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REPORT SNAPSHOT

Global Landscape of Climate Finance 2026



CLIMATE
POLICY
INITIATIVE

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Conducted under the guidance of Dr. Barbara Buchner.

LANDSCAPE OF CLIMATE FINANCE IN 2024

Values are in USD billion



SOURCES AND INTERMEDIARIES

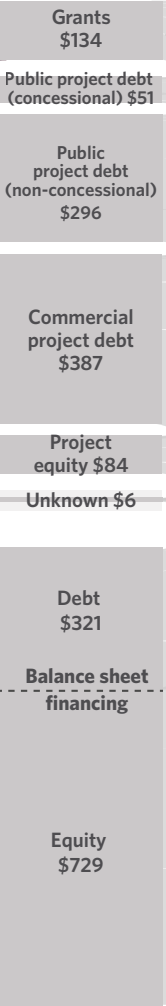
Which types of organizations are sources or intermediaries of capital for climate finance?



PUBLIC PRIVATE

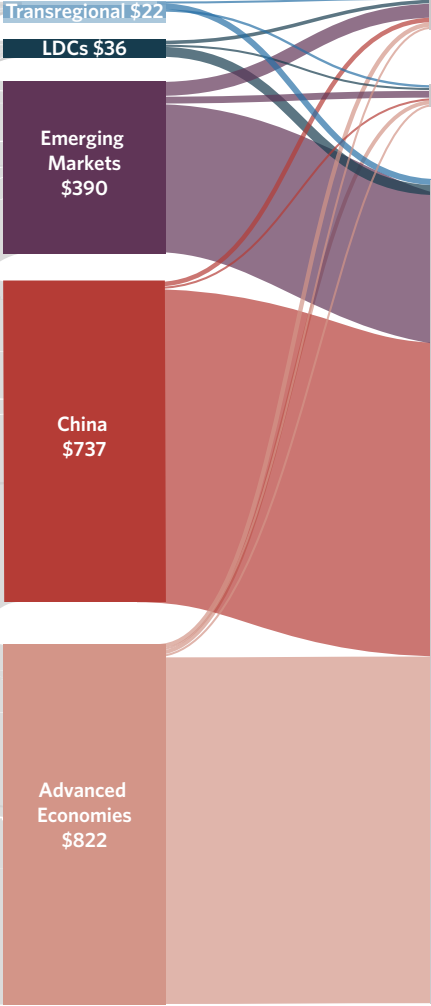
INSTRUMENTS

What mix of financial instruments is used?



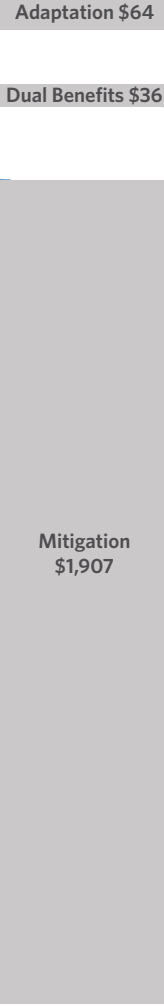
DEVELOPMENT STATUS

What is the development status of the destination country?



CLIMATE USES

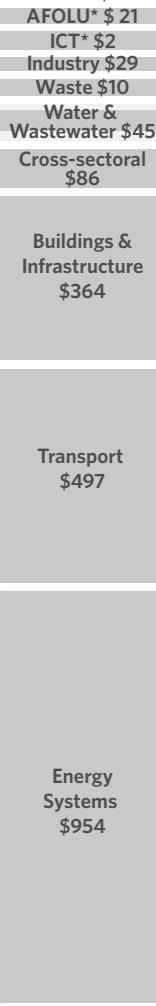
What climate challenge do flows target?



2 TRILLION USD IN 2024

SECTORS

What is the finance used for?



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

* AFOLU: Agriculture, forestry, other land use, and fisheries.
* ICT: Information and communication technology.

Climate finance passed \$2 trillion for the first time in 2024

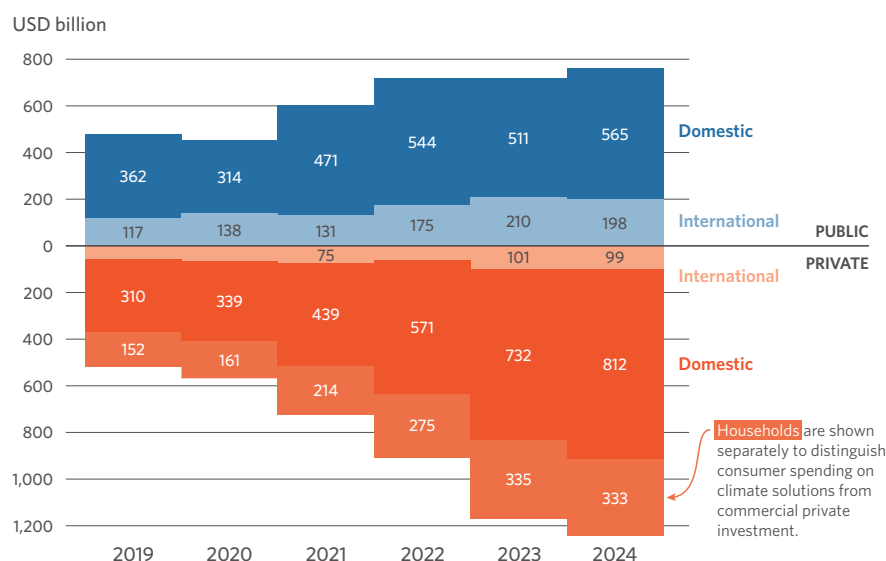
CPI's most comprehensive tracking reveals where momentum can be leveraged—and where finance must go for the biggest impact.

SOURCES: Continued growth in turbulent times is led by private finance in domestic markets

Flows have grown every year over the last half-decade,

despite energy market volatility, sovereign debt pressure, geopolitical conflicts, and COVID-19. This points to resilient underlying momentum and a maturing investment market for key climate solutions. Early policy and financing interventions are supporting the scaling of private investment. Domestic private actors now account for 60% of total mitigation finance, having driven around 70% of net growth since 2019. As part of this, households invested USD 332 billion (around 20% of all domestic climate finance) in low-carbon solutions in 2024.

FIGURE 1. SOURCES OF CLIMATE FINANCE

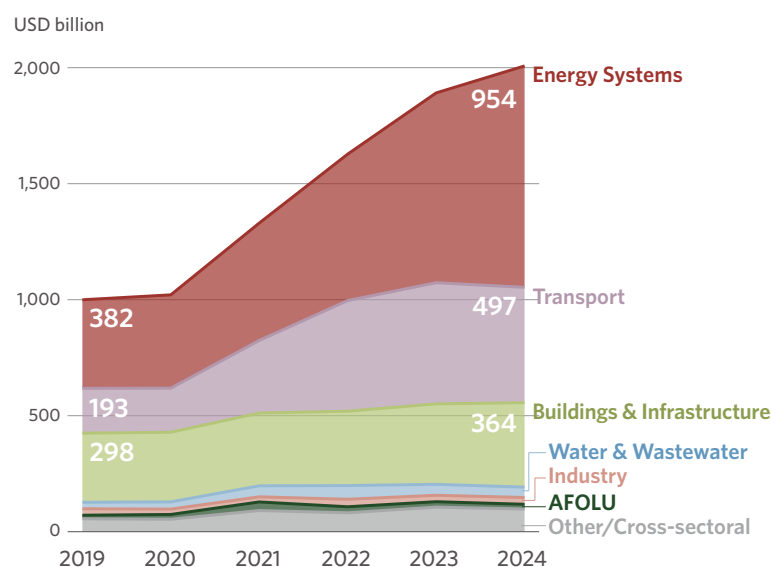


SECTORS: Energy security is becoming more affordable per climate dollar

Clean energy investment grew by 17% in 2024, accounting for around half of mitigation finance.

Falling technology costs mean each dollar now buys more clean energy capacity: the levelized cost of electricity fell by around 90% for solar PV and 93% for battery storage from 2010 to 2024.¹ There is a structural shift toward electrification and the deployment of renewable power as countries seek to reduce exposure to volatile fossil fuel markets while meeting rising demand. Most new utility-scale renewables are now cheaper than fossil fuel alternatives. With 95% of climate finance flows in energy systems, transport, and buildings and infrastructure, investment is scaling fastest in infrastructure-heavy sectors that have clearer revenue models, project pipelines, and strong policy support.

FIGURE 2. CLIMATE FINANCE BY SECTOR



Note: Other/Cross-sectoral includes Waste, ICT, and projects that cover multiple sectors within the CPI taxonomy.

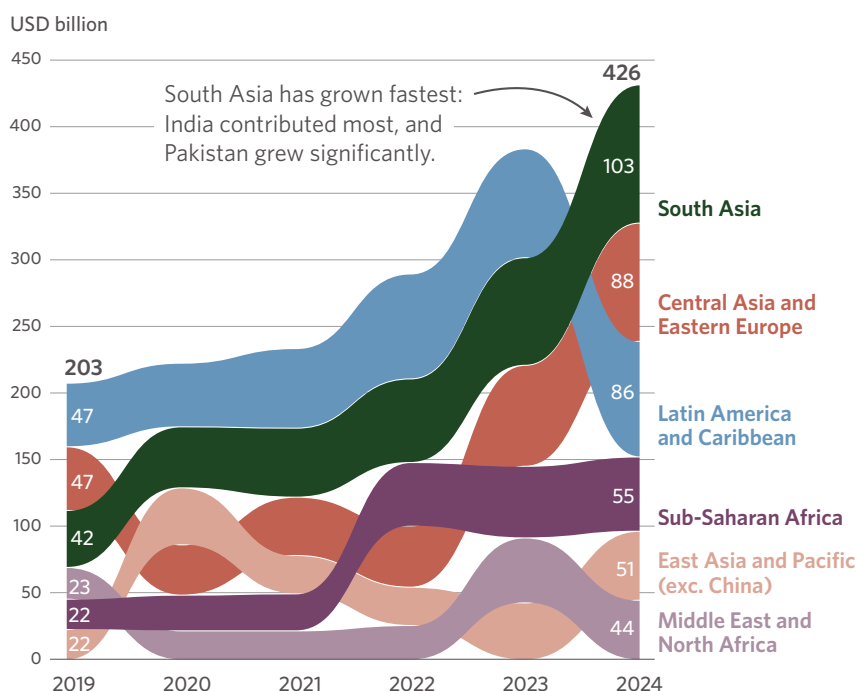
¹ IRENA (2025) Renewable Power Generation Costs in 2024. Abu Dhabi: International Renewable Energy Agency. Available at: <https://www.irena.org/Publications/2025/Jun/Renewable-Power-Generation-Costs-in-2024>.

GEOGRAPHIES: EMDEs are becoming drivers of growth

Across EMDEs, climate finance reached USD 1.2 trillion in 2024, outpacing year-on-year increases in advanced economies. Finance to EMDEs grew by 10% in 2024 and by just 1% in advanced economies. Targeted sectoral expansion, particularly in energy,

is creating new climate finance hotspots beyond traditional core markets. South Asia and sub-Saharan Africa have grown the fastest since 2019, with CAGRs of 20%. Latin America and the Caribbean and East Asia and the Pacific (excluding China), have also undergone strong growth. However, amid straining aid budgets, least-developed economies experienced a 21% drop in finance to USD 36 billion in 2024.

FIGURE 3. CLIMATE FINANCE TO ALL EMDEs BY REGION, EXCLUDING CHINA

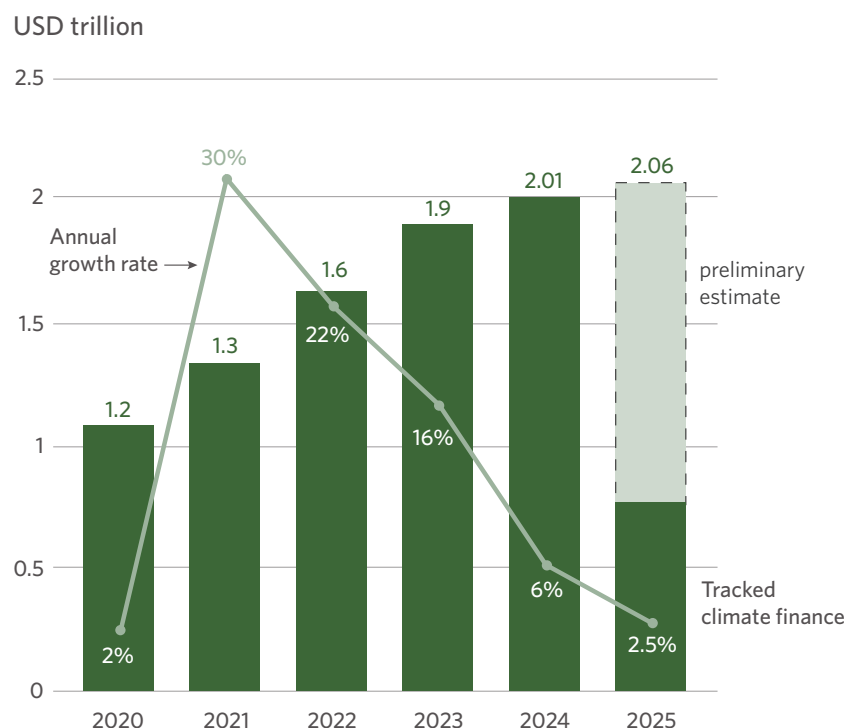


Climate finance must grow much faster to meet needs

Climate finance is growing, but not fast enough—putting even the lowest bounds of climate investment needs out of reach for years to come. The annual growth rate of global flows slowed to 6% in 2024, from 16% in the previous year. Growth is estimated to have dropped further in 2025, largely because flows in China and advanced economies are no longer rising at the rates seen earlier this decade. With substantive shifts in the international order reshaping global climate and development cooperation, a step change is needed to accelerate progress. Stronger domestic resource mobilization, deeper capital markets, effective policy reforms, international cooperation, and more strategic use of scarce public capital must crowd in private investment where it is needed most.

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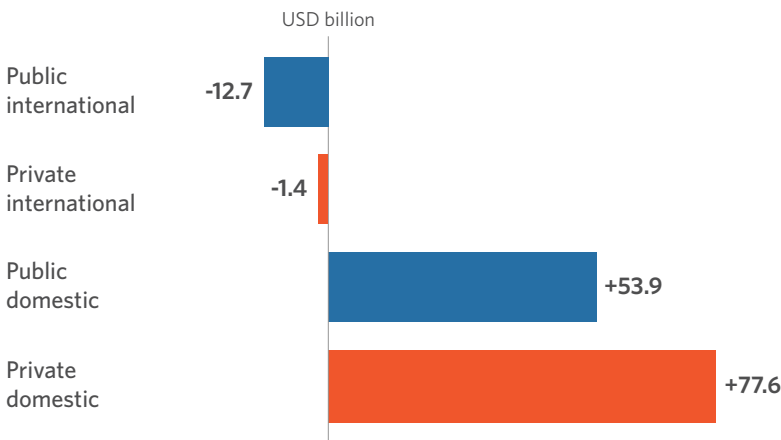
FIGURE 4. TRACKED AND ESTIMATED CLIMATE FINANCE, AND GROWTH RATE



INSTRUMENTS: Retreating international public flows create opportunity for domestic and catalytic solutions in EMDEs

After increasing by 20% in 2023, international public climate finance fell by 6% in 2024. In least-developed countries, grants and highly concessional finance remain essential but are under growing pressure as donor resources shrink. Bridging investment gaps will require more effective use of scarce public capital and coordinated efforts to target public and blended finance at creating pipelines and de-risking investment where commercial finance is not yet scaling. Catalytic equity is key to closing EMDEs’ financing gap, but is currently underused.

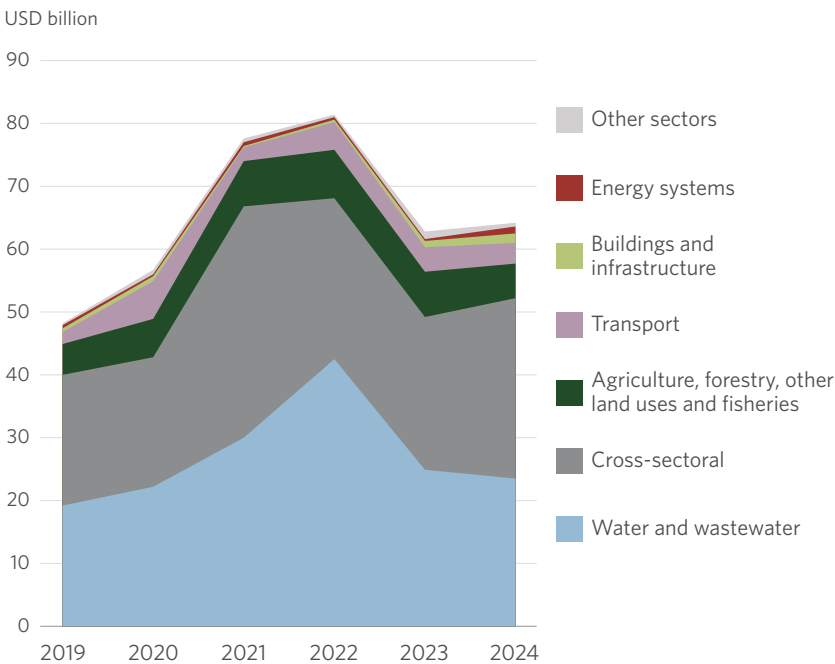
FIGURE 5. SOURCE OF CLIMATE FINANCE, YEAR-ON-YEAR CHANGE BETWEEN 2023 AND 2024



ADAPTATION AND RESILIENCE: Increased spending can sustain development gains

Modest adaptation growth early in the decade has now flattened, with overall adaptation investment plateauing at USD 64 billion in 2024. Stronger investment in adaptation and resilience is essential to protect development gains, reduce future losses, and build more resilient economies—yet financing remains concentrated in a narrow set of sectors and well below required levels. The last decade has produced an increasing portfolio of examples highlighting how adaptation can deliver business opportunities. Public funders should replicate successful models to catalyze private capital.

FIGURE 6. ADAPTATION FINANCE BY SECTOR



Recommendations

Four agendas can help drive climate investment to where it can make the greatest impact:

Agenda 1: Align climate investment with outcomes that matter to people	Agenda 2: Advance country ownership and enabling conditions	Agenda 3: Deepen adaptation finance	Agenda 4: Scale private capital mobilization
Strengthening energy, food, and economic security	Reducing fragmentation by better aligning domestic and international finance and policy at the country level	Expanding reach, raising quality, and building domestic capacity for climate and development resilience	Replicating proven approaches across markets and deploying instruments that can reduce the cost of capital
a) Embed security and competitiveness in the clean energy transition, avoiding costly fossil fuel lock-in. b) Ensure climate investment aligns with food security, protecting and boosting livelihoods, and economic resilience.	a) Make country-led investment strategies the organizing framework, anchored in fiscal and financial realities. b) Build country-led systems for effective domestic investment and local implementation and delivery.	a) Use resilience investment as a tool to manage fiscal and financial risk and build domestic capacity to act on climate risk. b) Ensure adaptation financing approaches capture the full breadth of activities that build climate resilience and guard against maladaptation. c) Apply rigorous quality standards to all forms of adaptation finance.	a) Shift private portfolios and products toward climate-aligned investment in EMDEs, building on the enabling environment created by the earlier recommendations. b) Ensure high-potential, underserved sectors and markets are not left behind in the scale-up of private climate investment. c) Use regional institutions to channel and de-risk climate finance, improving risk understanding and reducing the cost of capital.

[Get the full details on sectors, regions, instruments, and recommendations in the report ↗](#)