



Global Landscape of Climate Finance 2025

Executive Summary

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

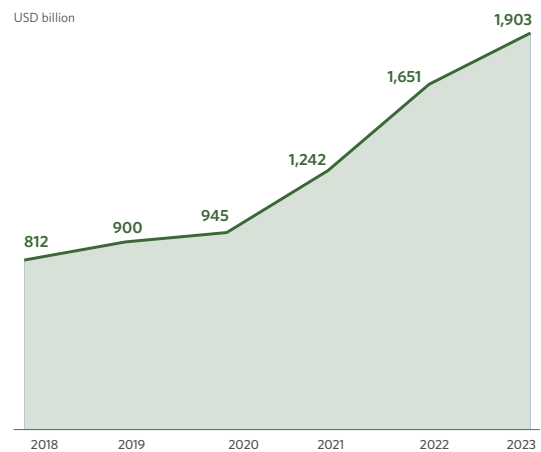
Tracking finance flows is critical to addressing the climate challenge, shedding light on where more efforts are needed. For over a decade, CPI's **Global Landscape of Climate Finance (GLCF)** has provided the most comprehensive tracking of domestic and international climate finance flows from public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

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](#)

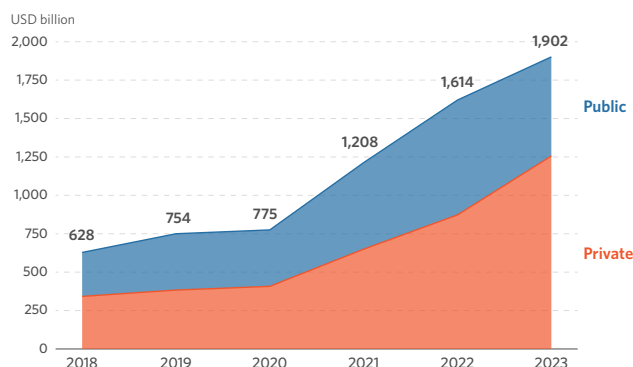
KEY FINDINGS



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 2021 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.**

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.**

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.

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

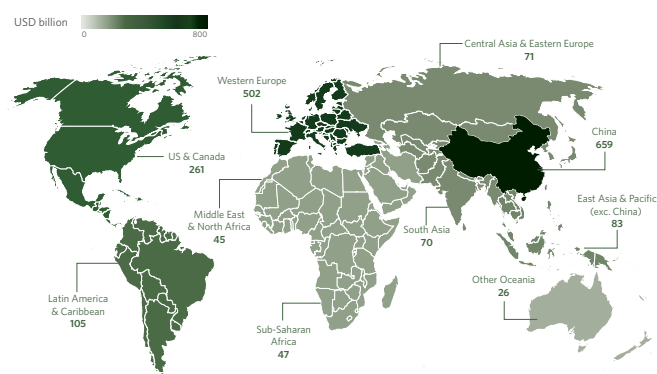
recent slowdowns in net-zero coalitions affect future investments.

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.

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 global 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



Note: Transregional and unknown flows totaled USD 35bn in 2023

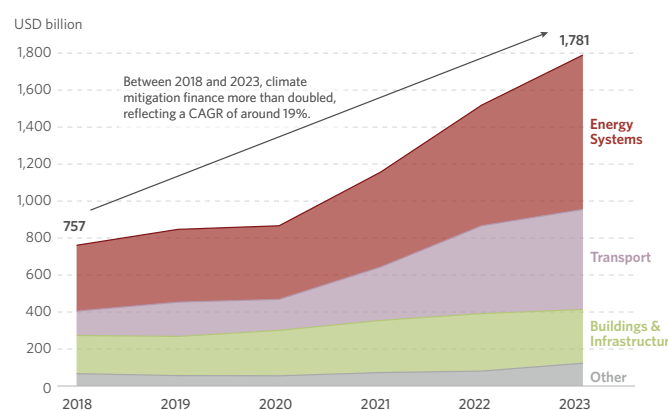
In 2023, 79% of global climate finance (USD 1.5 trillion) went to three regions—East Asia and the Pacific (39%), Western Europe (26%), and the US and Canada (14%). This increase from 75% in 2011 to 2020 indicates widening regional disparities.

In 2023, China captured 35% of global flows (USD 659 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



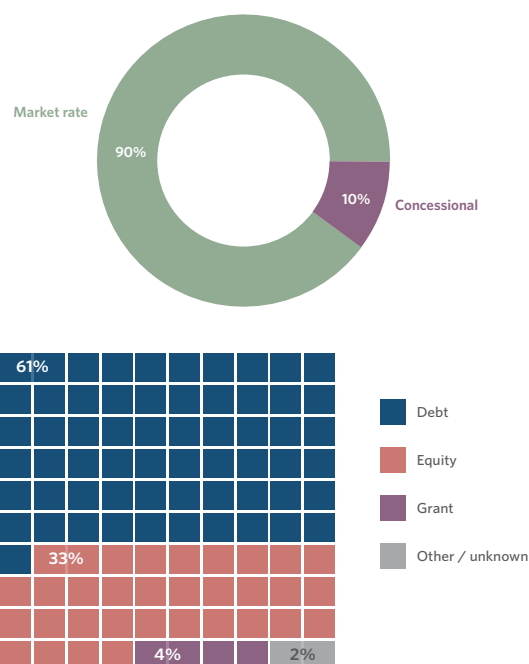
Mitigation finance made up 94% of global climate flows in 2023, reaching USD 1.8 trillion and marking 18% growth since 2022. Most mitigation finance went to energy systems (47%) and transport (30%) in 2023. The main drivers were solar PV (25% of mitigation finance), BEVs (21%), and wind power (14%).

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.

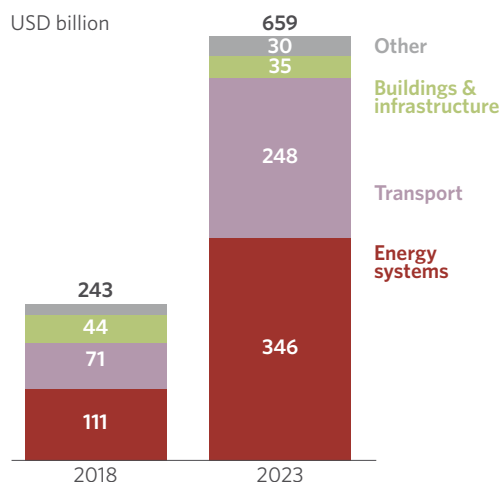
Adaptation finance flows were USD 65 billion in 2023, a 16% decrease since 2022. Dual-benefit finance—pursuing both adaptation and mitigation objectives—reached USD 58 billion in 2023, tripling from USD 18 billion in 2018.

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).

COUNTRY SPOTLIGHT: CHINA



China remains a major driver of global climate finance, with flows growing at an average of 22% per year from USD 242 billion in 2018 to USD 659 billion in 2022. In 2023, total flows declined by 4%, largely due to a 52% drop in national DFI contributions (from USD 211 billion to USD 101 billion). Almost all of China's tracked finance (99%) was sourced domestically, reflecting strong internal mobilization capacity.

Most of China's climate finance went to energy systems (53%, USD 357 billion) and transport (38%, USD 253 billion). Solar PV led the sector (61% of energy finance, USD 211 billion), followed by wind power (29%, USD 101 billion). BEVs dominated transport, attracting 71% (USD 176 billion) of flows to the sector.

Energy sector funding remained diverse. State-owned enterprises (21%), commercial FIs (20%), corporations (19%), state-owned financial institutions (17%), and national DFIs (13%) were significant contributors. Transport finance was driven by households (51%, USD 126 billion) through BEV purchases, alongside national DFIs (18%), commercial FIs (16%), and government (10%). Instruments used were almost evenly split between equity (52%) and debt (47%).

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.

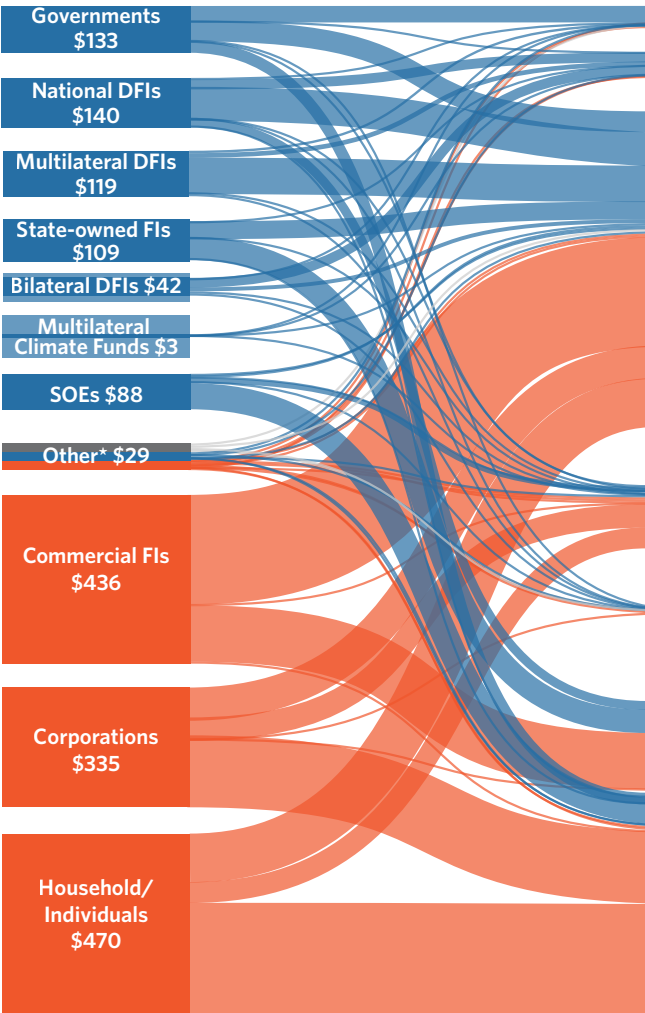
LANDSCAPE OF CLIMATE FINANCE IN 2023

Values are in USD billion



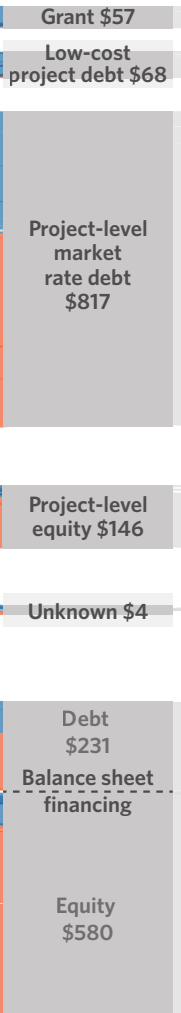
SOURCES AND INTERMEDIARIES

Which types of organizations are sources or intermediaries of capital for climate finance?



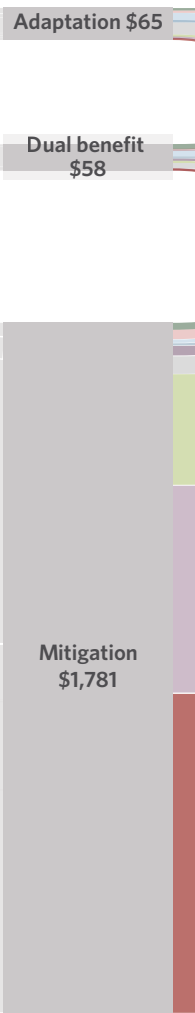
INSTRUMENTS

What mix of financial instruments is used?



USES

What types of activities are financed?



1.9 TRILLION USD IN 2023

SECTORS

What is the finance used for?



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.