CLIMATE POLICY INITIATIVE

Global Landscape of Climate Finance 2025: Summary Handout

November 2025

The world faces an urgent need to scale climate investment to support a global transition toward low-emission, climate-resilient, and inclusive development pathways. Further climate investment would not only reduce greenhouse gas emissions but also create a wide range of benefits from economic growth to improved health. Inaction, on the other hand, will be more costly to the global economy in the long term, resulting in economic losses expected to amount to 15% of global GDP by 2050 from 2°C of warming and 30% by 2100 from 3°C.[1]

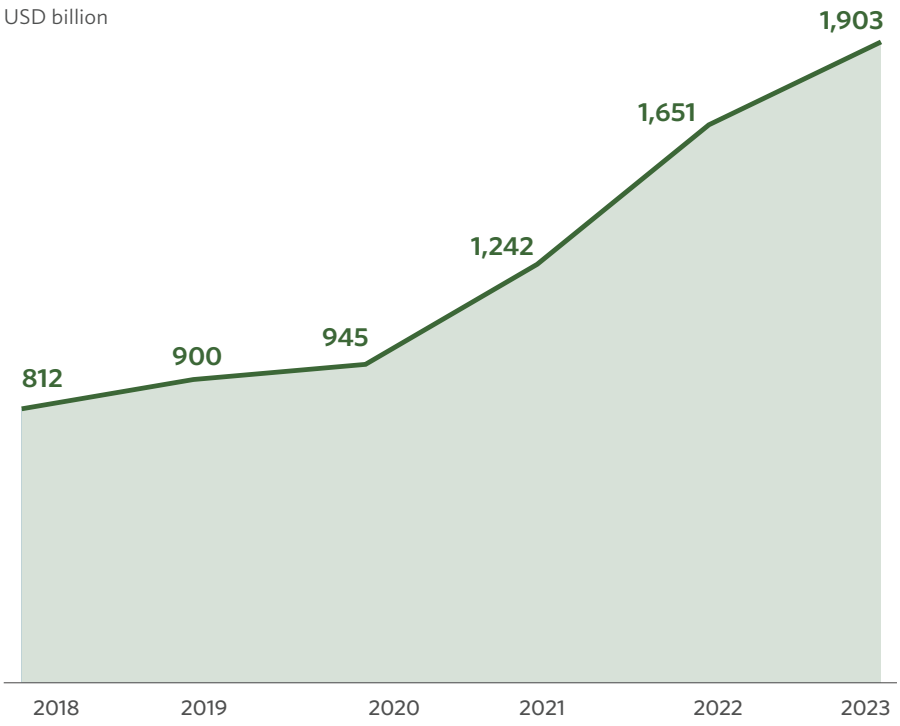
Tracking finance flows is critical to addressing the climate challenge, shedding light on where more efforts are needed. For over a decade, CPI's Global Landscape of Climate Finance (GLCF) has provided the most comprehensive tracking of domestic and international climate finance flows from public and private sources worldwide.

The GLCF 2025 synthesizes key findings on uses, sectors, geographies, sources, and instruments between 2018 and 2023 by collecting and standardizing data from a vast array of sources.[2] This work illuminates the current state of play, identifies key market players, assesses investment needs, and points to the greatest opportunities to mobilize capital toward climate goals.

KEY FINDINGS

Our latest report shows that global climate finance flows hit an all-time high of USD 1.9 trillion in 2023, **more than doubling in three years**. Between 2020 and 2023, climate finance grew by an average of 26% per year. **If this pace continues, the world could meet USD 6 trillion in annual climate investment—the most conservative estimate of global needs—by 2028.**

Global climate finance 2018-2023 (USD bn, nominal)



While the increase is promising, a significant gap remains between current investment and what is needed to achieve global climate goals and seize the opportunities that the low-carbon transition presents. **The lower bound of global estimated climate finance needs is still 3 times more than current flows.**

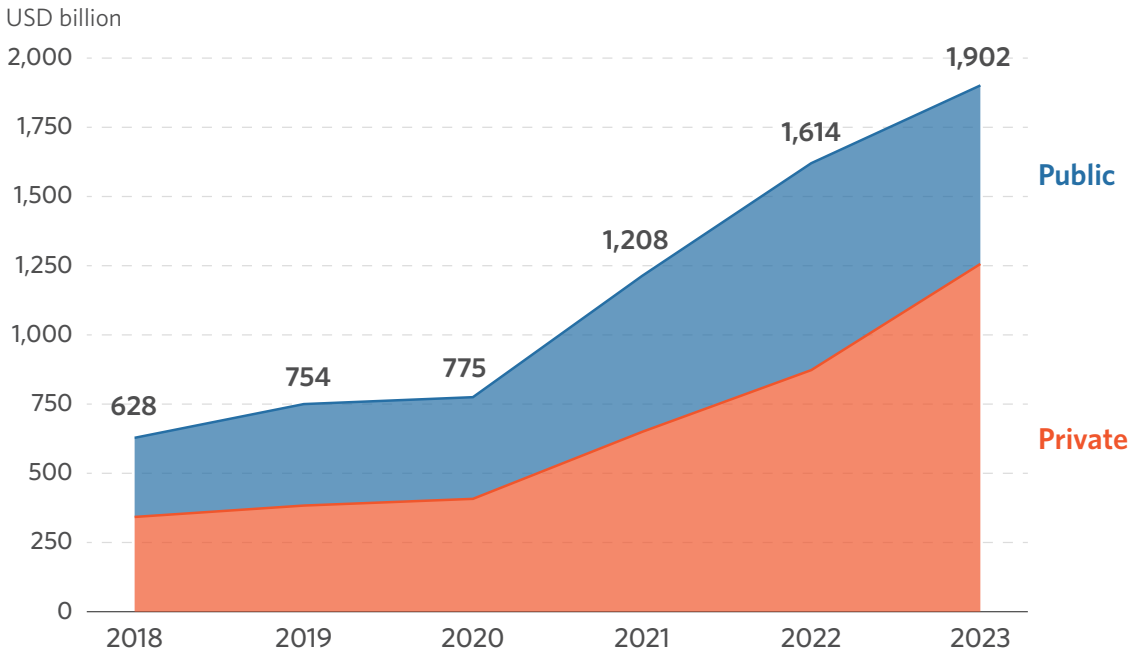
1 See Network for Greening the Financial System long-term scenarios for central banks and supervisors (2024)

2 For detail on CPI's tracking approach, see the Global Landscape of Climate Finance 2025 Tracking Methodology

SOURCES OF FINANCE

Between 2018 and 2023, the private and public sectors contributed a total of approximately USD 6.9 trillion in climate finance. The compound annual growth rate for private climate finance from 2018 to 2023 was approximately 30%, greatly outstripping 18% for the public sector. Following this growth, private actors contributed 66% of climate finance in 2023, up from 54% in 2018.[3]

Climate finance public-private split (USD bn, nominal)



PRIVATE FINANCE

For the first time, private climate finance surpassed USD 1 trillion in 2023, increasing 44% from 2022. Around half of its growth was driven by households and individuals, which provided 37% of total private finance, mainly spending on battery electric vehicles (BEVs), solar, and energy-efficient housing. Contributions from commercial financial institutions (FIs) also increased by 40%, and from corporations by 33%.

Commercial FIs accounted for 35%, and corporations for 27% of private climate flows in 2023. These actors showed increases in Latin America and the Caribbean, the Middle East, North America, and Central Asia and Eastern Europe. Commercial FIs nearly doubled their climate finance for energy systems to over USD 250 billion in these regions and accounted for 45% of total private finance in this sector worldwide. While commercial FIs' net-zero commitments have grown, they continue to make similar investments in fossil fuels. It will be important to monitor how recent slowdowns in net-zero coalitions affect future investments.

As in previous years, corporate contributions were concentrated in energy, but in 2023 were joined by several transport-focused companies in East Asia, contributing over USD 1 billion.

3 Shares exclude flows which could not be allocated to either the public or private sector.

PUBLIC FINANCE

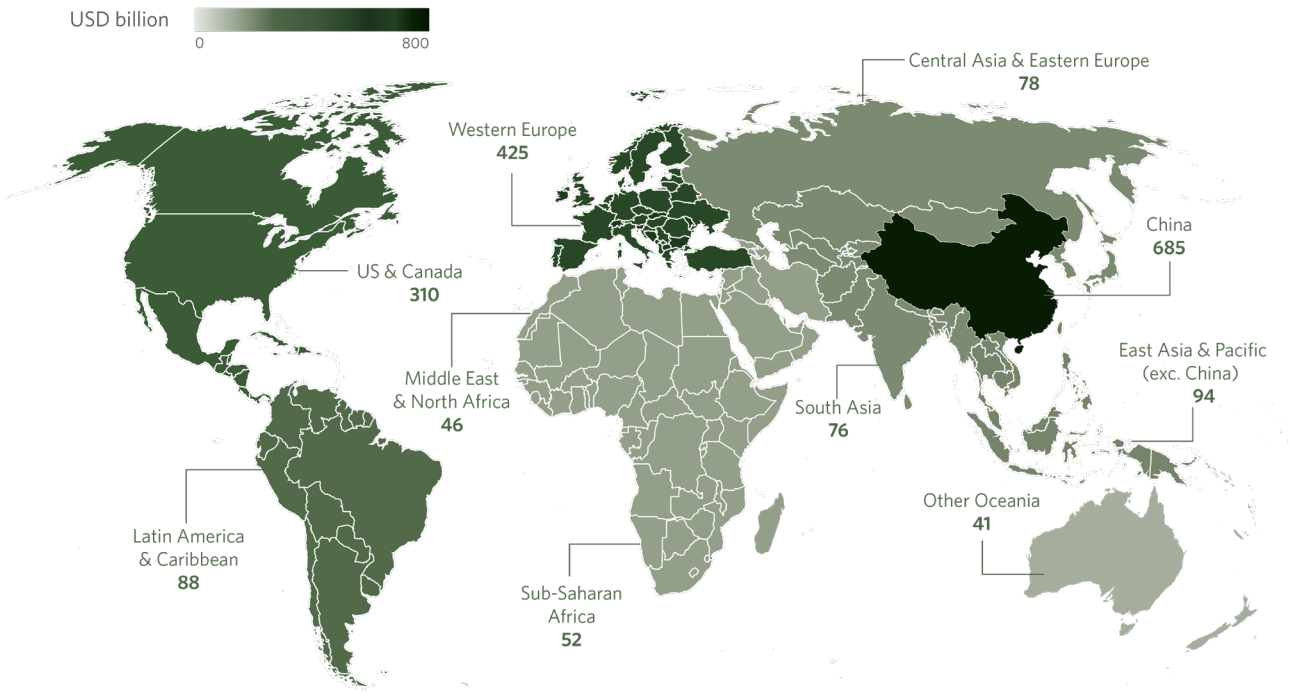
Public finance fell by 13% to USD 646 billion amid constrained domestic government budgets. Development finance institutions (DFIs) were key climate finance providers, providing about 46% of public finance (USD 300 billion) and 16% of the globa l total in 2023. Governments provided 21% of public climate finance in 2023 (USD 133 billion), while state-owned financial institutions and state-owned enterprises accounted for 17% (USD 109 billion) and 14% (USD 88 billion) respectively. The decrease in public finance was driven by national DFIs, whose flows fell by 47% in 2023 compared to 2022. Despite this sharp drop, they remain a critical source of climate finance, providing 22% of public finance (around USD 140 billion annually), compared to 18% (USD 119 billion) from multilateral DFIs and 6% (USD 42 billion) from bilateral DFIs.

GEOGRAPHIES

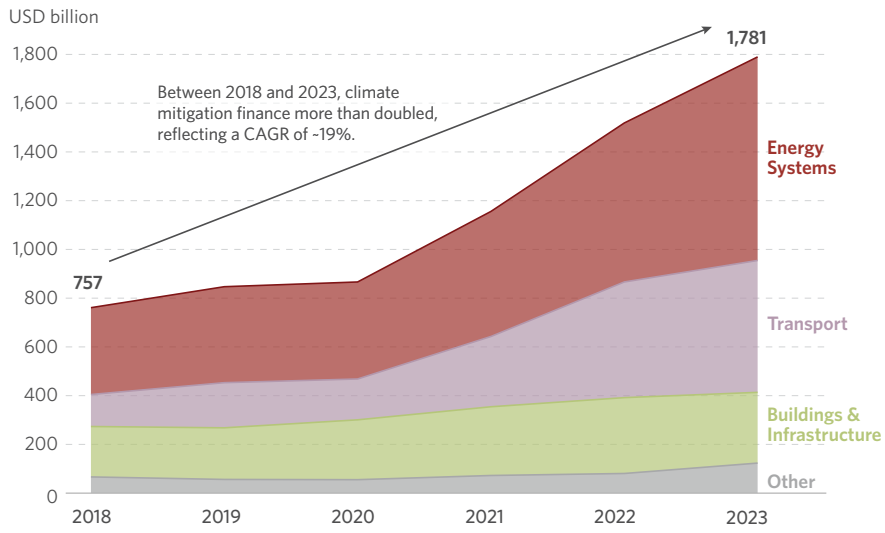
In 2023, 79% of global climate finance (USD 1.5 trillion) went to three regions—East Asia and the Pacific (40%), Western Europe (22%), and the US and Canada (16%). This increase from 75% in 2011 to 2020 indicates widening regional disparities. **In 2023, China captured 36% of global flows (USD 685 billion).**

International flows to developing economies reached USD 196 billion, with USD 152 billion from public actors.

Around 80% of flows were raised and spent domestically, highlighting the importance of enabling environments, regulations, and domestic markets and institutions.



SECTORS



Note: Other sectors include Others & Cross-sectoral, Industry, Waste, AFOLU, Water & Wastewater, Information and Communication Technology, and Unknown sectors.

Mitigation finance made up 94% of global climate flows in 2023, reaching USD 1.8 trillion and marking 18% growth since 2022. Most mitigation finance went to energy systems (47%) and transport (30%) in 2023. The main drivers were solar PV (25% of mitigation finance), BEVs (21%), and wind power (14%).

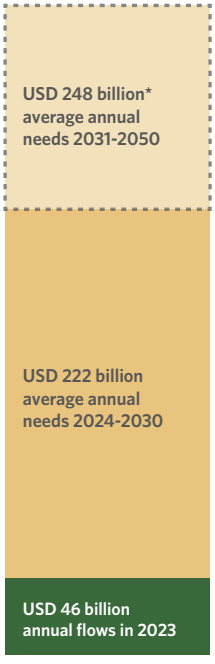
Despite receiving the largest share of mitigation finance, energy systems require a 2.5 times increase to meet average estimated needs from 2024 to 2030. This sector has the highest emissions reduction potential, requiring investment in renewables, grid modernization, and storage solutions. Transport also requires almost 2.5 times more mitigation finance. Agriculture, forestry, other land use and fisheries—the third-highest emitting sector—holds great untapped mitigation opportunities and requires a 64-times increase from USD 18 billion to USD 1,170 billion annually through 2030 to realize this potential.

Adaptation finance flows were USD 65 billion in 2023, a 16% decrease since 2022. Dual-benefit finance—pursuing both adaptation and mitigation objectives—reached USD 58 billion in 20236, tripling from USD 18 billion in 2018. While adaptation finance rose from most public and private actors from 2022 to 2023, an around USD 20 billion decrease from the China Development Bank—a previously prolific adaptation funder—brought down overall flows. This drop has been partly offset by a significant step up in adaptation finance from green bond issuances, which rose by USD 7.9 billion to reach USD 18 billion in 2023.

Adaptation and resilience action is required under all scenarios. However, delays in mitigation finance today add to future adaptation bills and will result in spiraling economic and non-economic loss and damage. CPI estimates the annual investment required for adaptation in EMDEs at USD 222 billion by 2030 and more thereafter, but as mitigation finance growth lags what is needed, future adaptation needs are likely to be much higher.

At the same time, adaptation action now can save costs, lives, and ecosystems, with immediate results. Crop failures, rising food prices, and trade disruptions will become more common unless climate adaptation

2023 adaptation flows vs. needs for EMDEs



*High uncertainty driven by progress on mitigation goals

Note: These figures are in 2023 USD and therefore differ from the adaptation needs estimates on the CPI website, which are in 2022 prices. Data gaps mean that USD 46 billion estimate of 2023 adaptation finance flows is likely an underestimate; these gaps are explored in detail on p. 62.

strategies are widely implemented alongside mitigation activities, especially as total greenhouse gas emissions in the atmosphere now will yield decades of warming regardless of future mitigation.

FINANCING INSTRUMENTS

From 2018 to 2023, over 90% of climate finance (USD 6.4 trillion) was provided as debt and equity, with expectations of market-rate returns on investment. Concessional finance accounted for less than 10% (USD 686 billion). Debt formed 61% (USD 4.4 trillion) of flows over the period, equity 33% (USD 2.4 trillion) and grants 4% (USD 282 billion).

PRIORITIES ON THE ROAD TO BELÉM 2025

Climate investment has grown and diversified despite headwinds ranging from the pandemic to high inflation and energy security concerns. While geopolitical shifts, trade tensions, and economic instability are testing international action, 2025 is also proving to be a year of climate finance innovation, especially from public development banks, private actors, and developing economies.

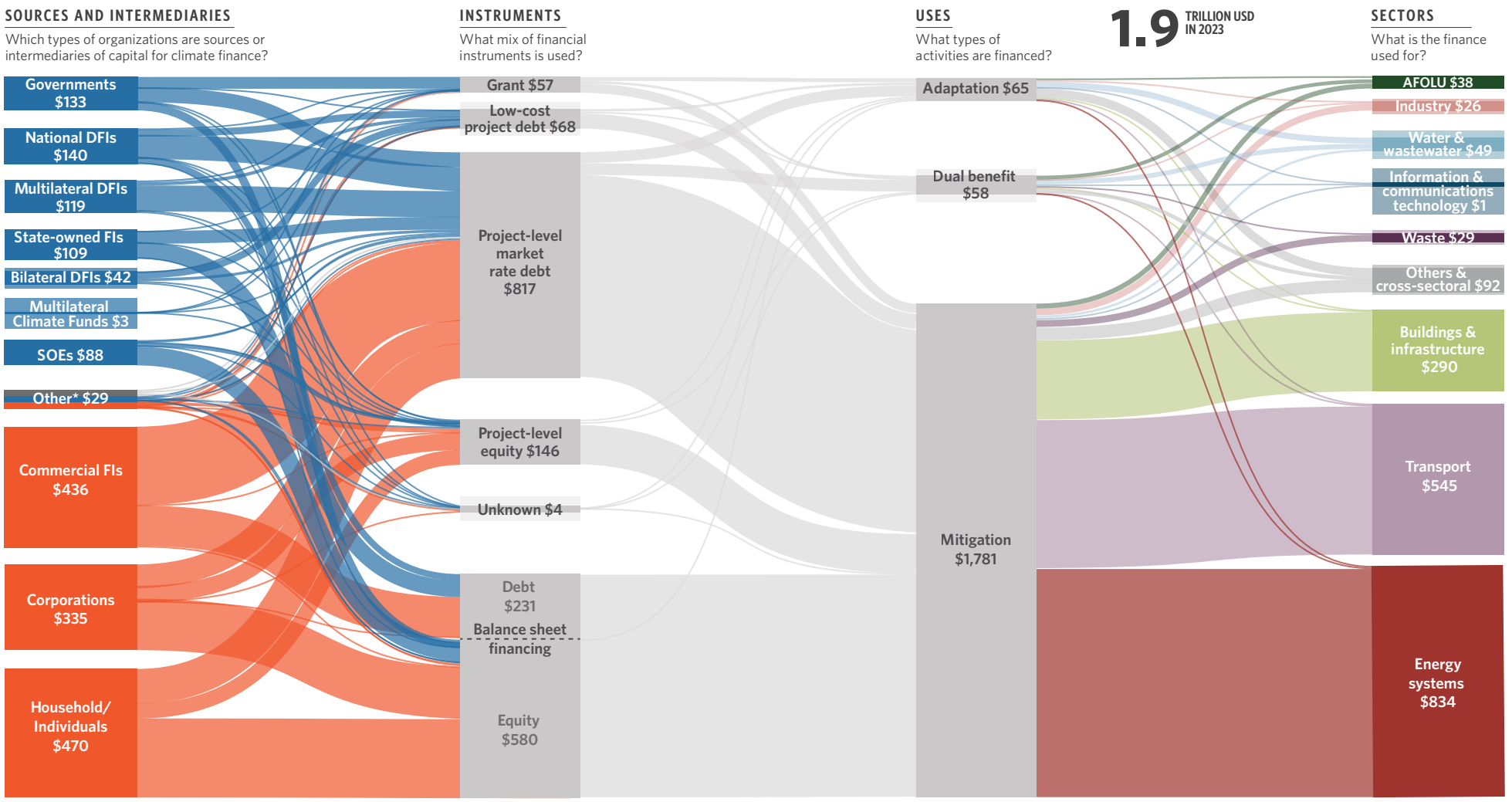
The Baku to Belém Roadmap can guide global climate finance efforts toward accountability and ambition. COP29 in Baku in 2024 set a shared vision for climate finance to flow to developing countries and meet global climate finance goals. Ahead of COP30 in Belém in November, four priorities can support implementation of the New Collective Quantified Goal on Climate Finance:

1. **Impact matters**. Ensuring the quality—not just quantity—of climate finance can create transformational impact.
    - It's about mobilizing more pools of capital (particularly private and domestic) and about creating markets.
2. **Domestic capital matters.**
    - Country platforms and country-specific investment roadmaps can help align financial actors with national climate goals and development strategies.
3. **Harmonization and simplification matters.**
    - Standardizing processes and harmonizing taxonomies and investment vehicles across finance providers can spur access and improve coordination.
4. **Data and metrics matter.**
    - Tracking progress transparently is vital to ensure accountability on the implementation of climate finance goals, including the NCQG.

LANDSCAPE OF CLIMATE FINANCE IN 2023

CLIMATE POLICY INITIATIVE

Values are in USD billion



PUBLIC PRIVATE

"Other" public sources include export credit agencies and unknown public funds
"Other" private sources include institutional investors, funds, philanthropies, and unknown

"AFOLU" stands for agriculture, forestry, other land use, and fisheries.