



TWN

6

BONN CLIMATE NEWS UPDATE

PUBLISHED BY THIRD WORLD NETWORK

15 June
2026

Developing countries warn of widening adaptation finance gap

Bonn, 15 June (TWN+) — Developing countries made strong interventions at the first workshop under the Baku Adaptation Roadmap (BAR) which was convened on 10 June at the ongoing climate talks in Bonn, Germany. They highlighted concerning trends over adaptation finance that was falling far short of the needs of developing countries, while the costs of adaptation are increasing as temperatures rise. They also called for improving access to funds and the use of grants instead of loans among others.

Developed countries on the other hand spoke about the importance of enabling environments in developing countries to attract climate finance.

The workshop under the BAR was titled, “Advancing progress in line with Article 7.1 of the Paris Agreement [PA]: supporting implementation of the Global Goal on Adaptation [GGA] and the aim of the first phase of the BAR (decision 12/CMA.7, para 29) and in this context, the coherence of the UNFCCC adaptation architecture”. According to sources, the topic for the workshop was agreed after much wrangling behind closed doors. [See further details below].

[Para 29 of the decision 12/CMA.7 on the GGA decided that the first phase of the BAR, covering the timeframe of 2026-2028, shall focus on initial implementation of activities, consisting of two workshops per year organised by the Chairs of the

UNFCCC’s Subsidiary Bodies (SBs), and the preparation of a technical paper by the secretariat.]

Developing countries also requested for the outcomes of the BAR workshop to be reflected in a report.

In a scene-setting presentation to kick off discussions, **Oman** gave the example of applying for adaptation funding from the Green Climate Fund (GCF) for an early warning systems project in 2025. It said 42 adjustments were requested by the GCF to Oman’s project proposal and that it had responded to each of them, including reducing the grant amount applied from US\$25 million to US\$15 million as well as the increase in co-financing from US\$4 million to US\$35 million. However, even with these changes, new concerns were raised by developed country members on the GCF Board who voted against funding the project. (According to sources, the developed country Board members rejected Oman’s proposal based on it being a “high income” country, despite the fact that all developing countries are eligible to access the Fund’s resources.)

WRANGLE OVER WORKSHOP TOPIC

The workshop had kicked off after much debate before the formal start of the Bonn session [that

TWN
Third World Network

Third World Network is an independent non-profit international research and advocacy organization involved in bringing about a greater articulation of the needs, aspirations and rights of the peoples in the South and in promoting just, equitable and ecological development.

Address 131, Jalan Macalister, 10400, Penang, MALAYSIA.

Tel 60-4-2266728/2266159 Fax 60-4-2264505

E-mail tw@twnetwork.org Website <https://twm.my/>

began on 8 June]. In an ‘information note’ by the SB Chairs on 26 May, the workshop was titled, “Coherence across the UNFCCC adaptation architecture, and means of implementation for adaptation”. During consultations convened prior to the Bonn session, developed countries had expressed their reservations on MOI featuring as part of the workshop, while developing countries had supported retaining the MOI component. Some developing country groups had expressed reservations on the aspect of coherence (see related [TWN update](#)).

On 5 June, when the SB Chairs released the ‘concept note’ for the workshop, the title of which read, “Advancing progress in line with Article 7.1 of the PA: the role of the UNFCCC adaptation architecture, its strengths, coherence and how it can best support implementation of the GGA and the elements outlined in para 38 of decision 2.CMA.5”. The MOI session was titled, “Ensuring access to finance for adaptation, including implementing the UAE framework panel of climate funds, MDBs and others” and the concept note featured contentious terms such as “other Parties in a position to do so” in the context of provision of adaptation finance support. [Under Article 9.1 of the PA, developed countries are obligated to provide finance support for mitigation and adaptation to developing countries. Phrases such as “other Parties in a position to do so” have been used by developed countries in the past as an attempt to dilute differentiation in obligations between developed and developing countries.]

Following the release of the concept note, sources said that several developing country groups wrote to the SB Chairs to express their reservations and opposition to the note because it ignored the mandates in decision 12/CMA.7 from Belem. Developing countries stressed in their communication that any discussions related to MOI under the BAR must be anchored strictly and exclusively upon the legal and operational foundations of Articles 9.1, 10, and 11 of the PA as per paragraph 28 (d) of the Belem decision. [Para 28 (d) of the decision decided that the work under the BAR “shall be guided by...Ensuring access to means of implementation for adaptation, for adequate, predictable and accessible financial, technology transfer and capacity-building support, including from developed country Parties to developing country Parties, in accordance with Article 9.1, and Articles 10–11, of the PA.]

Following the concerns expressed by developing countries, the concept note was revised on June 7, to make the workshop more balanced and aligned to the mandate of the Belem decision. The MOI section was redrafted to read, “Means of implementation in line with paragraph 28(d) of decision 12/CMA.7”.

HIGHLIGHTS OF INTERVENTIONS DURING THE MOI SESSION OF THE BAR WORKSHOP

Sri Lanka for the **G77 and China** said implementation of the GGA could not be realised without adequate, predictable and accessible support and that MOI must anchor the work under the BAR. It said that developing countries continue to face structural, institutional and procedural barriers in accessing support, including through the operating entities of the Financial Mechanism and that adaptation finance remains insufficient, is too often provided in the form of loans of market rate, rather than grants or concessional loans. It called for support with simplified and expedited access modalities and for a substantial scaling up of provision of adaptation finance proportionate with the needs and priorities of developing countries. It stressed that provision and expedited access to MOI is essential to implement the ‘UAE Framework for Global Climate Resilience’ [on the GGA] and to achieve its targets. It also underscored that the work should be guided by and fully reflect the principles of equity and common but differentiated responsibilities and respective capabilities (CBDRRC). It requested that the discussions in the workshop be captured in a report.

China for the **Like-minded Developing Countries (LMDC)** quoted numbers from the UN Environment Programme’s Adaptation Gap report to establish that adaptation finance fell way short of the needs of developing countries. It said the adaptation finance gap stands at US\$284–339 billion per year until 2035, with needs that are 12–14 times as much as current finance flows, adding that international public adaptation finance flows from developed to developing countries were tracked at US\$26 billion in 2023, which was a slight decline compared to 2022. It referred to the quality of finance delivered as poor and said, “Non-concessional loans continue to increase...this means developing countries have to pay the money back — that too at market rates. Imagine the burden this must put on developing countries who

are dealing with sustainable development, poverty eradication efforts as well as adapting to climate change, mostly on their own,” it said further, adding that technology transfer was slow and conducted primarily through market transactions, with limited scale of application and diffusion in developing countries. Developing countries must be supported via real technology transfer, without intellectual property posing as barriers, it said, adding further that developing countries cannot be asked continuously to demonstrate readiness and enabling conditions. Rather, it should be on developed countries and relevant institutions to facilitate the timely provision and mobilization of MOI. To the question of access, China said that developed countries should not attempt to transfer their obligations to the private sector since adaptation actions do not generate predictable financial returns and therefore fail to attract private investment at the scale required. “It must be driven by public, grant-based finance in line with the obligations of developed countries under Article 9.1 of the PA,” said China further.

Saudi Arabia for the **Arab Group** also expressed concern that adaptation finance is declining, adding that as warming levels increase, adaptation needs, costs and implementation challenges will also increase. Explaining further, it said higher temperatures mean greater heat exposure, water stress, and impacts on agriculture, higher pressure on systems, greater infrastructure vulnerability and inevitably higher costs of protecting lives and livelihoods. Yet, developed country finance commitments are declining, it said, saying that at the 9th replenishment of the Global Environment Facility [GEF], US\$ 3.9 billion was pledged which is nearly 27% lower than the previous replenishment and the lowest level in 16 years. As regards the GCF, it said that one developed country (the United Kingdom) had cut its signed contribution for 2024–2027 by half, while another developed country (the United States) rescinded nearly US\$4 billion in pledges. Referring to developed countries voting against the Oman project in the GCF, Saudi Arabia said that the concerns raised were arbitrary and discriminatory and lamented that “early warning for all” does not apply to Arab people, adding that the region was being denied climate finance and the right to develop. It said further that if the temperature increases and finance falls, the GGA cannot be implemented, and called on developed

countries to reverse the decline in adaptation finance commitments.

Botswana for the **Africa Group** said GDP losses across agriculture, water, infrastructure, coastal systems and public health sectors are mounting in the continent, and that the trajectory is worsening as global temperatures rise beyond the agreed temperature goal. It added that adaptation finance flows to Africa are “chronically and systematically inadequate” and compared to mitigation, adaptation makes up less than a third of total climate finance flows. Estimates peg adaptation needs to USD 56 billion per year, which is an underestimate to begin with, due to methodological challenges of costing adaptation needs. “Yet actual flows remain a fraction of this, and a disproportionate share arrives as loans rather than grants, incurring debt to respond to a crisis that Africa did not cause and this is structurally unjust,” said Botswana. It also underscored the need for adaptation finance to be provided as public, grant-based, new and additional finance; it called for simplified access via direct access; predictable, multi-year financing arrangements linked to implementation of National Adaptation Plans [NAPs], adaptation communications and long-term resilience strategies and strengthening technology transfer mechanisms required for achieving the GGA. It said adaptation actions such as restoring wetlands, building early warning systems, supporting climate-resilient agriculture, protecting coastal communities create resilience, not financial returns. “They cannot service loans and cannot meet the conditions of blended finance,” it said further, adding that finance instruments are misaligned with adaptation realities.

Sudan for the **Least Developed Countries (LDCs)** said direct access remains limited because accreditation of entities is slow and costly, leaving many countries dependent on internationally accredited entities. It said this reduces national ownership, increases transaction costs, and slows delivery to local communities. The group emphasised that adaptation should be grant-based because it is a public good that does not generate revenue streams, and loans-based financing would deepen debt stress.

The **Dominican Republic** for the **Alliance of**

Small Island States (AOSIS) stressed the importance of access and said that adaptation finance reaching SIDS is around two-tenths of 1% of global climate finance. “That’s only 20 cents for each US\$ 100 mobilised through adaptation finance, while our needs run to at least twelve times the public finance now flowing. That gap is still widening instead of closing,” it said. It also referred to the barriers as “structural, institutional, and human, and they compound” adding that nearly half of public adaptation finance to SIDS still arrives as debt. It called to simplify accreditation and reporting, to make grants and deeply concessional for the most vulnerable as the default; and to move to programmatic, multi-year financing, “so we can plan beyond the life of a single grant”. It also said the task of the BAR is to take solutions to scale, and to turn the commitment to triple adaptation finance into an accountable mechanism for delivery.

Chile for the Independent Alliance of Latin America and the Caribbean (AILAC) said implementation of adaptation cannot be separated from the provision of adequate, predictable, accessible and grant-based finance in accordance with Article 9.1 of the PA. It said MOI is needed to create enabling conditions and highlighted the complexity of procedures and requirements in accessing funds. It called for the issue of finance to be again considered as a standalone priority topic

in a future BAR workshop.

The **European Union (EU)** said it wants to resolve the issue on access to finance particularly for SIDS and LDCs. **Canada** too said it sees great value and efforts in making access easier for developing countries particularly for LDC and SIDS. It added that facilitating access was not just about finance, but also about building capacity.

The **UK** agreed that the existing systems to access funds were too complex, fragmented and slow. It cautioned that the BAR was not a separate finance tracking mechanism, and that it should not duplicate work mandated to the Standing Committee on Finance or other finance related bodies or negotiations.

New Zealand said public finance would not be sufficient for adaptation goals and there is a need to mobilise all sources of finance and align broader finance flows with low emissions and climate resilient development.

Japan emphasised the need for strong enabling conditions in developing countries, adding that many countries are unable to identify priorities, develop plans, identify stakeholders. It suggested that during discussions on MOI, Parties should consider not just quantity but also the conditions that enable countries to utilise the support.