Climate Finance at COP30 and the Limits of Translating Negotiation Ambition into Decision Text

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The cornerstone UN Climate Conference of 2025, COP30, was framed by its hosting Presidency in Brazil as the “COP of Truth” and the “Implementation COP”. Promising an inflection point from the typical norm-setting nature of COPs in previous years, to accelerating implementation under the Paris Agreement. Nowhere was this struggle to move from norm-setting to implementation more evident than in climate finance negotiations where I joined my first year of negotiations under the Botswana delegation flag.

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In this article, I draw from my first-hand negotiation notes from the negotiation rooms, and reflect on the final COP decision text, dubbed the ‘Global Mutirão’, to examine how demands from developing countries, particularly around Article 9 obligations, adaptation finance, predictability, and safeguards against unilateralism, were contested, partially accommodated, or procedurally deferred in the final decision text. While COP30 somewhat advanced the post-Baku New Collective Quantified Goal (NCQG) architecture from COP29, and advanced high-level political signalling on a number of issues, it also revealed the structural limits in translating negotiation ambition (especially from developing countries) into binding, operational guidance for delivering just, adequate and timely climate finance.

But first, some guidance on the key Paris Agreement Articles negotiated at COP30 and discussed in this article:

Paris Agreement Article	What the Article Covers
Article 9 (overall)	Establishes climate finance as a responsibility of developed countries to support mitigation and adaptation in developing countries.
Article 9.1	Requires developed countries to provide financial resources to assist developing countries with mitigation and adaptation, while others may contribute voluntarily.
Article 9.5	Requires developed countries to communicate ex-ante (in advance) information on projected climate finance, including amounts, instruments, and channels, etc.
Article 2.1(c)	Calls for making mainstream financial flows consistent with low-emissions and climate-resilient development pathways.

1. Climate Finance at COP30: The Context and Political Economy of Negotiations

COP30 negotiations unfolded against a backdrop of acute credibility stress in the climate finance regime. Developing country Parties entered Belém with three core grievances:

a. The flow of climate finance from developed countries is both unpredictable and barely meets the adaptation finance needs of developing countries,
b. The unilateral interpretation of eligibility and access requirements to and by multilateral finance funds such as the Global Environmental Facility (GEF) and the Green Climate Fund (GCF) is highly restrictive, and non-inclusive.
c. There is a risk that Article 2.1(c) discourse could be operationalised in ways that dilute Article 9 obligations.

These concerns were sharply articulated during early G77 and China preparatory meetings, where discussions centred on the Green Climate Fund (GCF) Board's rejection of the Saudi proposal, reductions in GEF climate window allocations, and stagnation in adaptation finance replenishments during the fund replenishment cycle. The 'G77 and China' is the primary negotiation block for developing country parties.

2. Key Negotiation Fault Lines and Their Treatment in the Final Text

a. <u>2.1 Article 9 Obligations</u>

While negotiations across most of the negotiation tracks were quite contentious, negotiations on Article 9 were some of the most politically charged throughout the 2-week COP, particularly discussions around paragraphs 9.1 and 9.5 of the Paris Agreement.

Developing countries repeatedly argued that communications mandated under Article 9.5 are not merely informational, but foundational to building and sustaining trust, predictability, and accountability between those mandated to provide finance under Article 9.1 of the Paris Agreement (developed countries) and the developed countries who rely on this finance to fulfil their climate commitments. Interventions by developing countries highlighted that most biennial communications remained vague, forward-looking expressions of intent rather than concrete, multi-year commitments aligned with NDC and NAP cycles. There was a strong push for the final COP30 text to speak to this reporting shortfall on Article 9.5.

Under the Paris Agreement, Article 9 is about enabling climate action by making sure that the necessary finance is delivered from developed to developing countries. The article recognises that most developing countries do not have the means/capacity to finance large scale emissions reduction strategies or implement the necessary adaptation actions without external financial support.

- <u>Article 9.1</u> sets the core obligation; that developed countries should provide climate finance to support developing countries' mitigation and adaptation efforts, which builds on their long-standing responsibilities under the United Nations climate regime, while other countries may contribute voluntarily. This is the 'common but differentiated responsibilities and respective capabilities' principle which is enshrined in the originating UN Framework Convention on Climate Change established 1992, decades before the Paris Agreement.

- <u>Article 9.5</u> on the other hand explains how this support should be planned and trusted (predictability). It requires developed countries to regularly communicate in advance how much finance they intend to provide, through which channels and in what form, so that developing countries are able to plan their climate actions with better certainty. This communication is done through the submission of Biennial Communications every 2 years.

Together, these 2 sub-articles tell a single story: that climate finance is not an option, nor is it aid. It is a responsibility (primarily of developed countries), and it must be predictable and transparent in order to be meaningful.

The final COP30 decision text on Article 9 obligations merely reflects a procedural compromise rather than a truly substantive resolution, especially on guaranteeing <u>predictability of climate finance flows</u>. While it reaffirms developed countries' obligations under Article 9 (paragraph 45) and launches a two year work programme on climate finance (paragraph 54), it carefully avoids speaking to the need for stronger compliance to article 9.5 or pushing for "ex-ante" (forward looking) accountability mechanisms demanded by developing country parties during negotiations.

b. <u>The New Collective Quantified Goal (NCQG)</u>

The decision to convene high-level ministerial dialogues on NCQG implementation is similarly more of a signal for political reflection than it is a pathway to enforceable guidance. The NCQG, or New Collective Quantified Goal on Climate Finance, is an outcome agreement from COP29 in 2024 which sets a new, ambitious financial target for developed nations to support climate action in developing countries, aiming for $300 billion annually by 2035, replacing the previous $100 billion goal, with the broader goal of unlocking $1.3 trillion to support climate action in developing countries. In the negotiation room, developing countries pushed for clearer and bolder commitments in the final text; including reserving 50%-70% of the NCQG for adaptation and a push for text encouraging developed country parties to advance a work program on the mobilisation, deployment and tracking of the annual $300 billion goal. Unfortunately, these calls did not make it into the final decision text.

In this sense, COP30 consolidated the NCQG architecture inherited from Baku in 2024, but stopped short of addressing the core demands for predictable, needs-based, and accessible finance pathways.

c. Adaptation Finance

During negotiations, adaptation finance was one of the few areas where almost everyone agreed in principle, and yet, very little has truly changed in practice. Across the various agenda items, whether on the Adaptation Fund, GEF guidance, the Standing Committee on Finance, or the NCQG, developing countries repeatedly pointed to the same lived reality: adaptation remains chronically underfunded, disbursement rates and fund replenishments from responsible parties continues to slag, and funding still flows far more easily to mitigation than to the adaptation needs that frontline communities are already facing.

The final decision "calls for efforts to at least triple adaptation finance by 2035" (paragraph 53) and recognises the need for grant-based and highly concessional resources for vulnerable countries (paragraph 49).

However, this language only mirrors previous COP commitments without introducing additional value. For example, during negotiations, developing countries pushed for language on burden-sharing formulas (private vs public finance), replenishment triggers, or allocation benchmarks, but all these were shot down by developed country parties. This absence of quantified interim milestones or institutional accountability mechanisms also reflects a recurring COP pattern, where ambition is continuously "reaffirmed", but implementation gaps remain structurally unaddressed.

d. Safeguards for Article 2.1(c)

Negotiations on Article 2.1(c) were among the most technically and politically complex at COP30. Developing countries uniformly insisted on safeguards: national determination, non-prescriptiveness, complementarity with Article 9, and explicit recognition of unintended cross-border impacts, including unilateral trade measures and conditionalities on the receipt of finance.

Essentially, Article 2.1(c) of the Paris Agreement is about changing how money moves in the global economy so that the mainstream global financial system supports climate action instead of undermining it. It directs that financial flows (whether public or private) should gradually align with low emissions and climate resilient development pathways. Put simply, it is not just about raising more climate finance, but about making sure everyday investment decisions, banking rules, and financial policies stop locking countries into polluting or climate-vulnerable development. For developing countries, this article matters because the way that global finance is steered can either support their development choices or limit them, which is why many insist that this article be applied in a fair, nationally determined way and never used to replace the obligation of developed countries to provide climate finance under Article 9.

The final COP30 decision reflects partial success for developing countries on this agenda item. The text reaffirms that finance flows should be consistent with low-emissions, climate-resilient development pathways (paragraph 46) and explicitly cautions against unilateral measures constituting disguised restrictions on trade (paragraph 56), such as the European Union's Carbon Border Adjustment Mechanism or CBAM. In the negotiating room, discussions on Article 2.1(c) went beyond this simple reaffirmation reflected in the final text. Developing countries were clear that they wanted reassurance that "aligning finance flows" would not become a new set of rules imposed on them, would not be used to justify unilateral trade or restrictive financial measures by bigger economies, and would not weaken developed countries' obligation to provide public climate finance under Article 9. Beyond the reaffirmation of the principles, what they were asking for were clear safeguards and boundaries in the quest for aligning the global financial architecture with climate goals. The final decision, however, stopped short of providing that clarity. It reaffirmed the principle of aligning finance flows, as well as the principle against disguised unilateral trade restrictions, but avoided spelling out how it should be applied, who decides what "alignment" means, or what should be off-limits. In doing so, the decision kept everyone on board politically, but left the underlying concerns unresolved. In this regard, discussions on Article 2.1(c) were largely under-reflected in the final text.

3. Multilateral Funds (GCF, GEF, AF and FRLD)

Across the GCF, GEF, Adaptation Fund and the Fund for Responding to Loss and Damage (FRLD), negotiators repeatedly raised concerns about access barriers, slow approval and disbursement processes, and the growing gap between pledges and resources reaching the ground. There was strong emphasis on the need to simplify access procedures, expand and strengthen direct access entities, and ensure that funding responds to nationally identified priorities rather than externally driven risk or return considerations. Many of these concerns are already well documented through the work of the Standing Committee on Finance (SCF), including in its Biennial Assessment. However, negotiators stressed that diagnosis alone is no longer sufficient. While the SCF can map trends and highlight systemic shortcomings, it does not have the authority to direct fund boards or compel institutional change. For that, clear political guidance from the COP and CMA is indispensable.[1]

The final decision text reflects a general recognition of these challenges, but offers little corrective action. Its treatment of the multilateral funds largely reaffirms their existing mandates, welcomes ongoing efforts by fund boards, and encourages continued work on access and delivery, without setting clear expectations, timelines, or benchmarks for improvement. By stopping short of translating the SCF's findings into firmer political direction, the decision leaves longstanding implementation gaps largely untouched. As a result, the text secures political consensus, but leaves

[1] In climate governance, CMA stands for the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, the supreme body overseeing the Paris Agreement's implementation, working alongside the COP (for the originating UNFCCC) and CMP (for the Kyoto Protocol) at annual UN climate talks (COPs).

intact many of the institutional constraints that negotiators spent considerable time highlighting behind closed doors.

4. Conclusion

At COP30, climate finance was everywhere in the negotiations, yet real progress remained hard to really pin down. Countries agreed on the big ideas. That finance must support climate action, that adaptation is underfunded, that multilateral funds are struggling to deliver at the speed and scale needed, and that global financial systems must shift toward climate-aligned development. But when it came time to turn these shared understandings into clearer rules, stronger safeguards, or firmer direction, the final decisions largely stepped back. Developing countries pushed for predictability, fairness, and practical fixes that would make climate finance work on the ground, while warning against new interpretations that could restrict their development choices or shift responsibilities away from those with historical obligations. The outcomes of COP30 reflect this tension: they keep conversations alive,they reaffirm existing commitments, and then save room for different interpretations, but leave many long-standing problems unresolved. In the end, the conference showed that the main challenge is no longer agreeing on what is wrong with climate finance, but deciding whether the (geo-)political will exists to fix it.