CLIMATE FINANCE IN WEST AFRICA

Assessing the state of climate finance in one of the world's regions worst hit by the climate crisis

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In West Africa/Sahel, countries and their communities are experiencing the worst impacts of the climate crisis. Elsewhere, Paris Agreement climate finance commitments are set to prioritise the countries that are most impacted by climate change. However, new research by Oxfam shows that, despite West Africa/Sahel being one of the world's most climate-vulnerable regions, the international climate finance received falls far short of meeting national climate finance needs and is being significantly over-reported in favour of debt instruments. Adaptation finance is also insufficient. Reported climate finance does not place gender equality at the centre, and only a small part directly reaches local actors.

In light of this, developed countries and other donors should scale up grant-based adaptation finance that reaches the local level and responds to the real needs of particularly hard-hit regions such as West Africa/Sahel.

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For further information on the issues raised in this paper please email advocacy@oxfaminternational.org

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Cover photo: Mariam Sawadogo, from Burkina Faso, is participating in tree planting and agroforestry for an Oxfam EU-funded project that supports the leadership of young people in climate action. Photo: Gery Barbot/Oxfam

SUMMARY

In West Africa, and particularly the Sahel, countries that have contributed least to the climate crisis are among those in the world that are most vulnerable to climate change impacts. Millions of West Africans suffer the worst consequences of the climate crisis; in recent years, climate impacts and shocks have caused significant losses in agricultural production, the main source of livelihood in the region. These impacts, coupled with the security crisis and other socio-economic and global challenges, are fuelling food and health crises, causing economic losses and increasing inequalities. Because of gender-discriminatory practices, norms and policies, West African women and girls are disproportionally affected by climate change and systematically excluded from climate-related decision-making spaces.

In contrast with previous analyses that looked at international climate finance from a global, donor source perspective, this paper includes one of the first detailed, regional-level assessments of the scale and quality of international public climate finance from a recipient lens. It assesses the amount and type of international public climate finance provided between 2013 and 2019 to eight countries in West Africa/Sahel where Oxfam implements programmes: Burkina Faso, Chad, Ghana, Mali, Mauritania, Niger, Nigeria and Senegal. The analysis compares these figures with the stated financial needs of these countries for climate action, as well as with their levels of climate vulnerability, poverty, debt and gender inequality.

During 2013–2019, West Africa/Sahel countries received a total of $11.7bn in international climate finance, an average of $1.7bn per year or $4.90 per year per person – a wholly inadequate amount to address the compound climate and poverty challenges in the region. Comparing 2019 levels of climate finance with countries' stated needs in their nationally determined contributions (NDCs), we find that this finance only covers 12.7% of the needs, while climate-specific net assistance (CSNA) may only cover 7.3%. For the Sahel countries (Burkina Faso, Chad, Mauritania, Niger, Nigeria and Senegal), there is a climate adaptation finance gap of 82% between reported climate finance and countries' stated adaptation needs.

There is significant over-reporting of climate finance reaching the West Africa/Sahel region, especially in recent years: CSNA provided between 2013 and 2019 was 36% less than the face value reported by donors. This is mainly because, between 2013 and 2019, the proportion of grants decreased, while the proportion of loans and other debt instruments increased: 62% of all climate finance to West Africa/Sahel consisted of loans and other debt instruments. These debt instruments increased by 610%, while grants only rose by 79%. At the same time, non-concessional loans (which do not constitute net climate assistance) account today for 17% for the total climate finance provided. This over-reliance on debt instruments not only adds a dangerous debt burden on West Africa/Sahel countries – most of which face high debt and poverty rates – but is also unfit for the true purpose that climate finance should serve in the region, which is to support net adaptation, disaster risk reduction or mitigation efforts.

Looking at these climate finance flows from a provider perspective, we find that some of the largest providers (multilateral banks such as the World Bank or African Development Bank, and important bilateral or multilateral donors such as France, United States, Japan and the Green Climate Fund), provide most of their finance to the region in the form of debt instruments: many also rely on a large proportion of non-concessional loans.

An estimated 50% of all climate finance provided to West Africa/Sahel contributes to adaptation objectives, apparently meeting the balance between mitigation and adaptation stated in the Paris Agreement. However, considering the high vulnerability levels, high adaptation needs and low carbon footprint of countries in this region, the target percentage for adaptation finance in West Africa/Sahel should be considerably more ambitious. Despite their high level of vulnerability and low level of readiness, these countries also receive considerably less adaptation finance than other less vulnerable and better-prepared countries.

Climate finance is also inadequately reported against gender objectives, and when it is reported, only a tiny proportion places gender objectives at the centre. Of all the bilateral climate finance provided to the region, only 54.3% is earmarked for gender objectives: 49.9% as a 'significant objective' and only 4.4% as a 'principal objective'. For multilateral donors, the proportion of gender-marked projects is much lower.

Finally, only 0.8% of the institutions that have direct access to international climate finance in the West Africa/Sahel region can be identified as 'local' or at the sub-national level. Nevertheless, there is still a lack of transparency in donor reporting on how much climate finance reaches the local level and involves community participatory processes.

This paper shows that climate finance promises made by rich and historically polluting nations to developing countries are not only far from being met globally, but are wholly inadequate for the real needs of particularly hard-hit regions who bear little historic responsibility for climate change, such as West Africa and the Sahel. The current proportion of allocated loans is unfit for an already highly indebted region, risking pushing its countries and communities into further debt distress, and severely compromising their development objectives. This happens as the impacts of the climate crisis keep growing exponentially, exacerbating poverty, hunger and inequality, and while the region faces its worst hunger crisis in 10 years, coupled with the ever-worsening security crisis and other external threats, such as the Ukraine crisis and COVID-19 pandemic.

Ahead of COP27 and beyond, Oxfam demands that:

1. **Annex I Parties (developed countries) in the UN Framework Convention on Climate Change (UNFCCC) must urgently increase international climate finance**, step up to meet their longstanding promise to mobilize and provide $100bn a year from 2020 through to 2025, and compensate for the deficits accumulated since 2020.

2. **These countries should also clearly indicate their contributions towards doubling adaptation finance by 2025** (as agreed in COP26) and provide a quantified roadmap on how they plan to reach this target.

3. **All donors should only count the net assistance transferred to developing countries** – the grant equivalent of concessional loans –as climate finance under Paris Agreement Article 9.1, **as well as only the climate-specific components of reported climate finance.** Decisions made at UNFCCC/COP also need to ensure that the accounting rules are strengthened so that countries are responsible for not over-reporting their climate finance.

4. **COP27 discussions around the post-2025 climate finance goal (new collective quantified goal) should be based on the needs of climate-vulnerable communities and countries**, including a qualitative goal matrix with sub-goals on adaptation, and loss and damage finance.

5. **All donors must step up grant-based adaptation finance and reduce their proportion of loans allocated to West Africa/Sahel countries and other least-developed countries (LDCs)**. UNFCCC decisions and governments should adopt policy measures limiting the use of debt instruments in climate finance, especially for highly indebted regions and countries such as in West Africa/Sahel.

6. **Multilateral donors** such as the World Bank, International Fund for Agricultural Development (IFAD) or Green Climate Fund **should shift to a significantly higher proportion of grant-based adaptation finance** for LDCs and the most climate-vulnerable countries. In particular, non-concessional finance should not be reported as part of climate finance.

7. **Reporting standards on gender objectives and gender-transformative outcomes should be strengthened.** All funding should be screened against gender markers. **Women should be included in all stages in the climate finance cycle**, from design and planning to decision making, implementation and monitoring. **Their access to these funds should be guaranteed** through gender earmarking, simplification of procedures and capacity building.

8. **Donors must work towards making climate finance effectively reach local communities and organizations**, through establishing robust targets for a minimum percentage of locally led finance, as defined by Article 9 of the Paris Agreement. **West Africa and Sahel states** must also put measures in place to support communities, women and young people in capacity building on climate finance.

9. **Donor reporting requirements should be improved to better disclose information on how climate finance reaches the decentralized level.** More transparent data are also needed on the inclusivity of decision-making about how this money is spent, as well as on free, prior and informed consent and community accountability procedures in place.

10. **A loss and damage finance facility is urgently required** to address the devastating climate impacts being experienced by climate-vulnerable countries and poor communities. Rich countries should agree to finance this facility at COP27.

KEY CLIMATE FINANCE FACTS FOR THE WEST AFRICA/SAHEL REGION: 2013–2019

Based on an analysis of the eight countries in this region where Oxfam has a programme presence:

1 In West Africa/Sahel, the total estimated public climate finance reported by developed countries is $11.7bn. This equates to $4.90 per person per year, an amount that does not even meet the daily poverty threshold of $5.50.

2 The current estimated climate finance represents only 7% of the total climate finance needs reported by all West Africa/Sahel countries by 2030.

3 Compared with their current estimated adaptation finance requirements (nationally determined contributions (NDCs) and national adaptation plans (NAPs)), West Africa/Sahel countries are facing an adaptation gap of 82%.

4 Of the estimated $11.7bn public climate finance, climate-specific net assistance may be just $7.5bn (a third less than the total).

5 Of the reported public climate finance flowing to West Africa/Sahel, 62% is in the form of debt instruments, while only 38% is grants. Debt instruments have risen by 610% between 2013 and 2019, and the proportion of non-concessional loans peaked in 2019 (at 17% of the total).

6 Many of the largest (bilateral and multilateral) contributors of climate finance to the region provide most of this finance in the form of debt instruments.

7 Adaptation finance makes up 50% of the total climate finance, but adaptation efforts for the West Africa/Sahel region are still insufficient.

8 A large proportion of reported climate finance is gender-blind and most of the finance that includes gender objectives does not address gender equality as a central objective.

9 We still lack transparent information about how much public climate finance is reaching the local level. The few data available suggest that less than 1% of it is directly governed by local actors.

1 INTRODUCTION

West Africa and Sahel countries have both historically and currently contributed the least to global greenhouse gas emissions,[1] but are experiencing the full impact of global warming through extreme climatic events, erratic rainfall, droughts and floods, leading to significant loss of lives and biodiversity, water shortages and reduced food production. These effects are profoundly felt by peasants, farmers and livestock breeders, and rural women and young people, who rely on agriculture and livestock for their food security and income generation.

In 2021–2022, cereal production in the Sahel declined by 11% compared with the average for the previous five years.[2] In 2022, the West Africa region – particularly in the Sahel – is facing its worst hunger crisis in a decade. It is estimated that more than 38 million people in the region could be going hungry as of August 2022, a historic high and an increase of more than 40% from June to August 2021. Between 2015 and 2022, the number of people in need of emergency food assistance nearly quadrupled, from 7 million to 27 million. The countries that are most affected are Nigeria, Niger, Burkina Faso, Chad and Mali.[3]

While countries in the region represent 4.4% of the global population and emit only 0.51% of current global emissions,[4] they are some of the most climate-vulnerable and least-prepared countries to face the climate crisis (with Chad and Niger among the most vulnerable countries in the world, according to the ND-GAIN Index).[5] These countries have both a great need for investment and innovation to improve readiness, and a great urgency for adaptation action.

Staying within the Paris Agreement 1.5°C target would substantially reduce the damage to West Africa/Sahel economies, agriculture, human health, and ecosystems: the lack of mitigation action by rich countries increases the need for adaptation action in this region. While countries are struggling to fulfil their commitments to reduce their emissions, adaptation remains an urgent need for most West Africa/Sahel countries. Despite the Paris Agreement affirming the commitment to prioritize countries that are 'particularly vulnerable to the adverse effects of climate change' (Article 9) there remains a huge gap between climate finance provided through international finance mechanisms to West Africa/Sahel countries, and those countries' needs, as expressed in their nationally determined contributions (NDCs) and national adaptation plans (NAPs).

This briefing paper highlights the extremely unjust burden of adverse impacts linked to climate change that West Africa/Sahel countries are facing and the failure of industrialized countries to deliver adequate, predictable, and fair finance to a region that is among the most severely impacted by climate change. Finance is needed to build the resilience of those who depend on natural resources, especially women. Adaptation measures are required in the agriculture, livestock and fisheries sectors, by increasing access to water management and soil defence and restoration techniques, introducing resilient varieties, and increasing agro-ecology, agroforestry and livelihood diversification.

This paper assesses the quantity and quality of international public climate finance provided to eight countries in the West Africa/Sahel region (Burkina Faso, Chad, Ghana, Mali, Mauritania, Niger, Nigeria and Senegal), against the region's climate vulnerability. It highlights the diverse impacts felt by the region's population as well as the characteristics of the finance provided by developed countries to this region. Policy recommendations call for international climate finance providers to respond to the climate crisis in West Africa/Sahel countries, without exacerbating their vulnerability and compromising their capacity to cope with the escalating effects of climate change.

2 WEST AFRICA AND THE SAHEL: FACING AN EXTREMELY UNJUST BURDEN OF THE CLIMATE CRISIS

Six out of the eight West Africa/Sahel countries assessed in this paper are listed as least-developed countries (LDCs) (Burkina Faso, Chad, Mali, Mauritania, Niger and Senegal)[6] and two are low- and medium-income countries (LMICs) (Ghana and Nigeria).[7] All are characterized by political, economic and social challenges that result in low access to education, health and social protection for their populations. Given such contexts, climate change effects become drivers that increase women's, men's, youth's and children's vulnerability, and reduce the capacities of communities to meet their essential needs.

The ND-GAIN Index, which assesses a country's vulnerability to climate disruptions and its readiness to leverage public and private sector investment for adaptive action, ranks all eight countries as among those with the greatest challenges and urgency to act.[8] This speaks to the reality of millions of West Africans who experience the impacts of climate change on their agriculture, livelihoods, food security and health on a daily basis.

This section outlines how climate vulnerability in West Africa/Sahel countries is shaped through all of these dimensions.

IMPACTS ON AGRICULTURE AND LIVELIHOODS

The agricultural sector is the main source of livelihood for the majority of West and Sahel Africans, contributing 35% of gross domestic product (GDP) and employing 60% of the labour force. Nevertheless, according to the IPCC's recent sixth assessment report,[9] agricultural productivity growth in Africa has decreased by 34% since 1961, solely due to climate change, the largest reduction of any region.

West Africa/Sahel countries are particularly experiencing changes in rainfall frequency and distribution, increases in temperatures and more frequent extreme weather events. Droughts, floods, heat stress, crops diseases and pests cause huge losses in the agricultural sector, including to livestock and fisheries. According to the IPCC report, 'in West Africa between 2000 and 2009, drought, among other altered climate conditions, led to millet and sorghum yield reductions between 10–20% and 5–15%, respectively'.[10]

The rainy season in 2021 was characterized by severe rainfall breaks and an early cessation of rains in several areas of the Sahel belt. As a result, there

were significant gaps in cereal production compared with the previous season, especially in Niger (-39%), Mauritania (-18%), Mali (-15%), Burkina Faso (-10%).[11] These production shortfalls are due to the escalation of climatic shocks, but also to security constraints (particularly in the Central Sahel) that make production increasingly difficult.

IMPACTS ON FOOD SECURITY AND HEALTH

The reduction in productive yields and income directly affects the four pillars of food security (availability, access, stability and use), particularly for women and the most vulnerable in the communities. In the Sahel, cereal production in 2021–2022 was down by 11% compared with the average for the past five years.[12]

The region is now facing a major food crisis, with 38 million people possibly going hungry in August 2022

The region is now facing a major food crisis, with 27 million people going hungry in April 2022, a number that could have risen to 38 million by August 2022. By 2022, an estimated 6.3 million children aged 6–59 months in the G5 Sahel countries (Burkina Faso, Mali, Niger, Chad and Mauritania) will be wasted, with more than 1.4 million children suffering from severe wasting. The prevalence of acute malnutrition is increasing in Mali, Mauritania, Niger and Chad, and alert thresholds informing humanitarian responses are above 10%.[13]

Increased temperatures, urban flooding and heat waves also increase exposure to certain infectious diseases (such as malaria and cholera) and have an impact on human mortality and morbidity in the region. In the last decade, the African continent has witnessed an increase in climate-linked health emergencies by 25%.[14]

IMPACTS ON ECONOMIES AND INEQUALITY

With such a large share of the GDP of West Africa/Sahel countries coming from the agriculture and livestock sectors, sectors particularly sensitive to droughts and flooding in countries with limited adaptive capacities, climate-related disasters have led to sizeable GDP fluctuations.[15] Climate change has reduced economic growth across Africa, increasing income inequality between African countries and those in temperate, northern hemisphere climates.[16]

Countries in the region are particularly vulnerable to droughts: according to the EM-DAT database,[17] Western Africa was affected by drought 52 times between 1980 and 2015.[18] Drought, failed harvests, flooding and wildfires are causing huge economic losses among the most vulnerable populations, while other extreme events such as storms and floods are damaging energy and hydropower infrastructures. In addition, slow onset phenomena like sea level rises and temperature increases induce population displacement,

leading to internal climate migration. By 2050, between 17–40 million people in sub-Saharan Africa could migrate internally in a 1.7°C global warming scenario, with this number increasing to 56–86 million in a 2.5°C scenario (and over 60% of these people being in West Africa) due to water stress, reduced crop productivity, and sea level rises.[19]

Ultimately, according to a recent World Bank report, climate shocks could push up to 13.5 million people into poverty in the G5 Sahel countries by 2050 without implementing immediate climate adaptation policies and investments.[20] Climate change is already a reality for the poorest and most vulnerable, and without support to address its impacts, it will cripple the economies of developing countries, increase hunger, and put the Sustainable Development Goals out of reach.

IMPACTS ON GENDER

While all West Africa/Sahel countries are significantly affected by climate change, its impacts are felt differently by different groups, communities and individuals. Women and girls experience differentiated vulnerabilities to climate change, which are shaped by gender-discriminatory norms, practices and policies.[21] The West Africa/Sahel region is among the most gender-unequal regions in the world, according to the Gender Inequality Index.[22] Because women are the primary providers of food, water, fuel, and care, due to discriminatory stereotypes and norms defining gender roles, they are the first to suffer the impacts of climate change on the natural resources they often protect. These factors, coupled with the systemic discrimination they face in accessing livelihood resources (such as land, production inputs and credit), results in them being disproportionally affected by climate change.[23]

Women and girls experience differentiated vulnerabilities and impacts linked to climate change, due to gender-discriminatory norms, practices and policies.

The gendered experience of climate change impacts manifests in food insecurity, increased care and labour burdens, physical and mental ill health and in some cases, gender-based violence.[24] [25] For example, in West Africa, the decline in rainfall causes women to have to walk longer distances to fetch water for household tasks and drinking, due to water scarcity, contamination and salinization.[26] It is acknowledged that food crises disproportionately affect women and girls and exacerbate existing risks of gender-based violence. When a crisis hits, women are the first to limit their food rations so that children and old people can eat first, leading to their malnutrition.[27]

Despite women leading climate adaptation solutions in their communities, they are prevented from engaging in climate-related decision-making processes at all levels (subnational, national, continental and global).[28] Decision-making spaces linked to climate finance should therefore work towards improving the presence and decision-making power of women and girls, and effectively integrating their needs and priorities in funded initiatives for climate adaptation or mitigation.[29] [30]

3 CURRENT CLIMATE FINANCE IS FAR BELOW STATED COUNTRY NEEDS

3.1 CLIMATE FINANCE CURRENTLY COVERS ONLY 7% OF COUNTRIES' NEEDS

CLIMATE FINANCE IN WEST AFRICA 2013–2019

Between 2013 and 2019, the eight countries analysed in this paper (Senegal, Mauritania, Mali, Burkina Faso, Niger, Ghana, Nigeria) received a total of $11.7bn in international public climate finance, an average of $1.7bn per year. In absolute terms, Nigeria and Senegal received the most finance, averaging $407m and $375m per year, respectively. However, looking at per capita figures, Nigeria becomes the worst-ranked country, averaging $2 per person each year, a figure which is explained by its relatively large population, while Senegal and Mauritania receive the highest per capita shares ($22.50 per person and $14.70 per person, respectively).[31]

Looking at the regional aggregates, a person in the West Africa/Sahel region receives an average amount of $4.90 per year; however, according to the aggregated NDCs assessments of needs, they would need $57.75 per year per person.[32] Given that, for the same period, 80% of the population lived below the $5.50 per day poverty threshold (92% in 2019, prior to the COVID-19 pandemic), the amount of climate assistance provided is clearly insufficient to address the compound climate and poverty challenges facing the region.

A person in West Africa/Sahel receives an average of just $4.90 in climate finance for a single year.

The reported amount of per capita finance flowing to the region is also significantly lower than the average per capita amounts reported for LDCs and fragile states, according to the estimates in OECD's recent report on global climate finance trends up to 2020:[33] between 2016 and 2020, LDCs and fragile states received, respectively, a yearly median of $14 and $11 per capita, compared with $4.90 for West Africa/Sahel.

CLIMATE FINANCE VERSUS NEEDS IN THE WEST AFRICA/SAHEL REGION

We compared the current international climate finance delivered to West Africa/Sahel countries with those countries' conditional finance needs required to fulfil the pledges in their most recently submitted NDCs, covering both adaptation and mitigation.

According to the countries' NDCs, the conditional finance required for the period 2022–30 is on average $19.7bn per year. **The analysis shows that climate finance levels reported by global providers in 2019 ($2.5bn) represent only 12.7% of the average annual financial needs for external climate finance outlined by West Africa/Sahel countries in their NDCs** (spanning 2021–2030). **However, when considering Oxfam's climate-specific net assistance (CSNA) estimate (explained in section 4.1), the true value of climate finance would drop to 7.3%, representing an alarming gap of 92.7%** (Figure 1). It is important to note that the gap is a conservative estimate, as climate finance needs may be larger than what is stated in NDCs/NAPs, given that the methodologies used to calculate NDCs needs are not usually robust enough to estimate real climate action needs.

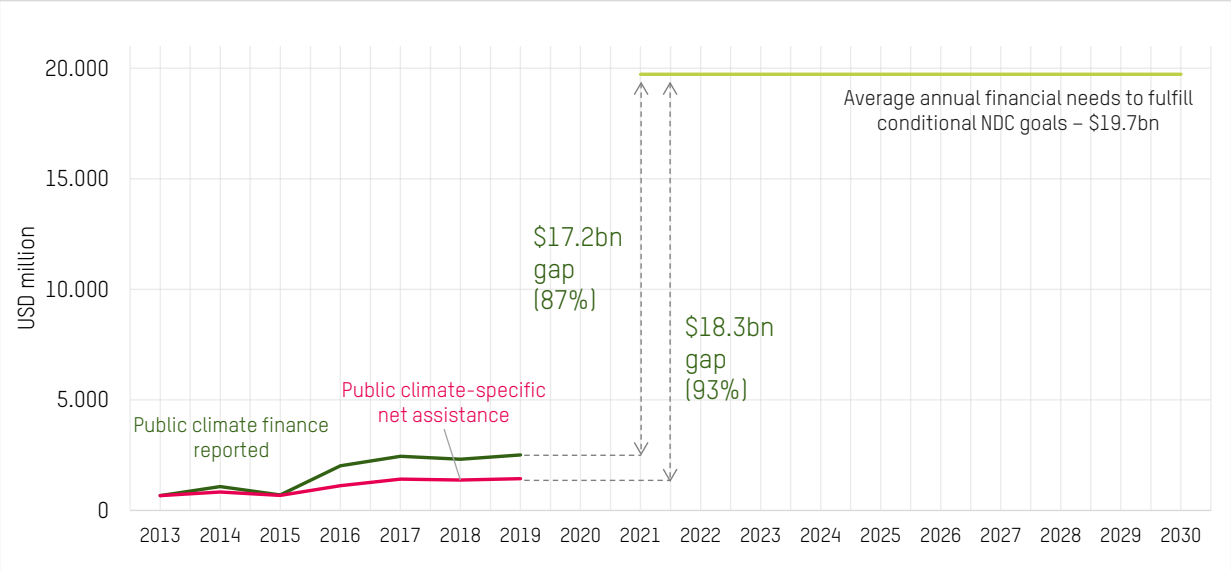

Figure 1. Comparison of current public climate finance reported (pink line) and CSNA (red line) versus conditional finance needs estimated in West Africa/Sahel countries' NDCs (top bar).

The aggregate average amount of climate finance needed per year by the eight West Africa/Sahel countries ($19.7bn) already represents up to 20% of the total climate finance committed globally by developed countries, which is $100bn (a target that has been missed by $16.7bn in 2020),[34] again highlighting how far the current climate finance goal is from responding to real climate finance needs globally. In addition, according to the first Needs Determination Report (NDR) published by the UN Framework Convention on Climate Change (UNFCCC) in 2021,[35] NDCs do not usually provide cost estimates for all their stated needs, meaning that real climate finance needs could be even much higher of what is currently being reported.

Out of all the international climate finance received by West Africa/Sahel in 2019, climate-specific net assistance may only represent 7.3% of the projected annual financial needs between 2021 and 2030.

It must also be emphasized that conditional finance needs stated in NDCs do not necessarily only have to be filled by international public climate finance – by the global $100bn commitment agreed by developed countries to support climate action in developing countries. In their NDCs, countries also refer to private sector finance (both international or domestic) as additional sources potentially contributing to fulfilling their estimated conditional needs. However, the approach by which we calculated the

existing climate finance gap does not factor in existing private finance flowing to the region, as this was not the purpose of this study.

3.2 ADAPTATION NEEDS ARE FAR FROM BEING MET

West Africa/Sahel countries are highly vulnerable to climate hazards, with recurrent floods, droughts, unequal distribution of rains, and losses and damages in terms of deaths, injuries, infrastructure devastation, soil erosion and land degradation. Their NDCs and NAPs describe their adaptation needs in sectors that are key to their development pathways: agriculture, livestock and water resources.

This section compares adaptation finance delivered by developed countries with our best estimate of West Africa/Sahel countries' needs for climate adaptation finance up to 2030, based on what is specified in their NDCs and, when available, their NAPs.

Two caveats must be noted. First, West Africa/Sahel countries' NDCs include a higher proportion of costed needs for mitigation than for adaptation, due to the mitigation focus NDCs usually take. The most accurate source from which to assess adaptation finance needs are NAPs. However, at the time of publication, only two West Africa/Sahel countries in this study have submitted a NAP to the UNFCCC: Burkina Faso and Chad. Second, Ghana and Nigeria do not specify costed adaptation finance needs in their NDCs, neither have they submitted a NAP. Therefore, this analysis only covers the six Sahel countries (Mauritania, Senegal, Mali, Burkina Faso, Niger and Chad).

The analysis shows that there is currently an adaptation finance gap for each of the six countries that specify adaptation needs in their NDCs and NAPs, with an aggregate adaptation finance gap of 82% between what was reported in 2019 and West Africa/Sahel countries' stated needs (Figure 2). This gap differs among countries.

West Africa/Sahel countries are facing an adaptation finance gap of 82% between finance received in 2019 and reported mid-term needs.

The largest adaptation finance gap is for Chad, with $1.49bn or 95%, of its financial needs ($1.57bn – the largest among the studied countries) up to 2030 not yet covered. Chad is also one of the world's most climate-vulnerable countries, according to the ND-GAIN Index. The second largest gap is for Mauritania, which has the largest relative gap as 97% of its needs are still unmet ($988m out of $1.02bn up to 2030). The third largest gap is for Mali (a country among the world's 10% most vulnerable to climate change), with a gap of 86% ($114m financed out of $800m needed), followed by Burkina Faso (among the world's 20% most vulnerable to climate change), with a 64% gap ($202m financed out of $555m needed), Senegal (61% gap, $113m financed out of $290m needed), and Niger (27% gap).[36]

However, it must again be noted that some countries may have more accurate estimations of their national adaptation climate needs than others. Therefore, the figures could vary considerably if we were able to include real adaption needs.

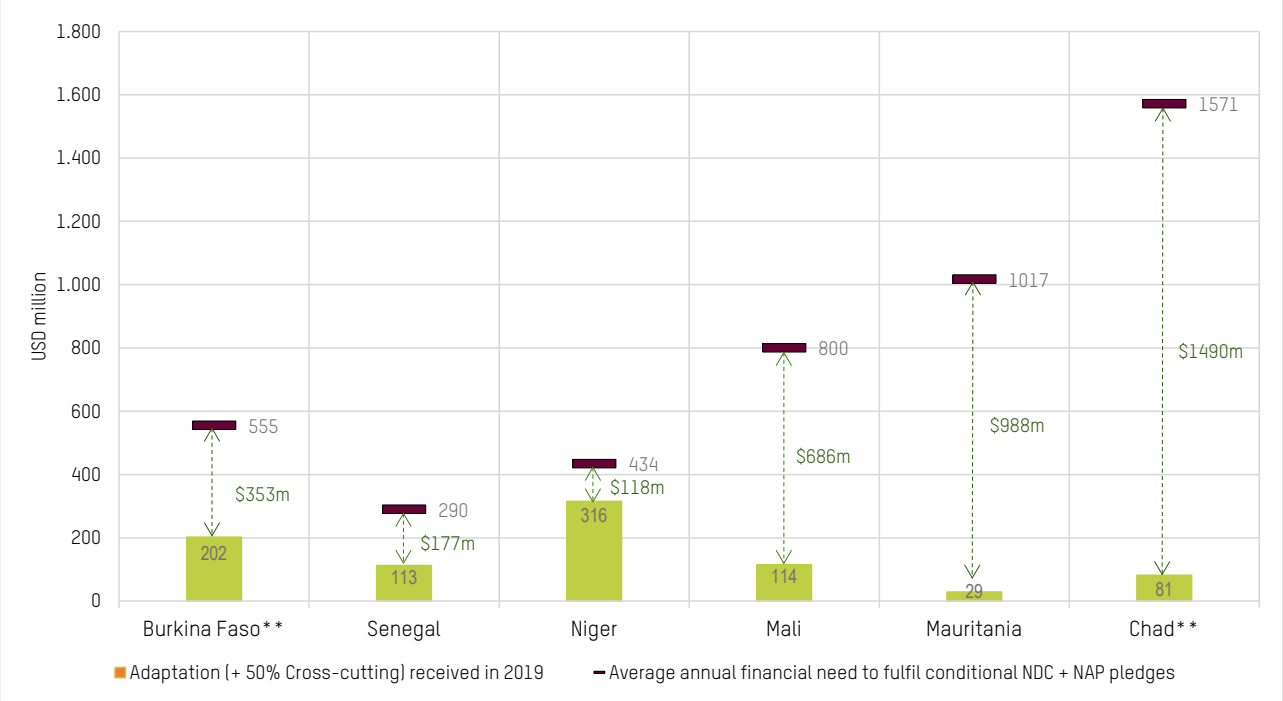

Figure 2. Adaptation finance gap for West African/Sahel countries: adaptation finance received in 2019 vs. projected annual requirements (2021-2030) to fulfil NDCs and NAPs.

4 CLIMATE FINANCE IN WEST AFRICA/SAHEL IS INSUFFICIENT AND OF INADEQUATE QUALITY

4.1 DESPITE REPORTED FINANCE INCREASING, REAL CLIMATE FINANCE IS STAGNATING

According to donors' reports, the annual amount of climate finance flowing to West Africa/Sahel countries has increased over the years, with a notable increase since 2016 (Figure 3). **However, our estimate of climate-specific net assistance** (CSNA; see Box 1) **is much lower than the reported figures**.

According to this estimate, assistance specifically targeting climate action between 2013 and 2019 was only $7.5bn – 36% less than the face value reported by donors ($11.7bn): 1 out of every 3 dollars was not climate-specific net assistance.

The estimated climate-specific net assistance in West Africa/Sahel is 36% lower than official reported figures.

While donor-reported climate finance seems to have largely increased from 2016 onwards, the real value of this finance to the region (CSNA) has only increased slightly up to 2017 and then stagnated.

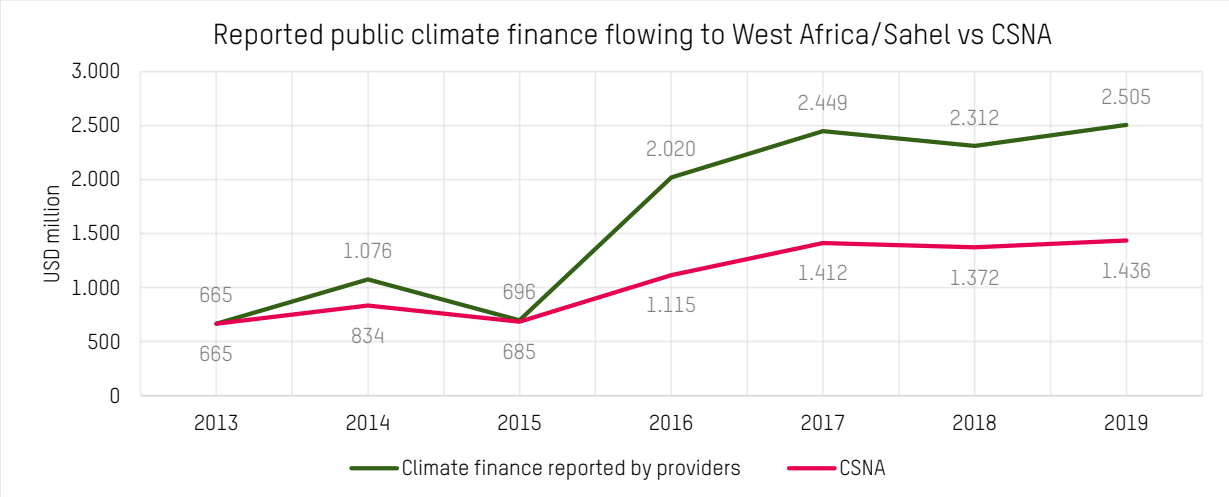

Figure 3. Total reported climate finance towards West Africa/Sahel versus estimated climate-specific net assistance (CSNA)

Box 1. Climate-specific net assistance (CSNA)

Climate-specific net assistance (CSNA) is a way of calculating climate finance that has been developed by Oxfam, and which is designed to be fairer than the approaches providers currently use.[37] Any finance outside of CSNA does not constitute assistance (in terms of a net transfer of resources) to developing countries, nor does it specifically support climate action as required by the UNFCCC.[38] There are two main steps to estimating CSNA.

The CSNA estimate counts only the grant equivalent of loans, guarantees and other debt instruments, which used to be reported at full face value, so that future debt service payments, interest, administration and other obligations are factored into estimating the net financial transfer that countries receive. The CSNA estimate counts grants at 100% and non-concessional loans at 0%.

The second step is related to the Rio Marker accounting methodology, specifically for projects only partially targeting climate action (Rio Marker 1). Current reporting practices lead to significant over-reporting of the climate relevance of such projects, so the CSNA estimate discounts for this by assuming a coefficient of 40% for Rio Marker 1 scores, which is within the range used by the latest Oxfam Climate Finance Shadow Report.[39]

Oxfam's estimate of CSNA is based on climate-related development finance reported to the OECD.[40] The same estimate cannot be made for climate finance reported to the UNFCCC, as developed countries already discount for climate relevance. Climate-related finance reported to the OECD does not exactly mirror climate finance reported to the UNFCCC (biennial reports),[41] [42] [43] but it is close enough to allow for broader estimations on the climate relevance and grant equivalent of reported climate finance.[44]

These figures show a worrying tendency, in that international climate finance reaching the West Africa/Sahel region is becoming increasingly over-reported. As explained in the next section, this is due to a higher prevalence of finance instruments that are not adequately serving the true purpose for which climate finance is designed.

4.2 AN INCREASING TENDENCY TOWARDS (UNSUSTAINABLE) DEBT INSTRUMENTS

Globally reported international climate finance to West Africa/Sahel is increasing at a faster rate than finance contributing to genuine climate action, and is therefore being increasingly over-reported.

This is mainly explained by the proportion of climate finance allocated in the form of grants over the years, as compared with other instruments. Figure 4 shows the evolving trend between 2013 and 2019: the proportion of climate finance provided as grants to West Africa/Sahel has decreased over time (from 63% in 2013 to 30% in 2019).

This is largely explained by the fact that **62% of all climate finance flowing to the region between 2013 and 2019 has been reported in the form of debt instruments[45] (which are counted at full face value), meaning that only 38% are grants.** When considering the grant equivalence measure,[46] CSNA amounts to 64%.

In stark contrast, **debt instruments have increased by 610% for the same period** (from $243m in 2013 to $1.72bn in 2019). **By comparison, grants (non-debt instruments) have increased by only 79%** (from $423m in 2013 to $760m in 2019). In addition, non-concessional loans (loans not meeting ODA thresholds for concessionality)[47] have also increased notably: today they account for 17% for the total climate finance provided. Oxfam believes that none of these finance instruments should be accounted as net climate assistance (Box 1).[48] **All of this is evidence of a particularly concerning trend: that climate funds flowing towards West Africa/Sahel are increasingly being used for financial and investment purposes, rather than for pure net assistance (grants).**

Only 38% of the climate finance received by West Africa/Sahel between 2013 and 2019 is in the form of grants. 62% is in the form of debt instruments.

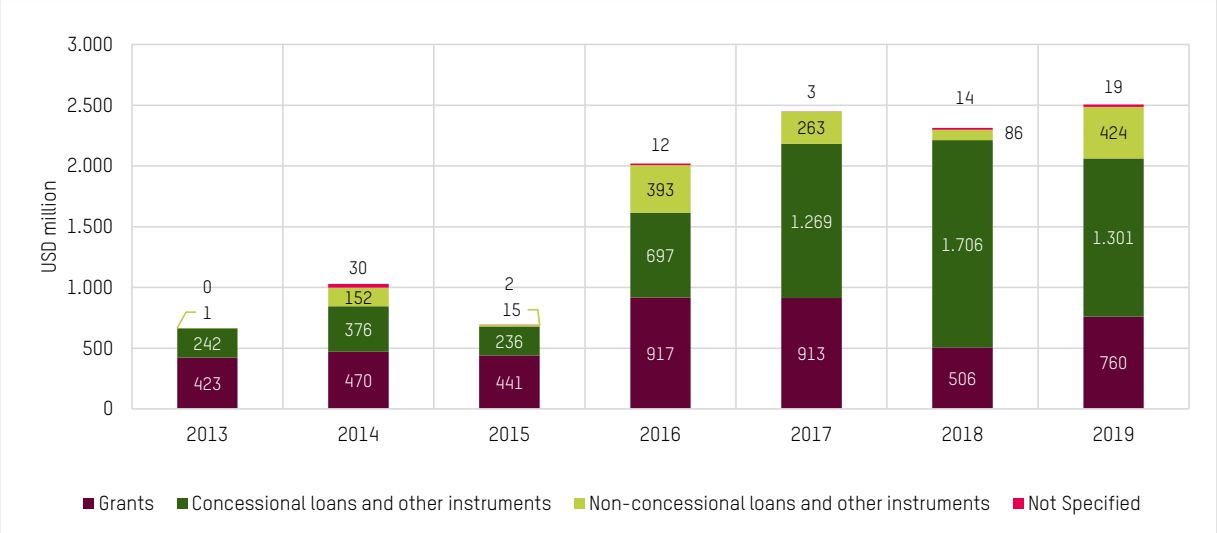

Figure 4. Proportion of international public climate finance flowing to the West Africa/Sahel region, by financial instrument.

Considering the high poverty rates and low levels of economic development in the region, alongside the fact that seven out of these eight West Africa/Sahel countries are on the heavily indebted poor countries (HIPC) list,[49] such a high proportion of debt instruments and non-concessional loans is unacceptable. These instruments add to the debt burden of these nations, some of which are already at high risk of falling into debt distress (Chad is already in debt distress, but has not received non-concessional finance).[50]

- Ghana currently receives 40% of its climate finance as debt instruments, despite being at high risk of falling into debt distress.
- Senegal receives 85% of its climate finance as debt instruments (29% being non-concessional loans), despite being at moderate risk of falling into debt distress and with debt levels amounting to 62.4% of its GNI.

- Other countries such as Niger, Mali and Burkina Faso, which face a moderate risk of falling into debt distress, also receive a considerable proportion of debt-based climate finance: 51%, 43% and 41%, respectively.

- In Nigeria (the only country not in the HIPC list), only 17% of the climate finance is provided in the form of grants and 83% are debt instruments, which include 16% of non-concessional loans, a figure which is mainly due to the large portfolio of mitigation investment projects in the country.

Between 2013 and 2019, the proportion of debt-based climate finance instruments has increased by 610%. This trend is unsustainable for a region already facing high levels of debt.

While countries worst hit by the climate crisis are most in need of climate assistance in the form of net funding inflows (especially for supporting adaptation and disaster risk reduction efforts, or being compensated for losses and damages incurred), **the current escalation in the use of debt instruments is unfit for the purpose that these funds were designed for**.

Beyond this, such instruments place a dangerous debt burden on these countries. This risks countries and communities becoming insolvent and falling into an endless spiral of poverty and debt, a risk that is exacerbated by global and national threats such as the current food and security crises being faced in the Sahel, or the Ukraine crisis, all coupled with the ever-worsening climate crisis.

4.3 THE LARGEST DONORS MAKE EXCESSIVE USE OF DEBT INSTRUMENTS

The two largest donors reporting climate finance to the West Africa/Sahel region are the World Bank and France, with total committed amounts of $3.43bn and $1.27bn, respectively, between 2013 and 2019. Other important donors include the European Union[51] ($1.09bn), the African Development Bank (AfDB) ($1.07bn), the United States ($781m) and Germany ($772m).[52]

Looking at the share of climate finance delivered by the largest providers according to each financing instrument, a large proportion of this finance is provided as loans and other debt instruments. This is especially the case for the **World Bank** (94%), **France** (94%), **Japan** (84%), the AfDB (83%), **the European Investment Bank (EIB)** (79%), **the Green Climate Fund (GCF)** (73%), **the International Fund for Agricultural Development (IFAD)** (65%) **and the United States** (48%) (Figures 5 and 6).

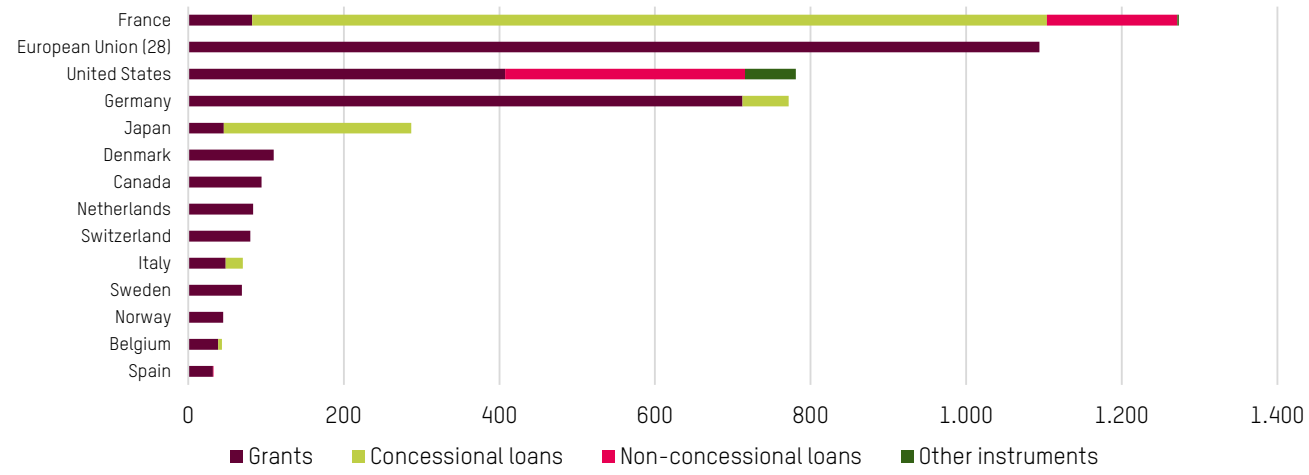

Figure 5. Climate finance reported by bilateral providers for West Africa/Sahel, by finance instrument, 2013–2018.

Source: UNFCCC (2016);[53] UNFCCC (2018);[54] UNFCCC (2020).[55]

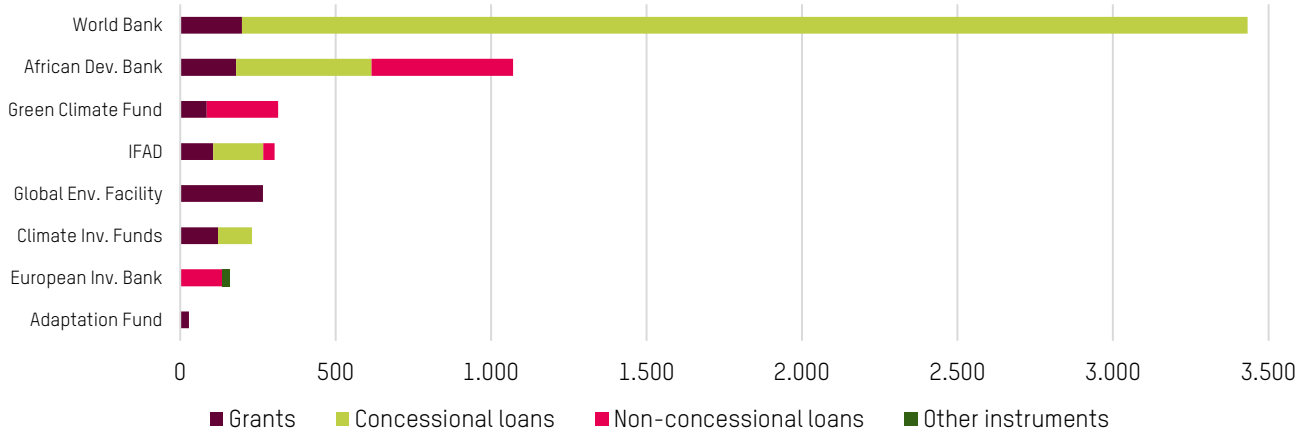

Figure 6. Climate finance reported by multilateral providers for West Africa/Sahel, by finance instrument, 2013–2019.

Source: OECD/CRS database (2021).[56]

There is also a high prevalence of non-concessional finance among some donors, especially the AfDB ($454m; 43% of its total), **United States** ($308m; 39% of total), the **GCF** ($229m; **73% of its total**), the **EIB** ($137m; **68% of its total**) and, to a lesser extent, **France** ($167m; 13% of its total). Again, Oxfam considers none of this type of finance as climate-specific net assistance.

While a large amount of finance is from multilateral institutions whose finance mechanisms are, by nature, primarily comprised of loans or other debt instruments (World Bank, AfDB, EIB and other multilateral banks), **it is surprising that large bilateral providers such as France, Japan or the United States are using such a high proportion of debt instruments – particularly non-concessional loans – to meet their climate finance pledges**. This is also true for GCF and IFAD, two multilateral institutions dedicated to supporting climate action and agricultural development in developing countries, but whose climate finance provided to the West Africa/Sahel region heavily relies on debt instruments. **A particularly shocking figure is the high proportion of non-concessional loans (73%)**

channelled by the GCF (in contrast to, for instance, the World Bank, who reports 94% of its finance as concessional loans). Such proportion is mainly due to a spike of finance in 2019 being delivered under its Private Sector Facility, with most of the funds flowing to Nigeria, Ghana, and to a West Africa regional project.

The World Bank has deemed the eight countries included in this study as eligible for zero to low-interest loans ("IDA-eligible"), which are concessional loans, due to their levels of income, risk of debt distress and credit worthiness.[57] It is even more shocking then, to see the scale of non-concessional financing being disbursed by other donors, let alone being counted as climate finance.

Although this study has not carried out a detailed case-by-case assessment of climate finance instruments by provider, **the figures above suggest a clear pattern where foreign investment interests are being favoured against supporting true efforts to address the climate crisis in West Africa/Sahel**.

4.4 INSUFFICIENT ADAPTATION FINANCE

Our analysis estimates that 50% of all climate finance provided to West Africa/Sahel in 2013–2019 is contributing to adaptation objectives: 39% is allocated to mitigation, and the remaining 11% to cross-cutting projects (both adaptation and mitigation) (Figure 7).

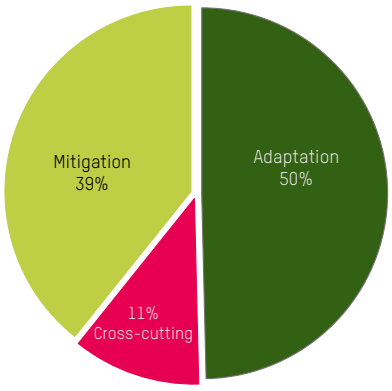

Figure 7. Balance of adaptation and mitigation finance in West Africa/Sahel

The proportion of adaptation finance delivered to this region is considerably higher than globally reported averages (25% in 2017–2018)[58] and could be considered to comply with the Paris Agreement target[59] to achieve a balance between mitigation and adaptation.

However, given the large needs for climate finance and in particular for adaptation and the high vulnerability of countries in West Africa – particularly in the Sahel – to climate-related impacts and stress,[60] coupled with the much lower carbon footprint of their economies, the target percentage of adaptation finance to be reached in these countries (and in all LDCs and fragile countries) should be considerably higher than 50%. Countries like Nigeria and Senegal (ranked in the 20% and 30% most vulnerable countries by the ND-GAIN Index, respectively) receive more mitigation than adaptation finance (52% versus 38% for Nigeria; 49% versus 44% for Senegal).

Looking at the adaptation finance received in West Africa/Sahel countries in relation to their population, compared with adaptation finance delivered globally, our estimates also show large disparities between West Africa/Sahel countries and countries characterized by greater climate readiness (Figure 8). Despite their high level of vulnerability and low level of readiness, West Africa/Sahel countries are receiving considerably less adaptation finance than other less vulnerable and better-prepared countries. **Nations like Chad** (the world's most climate-vulnerable country according to the ND-GAIN Index) **or Nigeria** (among the 20% most vulnerable) **receive far less adaptation finance per person than the average LMIC or upper-middle income country (UMIC)** (countries with much greater climate readiness).

Countries such as Niger (the world's seventh-most climate-vulnerable country), Mali (13th most vulnerable), Burkina Faso (24th most vulnerable) or Mauritania (ranked 140 out of 182) receive a similar or lower amount of climate finance per person than the average LMIC. Globally, this imbalance in the distribution of public climate finance to developing countries is clearly reflected in the latest OECD report assessing global progress of climate finance up to 2020:[61] the focus is predominantly towards LMICs as primary climate finance recipients, which account for 43% of global climate finance provided and mobilized between 2016 and 2020.

Efforts to finance adaptation in West Africa/Sahel are still insufficient. There is a global imbalance in the distribution of these funds to those countries who most need them.

If developed countries aligned their provision of climate finance to Article 9.4 of the Paris Agreement through a distributive justice lens, the allocation of adaptation finance would be determined by the vulnerability and needs of the recipient nations.[62] [63] However, for these eight countries, the results show that there is low correlation between the amount of adaptation finance received and their needs (their climate vulnerability and readiness).

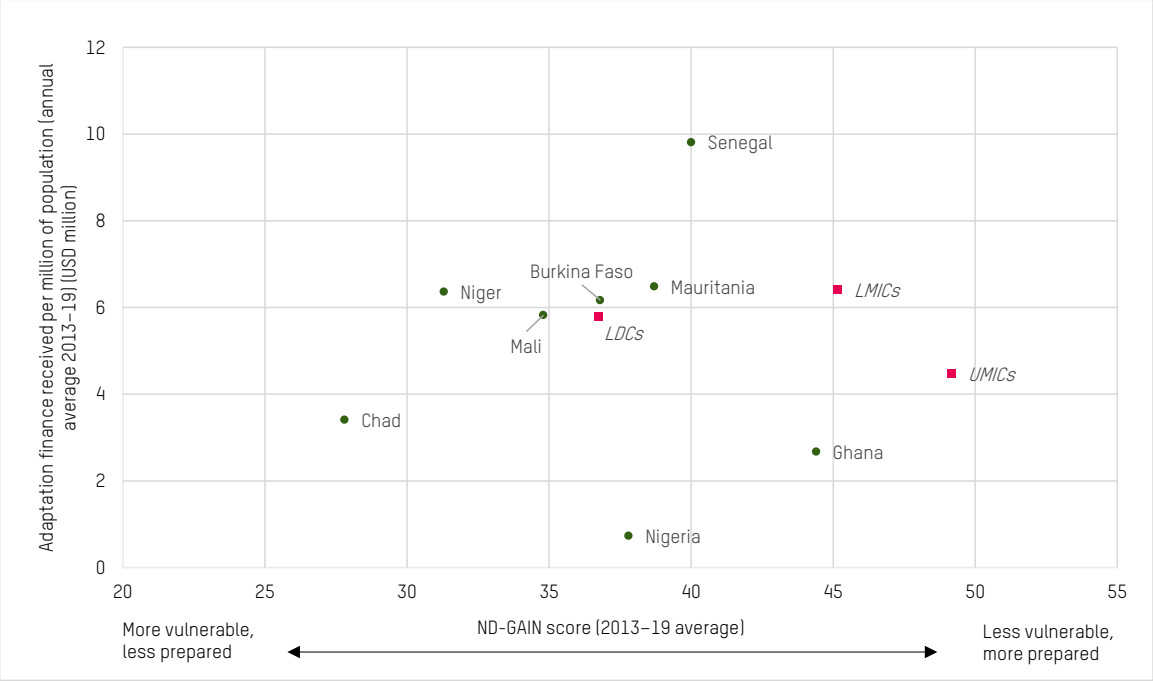

Figure 8. Average adaptation finance received in West Africa/Sahel countries (per million population and per year) against their average ND-GAIN Index score over the period 2013–2019.

4.5 A LARGE PROPORTION OF REPORTED CLIMATE FINANCE IS GENDER-BLIND

Global climate action efforts, and consequently climate finance committed under the UNFCCC, should address structural inequalities and barriers that unfairly expose women and girls to disproportionate climate-related impacts and loss and damage, hamper their opportunities for climate-resilient development and exclude them from climate-related decision-making spaces. In West Africa in particular, women and girls experience large disparities in vulnerabilities and capacities related to climate change, mainly due to existing patriarchal structures and gender-discriminatory policies, practices and norms.[64]

The low proportion of climate finance targeting gender objectives is largely insufficient to address the large gender disparities in the region.

Of all of the bilateral climate finance provided to the West Africa/Sahel region, only 54.3% is earmarked for gender objectives: 49.9% as a 'significant objective' and only 4.4% as a 'principal objective' (Table 1). Moreover, **among multilateral providers, only 16.5% and 28.2% of climate finance from multilateral development banks (MDBs) and other multilaterals, respectively, is earmarked for gender objectives** (of this, only 1% and 0.1%, respectively, corresponds to finance where gender equality is labelled as a 'principal objective').

Finance targeting gender equality and women's empowerment				
Type of provider	*Principal objective*	*Significant objective*	*Not targeted*	*Not screened (blank)*
Bilateral	4.4%	49.9%	44.0%	1.7%
MDBs	1.0%	15.5%	0.0%	83.5%
Other multilaterals	0.1%	28.1%	0.0%	71.8%

Table 1. Climate finance in West Africa/Sahel, labelled according to its contribution to gender objectives.

Source: OECD/CRS database (2021).[65]

Even when gender objectives are reported, this might not necessarily mean that projects are gender-transformative, as, for example, a recent CARE assessment of climate finance-related projects in six countries showed. According to this assessment: 'very few [projects] could be considered to apply gender-transformative adaptation principles'.[66]

Such poor gender reporting of climate finance occurs despite the West Africa/Sahel region having some of the world's most gender unequal countries, according to the Gender Inequality Index (GII).[67] Niger ranks the lowest globally (189th); Chad, Mali and Burkina Faso are three more of the ten worst-ranked countries (187th, 184th and 182nd, respectively); and

Senegal, Nigeria and Mauritania also ranked in the bottom 20% (168th, 161st and 157th, respectively).

Therefore, not only is climate finance inadequately reported against gender objectives, but when this is done, only a tiny proportion of it places gender objectives at the centre. Given that gender inequalities are the single main factor hampering the development of equal climate-resilience capacities and opportunities for women, men, boys and girls, **gender-transformative objectives should not be an add-on and must instead be central to all climate action efforts**. As the agreements related to the Gender Action Plan reached at COP25 state:[68] '[the Conference of Parties] invites relevant public and private entities to increase the gender-responsiveness of climate finance with a view to strengthening the capacity of women'.

4.6 LESS THAN 1% OF CLIMATE FINANCE IS LOCALLY LED

To bring about lasting and transformative climate action, it is important that projects and programmes implemented through climate finance are led by civil society and local communities in the frontline of climate change, especially women and youth – as first responders in community responses to natural disasters, leaders in disaster risk reduction and environmental conservation, and also because they play a fundamental role in facilitating inclusive community participation and ensuring the accountability of finance flows to the local level.[69] [70] [71] [72] When assessing climate finance from a recipient perspective, the 'channel of delivery' categories provided by the OECD-CRS database can offer relevant – although still limited – information on the direct access entities, which can serve as a tentative proxy on how climate funds are being directly governed and managed by local actors.

Despite the importance of directly allocating climate finance at the local level, only 0.8% of it can be tracked as directly managed by 'local' actors.

Based on this, here we highlight the finance which has the *potential* to be locally led, where the delivery channels are institutions/actors in the recipient nation below the national level. **Using the OECD-CRS data, of the institutions that have direct access to international climate finance in the West Africa/Sahel region, only 0.8% could be labelled as 'local'. Most of this finance is directly managed by local NGOs, while local governments only manage 0.1% of the total climate finance**.

Nevertheless, **there is still a lack of transparency on how much climate finance reaches the local level and involves community participatory processes.** Current reporting mechanisms do not allow for accurate tracking of climate finance at the decentralized and local levels. Only direct access entity categories (leading entities in charge of implementing funds) can be tracked, and there is seldom information on the specific type and nature of these entities, while it is not possible to accurately assess the decentralized nature of these recipients. In addition, much of the climate finance flowing to the local level is not necessarily through direct access, instead being cascaded down by other actors directly receiving an important share of this finance (i.e. recipient governments, delegated

cooperation, international NGOs or UN structures). However, there is not yet public access to such level of detail.

According to the International Institute for Environment and Development (IIED), only 7% of climate finance is transparent enough to be tracked to the local level and only 10% of this is exclusively committed at delivering locally led climate action.[73] [74] The World Resources Institute (WRI) has also reported evidence on local communities and governments being currently excluded from decision making and planning in how climate adaptation finance is governed.[75]

The provision of international climate finance must switch away from a top-down approach and prioritize the direct access and management of these funds by local communities, especially organizations working in the frontline of the climate crisis, such as those representing the interests of smallholders, particularly women, girls and young people. In addition, **donor reporting requirements should provide for increased transparency on how much finance is reaching the local level**.

Efforts to put in place mechanisms for devolving climate finance at the local level have already been implemented in West Africa, particularly through the Decentralising Climate Funds (DCF) project in Mali and Senegal, implemented by IED Afrique and Near East Foundation. This project piloted decentralized mechanisms for leveraging and managing climate funds. It has supported local communities to fund local interventions and improved the decision-making power of local actors, through placing communities – especially women and young people – at the heart of planning, while promoting more effective and accountable local climate governance systems.[76] [77]

5 CONCLUSIONS

This briefing paper has shown that previous climate finance promises made by rich and historically polluting nations to developing countries are not only far from globally being met, but are wholly inadequate when considering the real needs of particularly hard-hit regions such as West Africa and the Sahel. This is at the same time as the impacts of the climate crisis keep growing exponentially, exacerbating poverty, hunger and inequality, and while the region is facing the worst hunger crisis in 10 years, coupled with the ever-worsening security crisis and other external threats, such as the Ukraine crisis and COVID-19 pandemic.

Despite a reported increase of climate finance flowing to the West Africa/Sahel region, our estimations show that:

1 This finance is being significantly over-reported, largely in favour of debt instruments that are not only unfit for the real needs of West Africa/Sahel countries and their communities, but also place an additional burden on their already stretched budgets and unsustainable levels of indebtedness. One in every three dollars do not contribute to genuine climate finance. Such over-reporting is more prevalent for donors providing the largest amounts of climate finance to the region.

2 Current climate finance flowing to West Africa/Sahel countries is still far from meeting national climate finance needs, with a gap of more than $17bn, or 92.7% of the needs – including specific adaptation needs – stated in countries' national climate action plans.

Other important aspects relate to the quality of climate finance provided, specifically to it adequately covering adaptation needs, targeting gender-transformative outcomes and being locally led. However, our analysis first suggests that currently provided adaptation finance is still insufficient and it only covers a very small fraction of the adaptation needs outlined by West Africa/Sahel countries. Second, reported climate finance does not generally place gender equality at the centre of its projects. Third, while it is very difficult to track climate finance at the local level, the analysis suggests that less than 1% is directly channelled to local actors and institutions.

West Africa/Sahel countries bear little historic responsibility for climate change, but are greatly exposed to its impacts. This paradigm is unjust, and climate finance flowing to the region in its current state is not adequate to redress this imbalance. Furthermore, these nations are already experiencing large-scale losses and damages, which should be compensated through a loss and damage compensation mechanism. The global frequency of humanitarian crises triggered by extreme weather events is higher than ever before, as shown in a recent Oxfam report.[78] West Africa/Sahel is no exception: the nutritional and food security situation in 2022 is pushing the region to its worst hunger crisis in a decade, possibly affecting more than 38 million people.[79]

The provision of climate finance must meet the needs and priorities of recipient countries and their communities. The current trend of increasing

loan use in West Africa/Sahel (and globally) flies in the face of the climate justice perspective: it risks plunging the region into further debt distress, and is therefore counterintuitive to the objective of the financing and impacts countries' abilities to achieve their development priorities. Moreover, most of these nations have a far more pressing need to adapt to the climate change they are already feeling the effects of, than to reduce their emissions. Finally, climate financing must consider the differentiated needs and priorities of women, deliver gender-transformative action and integrate women and young people in decision making, at the same time as it is effectively being delivered to, and managed by, local communities.

There is currently a disconnect between the frequency of demands made by civil society and other actors on the commitments of donor nations, and the relatively lower number of claims made in terms of the quantity and quality of the funds allocated to recipient nations and communities. Increased pressure to focus on the needs and priorities of recipient nations is required, as well as increased scrutiny on the quality of financial flows. Such scrutiny is only possible through enhancing the transparency and clarity of reporting – in particular the UNFCCC biennial financial reporting mechanisms.

6 RECOMMENDATIONS

1 **Parties in the UNFCCC system must hold rich countries accountable to the $100bn goal.** Ahead of COP27, these countries must step up to meet their longstanding promise to mobilize and provide $100bn a year from 2020 through to 2025. **They must commit to increasing grant-based public financing** and explain how they will compensate for the deficits accumulated between 2020–2025 before reaching the level of $100bn.

2 **At COP26, developed countries committed to doubling their adaptation funding by 2025** from 2019 levels, which means they should reach $40bn by 2025. **They must now be transparent about meeting this commitment** by indicating the amount of adaptation funding they will provide by 2025, and provide a quantified roadmap on how they plan to reach this target.

3 **All donors (bilateral and multilateral) should only count the net assistance transferred to developing countries** - the grant equivalent of concessional loans -as climate finance under Paris Agreement Article 9.1. **They should also move to apply significantly stricter measures on how to count only the climate-specific components** or shares of broader development programmes. Decisions made at UNFCCC/COP need to ensure that accounting rules are strengthened so that developed countries are responsible for not over-reporting their climate finance.

4 **The new climate finance goal for the period after 2025 should be based on the needs of climate-vulnerable communities** in developing countries, including West Africa/Sahel countries. It should have a goal matrix with sub-goals, which crucially must include a public finance adaptation sub-goal, and a public finance sub-goal for addressing losses and damage.

5 Given the alarming trend of resorting to debt for West African/Sahel countries and the increased need for adaptation finance, **bilateral and multilateral donors must recognize the inadequacy of current arrangements, and step up grant-based adaptation finance** while reducing the proportion of loans allocated to these countries. **UNFCCC decisions and governments should adopt policy measures to limit the use of climate finance as debt instruments**, including foreign/corporate investments, which increase debt in a region that is already facing dangerous levels of indebtedness.

6 **Multilateral donors** such as the World Bank, IFAD or GCF (as one of the donors with the highest percentage of non-concessional loans) **should seriously reconsider their funding portfolios and shift to a significantly higher proportion of grant-based adaptation finance** for LDCs and the most climate-vulnerable countries (those ranked worst on the ND-GAIN Index). In particular, non-concessional finance should by no means be counted as part of reported climate finance.

7 **There is a need to increase the robustness of reporting standards on gender**, ensuring that more robust criteria for gender-transformative

outcomes are factored into the indicators used for assessing gender relevance. All funding should be screened against gender markers. **Women should be included in all stages in the climate finance cycle**, from design and planning to decision making, implementation and monitoring – as this remains limited in practice. **Their access to these funds should be guaranteed** through gender earmarking, simplification of procedures and capacity building for all bilateral and multilateral funds and facilities.

8 **All donors need to review their requirements and procedures to make climate finance effectively reach local communities**, through establishing robust targets for a minimum percentage of locally led finance, as defined by Article 9 of the Paris Agreement, including efforts to improve the access of climate finance for organizations representing local communities, women and young people.

For their part, **West Africa and Sahel states** must put in place the necessary, transparent instruments and support communities, women and young people in terms of capacity building in accessing climate finance.

9 **Strengthened donor accounting and reporting requirements should be agreed at COP27 in order to improve the disclosure of information on how climate finance reaches the decentralized level**, particularly local communities, including feminist, women-led, and women's rights organizations, youth organizations, farmers' organizations and cooperatives, and other relevant local actors. More transparent data are needed not only to assess the direct access to this finance at the local level, but also on the inclusivity of decision-making spaces created to decide about how this money is spent, as well as on free, prior and informed consent and community accountability procedures in place.

10 **A loss and damage finance facility is urgently required** to address the devastating climate impacts being experienced by climate-vulnerable countries and poor communities. Rich countries should agree to finance the facility at COP27.

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