Methodological note

Oxfam’s estimates on climate finance by 2025

This methodological note should be used in conjunction with the data sheet accompanying this note.

Information on climate finance over the years through to 2025 is patchy and inconsistent. We have had to make a number of assumptions – for governments as well as for instance the multilateral development banks that choose not to publish details around climate finance data. We believe our estimates are still robust and we will update them as additional information becomes available.

We made three estimates: one overall estimate on the total annual climate finance levels in 2025, one estimate on adaptation finance in 2025, and a third one on the accumulated gap, i.e. the shortfall in climate finance that accumulates over the years 2020-2025 while the 100-billion goal remains unmet. Our basic approach on the first two estimates has been to understand what individual pledges and plans may mean in comparison to current levels.

Overall estimate

For an overall estimate for the annual level of climate finance in the context of the 100-billion-USD-a-year goal, we apply the following methodology (some additional, contributor-specific methodological comments can be found in their respective contributor tab in the data sheet that accompanies this methodological note):

1. Principally, we aim to establish/estimate 2025 total levels of climate finance from all relevant contributors of climate finance in the context of the 100-billion goal (i.e. Annex 2 countries, multilateral funds and the multilateral development banks). We then calculate the difference to their respective 2019 levels. The total of these differences is then added to what we estimate may have been the 2019 level of total climate finance.

2. For countries without plans/pledges to increase climate finance during the post-2020 five-year period we assume that annual levels in 2025 will remain where they were in 2019. This applies to Austria, Belgium, Finland, Greece, Iceland, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain and Sweden. We also assume that in 2025 multilateral climate funds would, collectively, provide roughly the same amount as they did in 2019. And, for lack of announced action plans on the matter, we assume that mobilised private finance will remain at its current level too.

3. For contributors that do have such plans or pledges we estimate their expected annual levels in 2025. For Japan, France, Luxembourg, Germany and the EU institutions we derive their figures relatively directly from their plans or pledges. Switzerland, Denmark and the US announced plans/pledges that related to 2022 (Denmark) or 2024 (Switzerland, US) but are assumed to be maintained through to 2025. Australia, Canada and the UK pledged total amounts over the 5-year-period 2021-2025. For these, we build two scenarios whereby the pledged amount either is split equally over each of the five years or grows linearly from current levels through to 2025 so that the accumulated amount equates the pledge. For the MDBs we assume their combined 2025 amount equates to the developed country attributable share (see data sheet for more) of their joint 2025 pledge.
4. To establish/estimate the 2019 levels, EU members (and the UK) have reported those numbers under the EU’s internal climate finance reporting scheme. For Japan, we find their 2019 level in its Article 9.5 submission. For Australia and Canada we find data on climate finance levels up to 2018 in their Biennial Reports and then assume that they have met their past 5-year-pledges so that in 2019 and 2020 the remaining gap to meet those pledges was split equally between those two years. For Switzerland we assume that 2019 levels were the same as they were in 2018, for which data can be found in both its Article 9.5 submission and in its 4th Biennial Report. For the US, there is no data on climate finance over the past years. We therefore assume that 2019 levels may have been the same as they were during the 2013-2016 average (i.e. the basis of the recent pledge). For the MDBs we assume their combined 2019 amount equates to the developed country attributable share (see data sheet for more) of their total climate finance amount that can be found in their joint 2020 report - with additional assumptions necessarily made to compensate for the lack of consistent data.

5. Adding up the differences for each contributor over 2019-2025 as described above, we get to a total that describes the increase of climate finance over 2019 levels from these contributors. The total is then added to what we believe may have been the 2019 total climate finance level. No data is available here, but early indications seem to suggest 2019 levels will have been no higher than 2018.

**Adaptation estimate**

For estimating 2025 levels for the annual level of adaptation finance as part of the above, we apply the following methodology (some additional, contributor-specific methodological comments can be found in their respective contributor tab in the data sheet):

1. Principally we aim to estimate the growth of adaptation finance over 2019-2025 from each contributor, similar to the growth estimate for total climate finance as per above. As for the total amount above, we assume that growth in adaptation finance from contributors where no plans/pledges are known will be zero.

2. For contributors with plans/pledges specifically relating to adaptation finance (e.g. UK, US or France), we can derive their contribution to adaptation finance growth from these plans/pledges, by establishing their likely levels of adaptation finance in 2025 and then subtracting from it their 2019 adaptation finance levels.

3. For contributors where pledges only covered overall climate finance, we assume that the share for adaptation in 2025 (and of the 2019-2025 growth) will remain the same as it has been over the past years’ average (e.g. 2017-2019, depending on data availability).

4. The total adaptation finance growth is then added to our estimate for 2019 adaptation finance. While there is no overall data on 2019 adaptation finance, we assume that the share of adaptation finance has slightly increased in 2019, continuing a trend over 2017-2018. We then apply the resulting share to our estimate of 2019 total climate finance (see above), to which we add the adaptation finance growth over 2019-2025.

**Accumulated gap estimate**

For estimating the ‘accumulated gap’ in climate finance over 2020-2025, we apply the following methodology:
1. Since the 100-billion goal was to be met in 2020 and then held through to 2025, the total amount of climate finance committed to for that period is 6 times 100bn USD, i.e. 600bn USD.

2. We assume that climate finance over 2019-2025 will grow linearly to our estimate above. We then add up all the totals over 2020-2025 and subtract it from the total of 600bn USD. The result is our accumulated gap estimate.

Ends.