2021'. It aims to support middle- and low-income countries to reduce emissions, use renewable energies, protect biodiversity, and improve waste management.

1. 2019 ODA in 2019 prices, US\$ millions. All other US\$ conversions in 2019 constant prices. 2. Compound annual growth rate, 2017-2019.