POLITICS & SOCIETY

BACKGROUND PAPER

# Electrifying Climate Action

## Opportunities for COP31



GERMANWATCH

# Executive Summary

COP31 takes place against the backdrop of compounding shocks: the biggest energy price crisis since the 1970s deepening a cost-of-living crisis and global inequality; a strong El Niño compounding climate-induced droughts, heatwaves, and floods; and rapid technological evolution – both in the clean energy and digital sectors. Major powers are increasingly challenging the international legal order, seeking to replace the imperfect but essential principles of international law with the raw logic of power. Others are increasingly taking a transactional approach. The resulting armed conflicts and the strain on multilateral cooperation, including trade, have diverted political attention and resources away from climate action – precisely at a time when the first signs of critical tipping points are emerging and scientific evidence makes it clear that limiting warming to 1.5°C is no longer possible without a temporary overshoot. The objective now is to ensure a short and shallow overshoot.

Yet there are real grounds for hope. Renewable energy and energy storage are expanding at exponential speed. High fossil fuel prices and renewed political urgency around energy independence have become significant, if unintended, drivers of the transition away from fossil fuels. There are also early but geopolitically meaningful attempts to build an alliance of middle powers willing to reinvest in cooperation and to rebalance a dangerously asymmetric global system.

The dilemma is clear: the transition is gathering pace, climate impacts are intensifying, but global climate action remains dangerously off track. Against this backdrop, COP31 must therefore be judged not primarily by the announcement of new targets, but by whether it can accelerate implementation, strengthen accountability, and contribute to the mobilisation of credible finance – particularly for the countries and communities most vulnerable to climate impacts and currently least able to seize the benefits of transition. It must demonstrate that COPs can advance delivery – including through cooperation outside of negotiation rooms. Success should be assessed against three interconnected factors:

**1) Visible implementation of the Paris objectives:** COP31 should be judged by the extent to which it shifts the political centre of gravity from target-setting to delivery – showing that NDCs, adaptation plans, and sectoral transition pathways are being put into practice, and that this implementation is accelerating at the same pace as climate impacts are increasing and economic and development opportunities are growing. Parties need to:

- showcase national progress on tripling renewable capacity, doubling energy efficiency, and halting deforestation.
- commit to develop national electrification strategies in response to the Presidency's proposed global '35 by 35' target.
- launch or advance fossil fuel transition roadmaps.
- showcase progress on climate finance commitments made at past COPs, including compliance with the New Collective Quantified Goal on Climate Finance (NCQG), the goal of tripling adaptation finance, the UNFCCC climate funds, and advancing access to finance for Small Island Development States (SIDS) and Least Developed Countries (LDCs).
- deliver credible progress on the indicators for the Global Goal on Adaptation.

**2) A stronger, more effective UNFCCC process adapted to a more fragmented world:** Much of the substantive work, especially on implementation and finance mobilisation, is migrating from the formal, consensus-driven agenda to parallel spaces such as the Action Agenda. This two-tier governance is pragmatic and consistent with the Paris Agreement, but it raises questions of participation, accountability, and coherence. It must not become a cover for opacity, nor leave vulnerable actors without a seat at the table.

Delivery on the Paris Agreement's goals requires an institutional architecture capable of sustaining it. COP31 should send a clear signal that Parties recognise the need to reform the UNFCCC process itself – streamlining it to free up capacity for the implementation of already-negotiated outcomes, raising ambition over successive cycles, and strengthening and enforcing the transparency and accountability mechanisms that allow commitments to be tracked and verified rather than simply being restated. As it is unrealistic to expect full consensus on large-scale institutional reform, success also depends on a critical mass of Parties willing to move forward together, even where universal agreement remains out of reach. Parties need to:

- agree on the design of the second Global Stocktake (2026–2028), learning from how the first one informed Nationally Determined Contributions (NDCs), and making it a driver of ambition and accountability.
- make the Action Agenda count by defining clear responsibilities (are governments, subnationals, or private entities responsible for delivering on the agreed initiatives?) and timelines, while ensuring continuity across presidencies and regular public monitoring. It could also feed into the Global Stocktake.
- signal willingness to reform the process, including via the 'Arrangements for Intergovernmental Meetings' agenda item and secretariat funding.

**3) Finance as the enabler that makes implementation possible:** None of the above is achievable without dedicated financial means. Mobilising finance in sufficient quantity and quality for mitigation, adaptation, and loss and damage depends on the willingness of Parties, particularly developed countries and major shareholders in Multilateral Development Banks (MDBs). At COP31, but also in other processes, the groundwork must be laid for an increase in public and private finance that does not increase debt levels, for reform of the international financial architecture, and for polluter-pays mechanisms that also consider the role of major multinational corporations. Given the scale and urgency of the climate crisis, the agreed budgets of industrialised countries alone fall far short of what is needed to provide the public funding required to meet their responsibilities. These countries must therefore substantially increase public climate finance as well as mobilise additional sources of finance. In addition, major emitting countries and sectors need to contribute as well. Parties need to:

- provide reliable, growing public finance, framed as an investment rather than a cost.
- agree a delivery pathway as proposed in the Baku-to-Belém Roadmap with milestones for the NCQG (USD 300 billion) and USD 1.3 trillion.
- advance polluter-pays mechanisms particularly on those contributing most to the climate crisis and those benefiting disproportionally from the current fossil fuel energy and the cost-of-living crisis - such as taxes and levies on harmful or undertaxed activities.
- make Multilateral Development Banks (MDBs) and climate funds comply with climate finance commitments in line with the NCQG.
- lay the groundwork for finance that does not increase debt, and for reform of the international financial architecture.

# Imprint

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# 1 Big picture

## 1.1 Geopolitical context: COP31 convenes against a backdrop of global turmoil

COP31 is taking place at a moment of acute geopolitical tensions. Russia's ongoing war of aggression against Ukraine, Israel's war in Gaza and Lebanon, the attack on Iran by the U.S. and Israel in early 2026 and the resulting crisis in the Strait of Hormuz, the new US National Security Strategy all point to the same underlying trend: a number of major powers are undermining the international legal order, seeking to replace the (always imperfect) rule of law with the raw logic of power. These actions have all strained the multilateral system and diverted political attention and capital away from climate action – precisely at a time when climate impacts are being felt more severely than ever before, the first tipping points in the climate system are reached,[1] and science confirms that the 1.5° C limit can no longer be achieved without a temporary overshoot.[2]

This is not a story of climate change unfolding in isolation. The climate crisis is compounding with a broader set of global pressures: rising geopolitical tension, the reshaping of economic systems, deepening social polarisation, and accelerating technological change. Climate change interacts with all of these forces at once – multiplying risks, amplifying existing vulnerabilities, and generating new threats to human security and stability. COP31 therefore cannot be understood as an isolated climate summit. It is taking place within a far more volatile global context.

And yet, amid this turbulence, there are real grounds for hope.

We see early but geopolitically significant attempts to build a global alliance of middle powers capable of reshaping a world order that has become dangerously asymmetric. One striking signal is Ursula von der Leyen's invitation to Canada to become a kind of associated member of the EU – a partnership that is not confined to trade but also extends to joint action against the pressure tactics of more powerful states. In an increasingly fragmented geopolitical environment, smaller groups of ambitious actors – countries, subnational governments, non-state actors – can play a crucial role in accelerating climate action in specific sectors and policy areas where universal consensus is out of reach. These voluntary 'coalitions of the willing' can mobilise political ambition and financial resources far more quickly than universal multilateral processes allow, and they create space for policy experimentation, innovation, and mutual learning at scale.

Another reason for hope is that renewable energy and storage systems are expanding exponentially. The electrification of transport, buildings, and industry is now progressing globally at a pace that outstrips past projections, reshaping the underlying economics of the energy transition in real time. Herein lies one of contemporary climate history's great ironies: Trump's war on Iran and the resulting energy crisis – the most severe since the 1970s – are generating powerful new momentum for renewables and electrification worldwide. High fossil fuel prices and a renewed political urgency regarding energy independence have become significant, if unintended, drivers of the transition. In addition, a growing number of people and organisations around the world are asking a very pointed

[1] The climate system is approaching several potentially irreversible tipping points, as global warming intensifies the risks of abrupt and self-reinforcing changes in ecosystems and ocean circulation. The first tipping point – warm-water coral reefs – are considered to have entered conditions of widespread irreversible decline. The Greenland and West Antarctic ice sheets, the Atlantic Meridional Overturning Circulation (AMOC), and parts of the Amazon rainforest are among the major systems at increasing risk.

[2] UNEP 2026, Limiting Overshoot – Navigating exceedance of 1.5°C and pathways towards return (all online sources last accessed: 2 November 2026).

question: why are companies and states that rely on fossil fuels not paying more for the damage caused by their emissions?

## Visible and compound climate impacts – urgent need for action

In 2026 a number of climate impacts were clearly noticeable. August 2026 was the hottest month ever recorded globally, with average surface air temperatures reaching 1.65°C above pre-industrial levels, while extra-polar sea surface temperatures also hit a record high. Europe bore the brunt on land: the region experienced the hottest summer ever recorded in Western Europe, with prolonged and intense heatwaves beginning as early as May, leading to at least 35,000 heat-related deaths. In the Himalayas, on 26 August, a glacial collapse, suspected to have been accelerated by climate change, sent flash flood through the Bhote Koshi and Trishuli river system near the Nepal-Tibet border, devastating Nepal's Rasuwa and Nuwakot districts and killing at least 1400 people, with 6000 more missing and displaced. Energy market volatility, disrupted food systems and fertiliser supply chains, additional health risks and emerging El Niño conditions could compound pressure on the world's most vulnerable regions. These circumstances could lead to 49 million more people facing acute hunger in a situation where the share of people suffering from acute hunger and in urgent need of help has already doubled since 2016.[3]

## The climate and development finance gap

Increasingly visible and compounding climate impacts are placing developing countries under growing strain. They must invest in mitigation and adaptation while also responding to mounting loss and damage, yet they face limited access to sufficient, high-quality finance, high capital costs, heavy debt burdens and tight fiscal space. At the same time, climate finance is under pressure from shrinking Official Development Assistance (ODA) budgets in most developed countries. The gap between promised and delivered support is widening, and trust in developed countries' commitments under the New Collective Quantified Goal on Climate Finance (NCQG) is eroding. The US withdrawal from the Paris Agreement has left a significant hole in the climate finance landscape – a dynamic that deserves more attention than it receives in current debates, which are largely focused on China's role. The remaining developed countries and other capable actors should step up and fill this gap instead of using the withdrawal of the US as an excuse to lower their own ambition.

## Energy crisis, impetus for the energy transition, and polluters' responsibility

The crisis in the Strait of Hormuz represents the most severe disruption to global energy markets since the oil shocks of the 1970s. Triggered by coordinated U.S.-Israeli strikes on Iran in March 2026, Iran's closure of the Strait effectively paralysed the transit of roughly 20% of the world's oil trade and a similarly critical share of global LNG flows.[4] The repercussions extended well beyond energy markets: fuel shortages occurred worldwide, but were particularly acute in Asian countries – which bore the brunt of the disruption –, while energy costs rose and growth slowed down. The crisis directly led to higher food prices and a decline in household welfare. However, the full impact on food prices is expected to become apparent only after a certain delay: as reduced fertilizer application will result in lower yields in 2026, the UN's Food and Agriculture Organization (FAO) has warned of a severe global food price crisis materialising within the next months.[5]

[3] FAO 2026, Global Emergency and Resilience Appeal 2026.

[4] Oil prices (Brent crude) surged past USD 100 a barrel for the first time in four years on 8 March, peaking near USD 126, in what became the largest single-month oil price increase on record.

[5] FAO 2026, Strait of Hormuz conflict threatens global food prices as FAO warns time is running out.

Rather than constraining fossil fuel profitability, the crisis coincided with yet another banner year for the sector: Oxfam estimates that the top six fossil fuel corporations will double their profits in the second quarter of 2026 compared to first quarter levels.[6] The Advisory Opinion of the International Court of Justice (ICJ) makes it clear that countries must regulate their fossil sector or have to fear consequences.

The 2026 energy crisis has made the case for a faster transition even clearer. Countries around the world treat renewables as a hedge against volatile, geopolitically exposed fuel markets. The IEA's World Energy Investment 2026 report projects almost two-thirds of global energy investment to flow into renewables, nuclear, grids, storage, efficiency, and electrification, compared with about USD 1.2 trillion for oil, gas, and coal – a clean-to-fossil ratio that has roughly doubled since 2015. Solar alone is on track to draw more than USD 500 billion in investment.[7]

According to the IEA, renewable energy is set to become the world's leading source of electricity by 2026, reaching around 36% of global power supply, compared with roughly 32% for coal – the latter's lowest share in a century. China alone is expected to account for almost 60% of global renewable capacity growth and to achieve its 2035 wind and solar target five years ahead of schedule. Ember's Global Electricity Review 2026 confirms that this milestone was reached in 2025: renewables accounted for 33.8% of global electricity generation, surpassing coal for the first time in more than a century[8]. The report also highlights the exponential growth of solar power, whose global generation increased by 30% in 2025 alone. Solar and wind together met 99% of the increase in global electricity demand, while all clean power sources combined covered demand growth in full, bringing fossil-fuel power generation down slightly. IRENA's energy transition outlook reinforces the broader picture, identifying electrification, energy efficiency and renewable energy as mutually reinforcing drivers of the transition.

This structural momentum, unfolding even amid war, sanctions and price shocks, is strong evidence that the transition is becoming increasingly self-reinforcing economically, rather than remaining contingent on political goodwill alone. The challenge facing COP31 is therefore less about justifying the transition than about ensuring that policy, finance and grid infrastructure keep pace with it, while accelerating electrification and capturing its full potential for energy efficiency.

## Dealing with climate overshoot

Due to the momentum behind renewables expansion and electrification, the IPCC's worst scenarios are no longer plausible. But on the other hand, the overall global trajectory remains dangerously off track. UNEP's September 2026 report 'Limiting Overshoot' confirms that exceeding 1.5°C of global warming is now essentially unavoidable. UNEP frames the remaining task as an 'overshoot, peak and decline' pathway: temperatures will surpass 1.5°C and reach at least 1.8°C, but the extent and duration of that overshoot can still be minimised through rapid and sustained global emissions cuts and major progress on carbon dioxide removal. This also means that we need stronger adaptation and more money for loss and damage than in 1.5°C scenarios. The risk of crossing tipping points now increases with every additional tenth of a degree.

Fossil fuels' share of the energy mix remains high, but the momentum lies clearly with clean energy, not with coal. In China and India, the two largest coal consumers, power generation from coal fell in 2025 for the first time since 1973, by 1.6% in China and 3.0% in India, because non-fossil sources

[6] Oxfam 2026, Big Oil set to double profits as their emissions fuel deadly heatwaves.

[7] IEA 2026, World Energy Investment 2026.

[8] Ember 2026, Global Electricity Review 2026.

grew fast enough to cover rising electricity demand. China added more than 300 GW of solar and 100 GW of wind that year, and India added 35 GW of solar, 6 GW of wind and 3.5 GW of hydropower.[9]

Coal capacity is still being added, but the plants are increasingly used differently: coal plants are often relied on to cover peak demand, for example during heatwaves and in the evening when solar output drops. In the first half of 2026, China commissioned 30 GW of new coal power, 43% more than a year earlier, while retiring only 2.7 GW. Generation, however, rose far less than capacity: coal-fired output grew by 3.4% year on year, reversing the 2025 decline, while coal's share of total generation fell below 50% for the first time on record.[10] India, meanwhile, expands renewables and coal in parallel, but here too clean energy is what drives growth in generation. The overall picture emerging ahead of COP31 is that of a world which is simultaneously scaling up the solution and locking in the problem. It is also a picture in which more and more countries rapidly expand renewables and electrification – while a relatively small but loud and important group of countries (US, Russia, Iran, often Saudi Arabia) does everything in its power to prolong the business model fossil fuels. Meanwhile, in a number of important countries such as Germany, there are internal debates between different parts of society, parliament, and even within government how to advance the clean energy transition.

A further concern is the growing pressure on scientific institutions and the evidence they produce. Attempts to discredit scientific expertise, politicise research and weaken international scientific cooperation threaten the foundations of effective climate governance. The ongoing disagreement among governments over the timetable for the IPCC's Seventh Assessment Report illustrates the challenge. IPCC assessments provide the shared, rigorous evidence base that enables governments to assess climate risks, evaluate mitigation and adaptation options, and negotiate on a common understanding of the problem. They also underpin key UNFCCC processes, including the Paris Agreement's Global Stocktake. Protecting the independence, integrity and timely delivery of climate science is therefore essential to the credibility of multilateral climate action. COP31 should reaffirm that political disagreement must not undermine the scientific process, and that decisions must remain anchored in the best available evidence.

## 1.2 What COP31 needs to deliver

Against the dual backdrop of crisis and opportunity, COP31 carries a particular burden of proof. It must demonstrate that the UNFCCC process can move beyond negotiation toward delivery – following through on existing commitments while responding to the accelerating pace of climate impacts, and capturing the economic and development gains now offered by the global transition.

Notably, much of this delivery agenda is unlikely to unfold within the formal negotiating rooms alone. As climate multilateralism increasingly divides into two tiers, a growing share of the substantive work – including on implementation and finance mobilisation – is migrating from the consensus-driven formal COP agenda to parallel spaces like the Action Agenda. This shift is not merely a pragmatic adjustment to a more fragmented geopolitical landscape; it is fully consistent with the Paris Agreement's own framework of nationally determined implementation, which explicitly accommodates groups of champions. It also reflects the deeply differentiated realities that countries and regions face, including the different mitigation and adaptation challenges and opportunities they encounter.

[9] Carbon Brief 2026, Analysis: Coal power drops in China and India for first time in 52 years after clean-energy records.
[10] Climate Home News 2026, China's coal power rebounds as record clean energy goes to waste.

At the same time, this shift raises legitimate questions of participation, accountability, and coherence. A two-tier system of climate governance may be a pragmatic, even necessary solution – but it must not become an excuse for opacity or for leaving the most vulnerable actors without a seat at the table.

COP31's central test is whether the UNFCCC process can move from negotiation to delivery – translating two decades of commitments into faster implementation, while responding to the accelerating pace of climate impacts and capturing the economic and development opportunities offered by the global transition. Success should be measured against three interconnected factors, which are first listed here and explained in further detail below:

**1) Visible implementation of the Paris Agreement objectives:** The Paris Agreement's credibility no longer rests on ambitious targets on paper, but on whether Parties can demonstrate tangible follow-through on the ground. COP31 should be judged by the extent to which it shifts the political centre of gravity from target-setting to delivery – showing that NDCs, adaptation plans, and sectoral transition pathways are being put into practice, and that this implementation is accelerating at the same pace as climate impacts and the economic and development opportunities now offered by the transition.

**2) A stronger, more effective UNFCCC process adapted to a more fragmented world:** Delivery cannot rest on national goodwill alone; it requires an institutional architecture capable of sustaining it. COP31 should send a clear signal that Parties recognise the need to reform the UNFCCC process itself – streamlining it to support the implementation of already-negotiated outcomes, raising ambition over successive cycles, and strengthening and enforcing the transparency and accountability mechanisms that allow commitments to be tracked and verified rather than simply being restated. As it is unrealistic to expect full consensus on large-scale institutional reform, success also depends on a critical mass of Parties willing to move forward together, even where universal agreement remains out of reach.

**3) Finance as the enabler that makes implementation possible:** None of the above is achievable without dedicated financial means. Delivering finance in sufficient quantity and quality for mitigation, adaptation, and loss and damage depends on the willingness of Parties, particularly developed countries. At COP31, but also in other processes, the groundwork must be laid for an increase in public and private finance that does not increase debt levels, for reform of the international financial architecture, and for polluter-pays mechanisms. Given the scale and urgency of the climate crisis, the agreed budgets of industrialised countries fall far short of what is needed to provide the public funding required to meet their responsibilities. These countries must therefore substantially increase public climate finance and, where necessary, mobilise additional sources of finance. In addition, major emitting countries and sectors need to contribute as well.

## 1) Visible implementation of the Paris Agreement objectives

**A. At COP 31, Parties need to showcase visible implementation of the Paris long-term goals: limiting the temperature increase to 1.5°C above pre-industrial levels, through emissions reduction and transformation.**

States must demonstrate tangible progress in implementing their Paris Agreement commitments through concrete announcements and policy actions, including:

- **Showcasing national transition achievements:** States must show how they are implementing the tripling of renewable capacity, the doubling of energy efficiency improvements and the halting of deforestation, and report on how they are progressing. Countries should present new, data-backed success stories showcasing how electrification,

renewable energy expansion, and the reduction in fossil fuel consumption are progressing in practice.

- **Adopting ambitious electrification targets:** The COP31 Presidency has proposed a global '35 by 35' electrification target. One test for COP31 is whether countries follow suit with ambitious national electrification targets or strategies and the policies to reach them.

- **Launching or advancing fossil fuel transition roadmaps and sectoral plans:** States, especially major economies, should launch roadmaps for the transition away from fossil fuels at COP31 or showcase how they are implementing them. The COP30 Presidency is preparing to present an informal global roadmap for a phase-out of fossil fuels. The 57 countries that met in Santa Marta in April have committed to continuing their cooperation, and Tuvalu and Ireland will host the follow-up conference. National roadmaps aligned with NDCs would demonstrate that these processes have an impact on domestic policy.

Two cross-cutting points deserve attention. Digitalisation and AI on the one hand, and electrification, renewables, and batteries on the other hand, compete for largely the same raw materials. Secure supply chains therefore require partnerships with supplier countries on an equal footing, including fair value creation for those countries, and a circular economy with business-model frameworks covering the Rs (Reduce, reuse, repair, etc.).

### B. Climate resilience and capacity to respond to the consequences of an escalating climate crisis

COP31 must demonstrate that, even in a fractured geopolitical landscape, the international community wins back the capacity to respond effectively to an escalating climate crisis, while supporting those who contributed the least but are most vulnerable. Overall, the COP needs to show whether the international community can turn the architecture built over the past decade for adaptation and loss and damage into resources that reach farmers, coastal communities and food-insecure households already living the crisis. This is the clearest signal of whether multilateralism still functions when it matters most. Credibility here rests on three specific indicators, rather than on rhetorical assertions.

- **Provide adequate finance for the most vulnerable to adapt to climate impacts and address losses and damages:** States should showcase progress on climate finance commitments made in past COPs, including compliance with the NCQG, the goal of tripling adaptation finance, the UNFCCC climate funds, and advancing access to finance for SIDS and LDCs.
- **Commit meaningful finance for acute food insecurity and climate-driven shocks:** States should make concrete financial commitments for countries facing acute food insecurity, particularly in the Horn of Africa, the Sahel, Southern Africa and South Asia. Supply chain disruptions during the Iran War exposed these regions' heavy reliance on imported fertilisers. Together with the extreme heat of summer 2026 and the looming super-El Niño, this has pushed farmers to the brink of survival.
- **Deliver credible progress on the Global Goal on Adaptation:** Antalya should give adaptation greater political attention. States must agree early on the indicator taskforce to allow fruitful discussions on the Baku Adaptation Roadmap, laying the foundations for robust adaptation decisions at COP32.

## 2) A stronger and more effective UNFCCC process

COP31 should send a clear signal that Parties recognise the need to make the UNFCCC stronger and more effective thereby increasing its legitimacy in the long-term. Parties should:

- **recognise the need for UNFCCC evolution:** COP31 should send a clear signal that Parties recognise the need for the UNFCCC to evolve, so that it can support implementation of negotiated outcomes, drive greater ambition over time, and ensure transparency, accountability and follow-through on commitments. Parties can show this through constructive statements and through the positions they take in formal negotiations under the agenda item "Arrangements for Intergovernmental Meetings" (AIM) as well as by providing the necessary and agreed financial support for the UNFCCC secretariat.
- **agree on process for the second Global Stocktake:** Parties need to agree on how to prepare and advance the second Global Stocktake (2026–2028). An ideal GST serves as pacemaker, ensurer of accountability, driver of ambition, provider of guidance, and signal for the ambition cycle. The experience and learnings from how the first GST informed (or did not inform) the new NDCs are a valuable basis for modifying the design and execution of the second GST. To strengthen the envisioned ambition cycle, the GST findings should translate into clear action, beyond NDCs. Inclusion of the Action Agenda outcomes should be explored. The GST results, through independent analysis by civil society, can also help reveal whether countries violated international law and which countries or alliances are making substantive progress.
- **make the Action Agenda count:** An Action Agenda that does not move beyond announcements will not be enough. To have real impact, it needs to evolve in three ways. First, it needs greater commitment: initiatives should come with clear responsibilities and timelines. Second, it needs continuity, so that initiatives can be carried over from one presidency to the next. Third, it needs monitoring, with regular public reporting on progress. Together, these measures would lend the Action Agenda credibility, ensure it is given high priority, and protect it from accusations of greenwashing. The Action Agenda could also feed into the second Global Stocktake, so that voluntary action informs the formal review of collective progress.

## 3) Finance as the prerequisite of the implementation era

For COP31 to succeed, political will is required regarding the following issues in particular:

- **Avoiding an agenda dispute through a well-prepared and inclusive Climate Finance Work Programme (CFWP)**: The COP Presidencies must put forward constructive proposals to ensure that all relevant financial issues are taken into account.
- **Sending clear signals to deliver reliable and growing public finance:** Developed country Parties need to send clear signals that they view climate finance as an investment – reducing future costs and security risks – rather than as a cost that must be minimised.
- **Agree a clear pathway on the NCQG and the tripling of adaptation finance:** E.g. a delivery plan, including milestones for USD 300 billion and USD 1.3 trillion, is needed. It remains to be seen whether the COP31 Presidency will advance the Baku to Belém Roadmap, given limited interest so far from both developed and developing countries.
- **Advance new funding sources based on the polluter-pays principle:** Progress on taxes and levies on environmentally harmful or undertaxed activities would signal a predictable source of new public revenue, e.g. via the Global Solidarity Levies Taskforce.

- **Make Multilateral Development Banks (MDBs) and climate funds deliver:** Despite setbacks at several MDBs in 2026, credible commitments to the NCQG are needed. This must be accompanied by clear signals for a strong replenishment of the Green Climate Fund (GCF) and the Fund for responding to Loss and Damage (FrLD) and a successful transition of the Adaptation Fund to serve exclusively the Paris Agreement.

Relevant for the climate finance discussions will also be:

- A broader contributor base and private finance: pledges from emerging and high-income developing countries e.g. to the UNFCCC funds – such as the past commitments by the UAE to the FrLD or GCF – could positively influence negotiation dynamics during climate finance negotiations. Clear signals are also needed that the private sector contributes to climate finance, including adaptation finance.
- Closer links to processes outside the COP: most finance issues (debt, cost of capital, access to finance, taxation) are decided by finance ministries, not by climate negotiators. The Xingu Finance Talks, held alongside the WB/IMF Annual Meetings in October, provided a valuable starting point for connecting climate and finance worlds.

## 1.3 COP Presidencies: Türkiye and Australia

The shared leadership of COP31 between Türkiye, which will host the conference and will hold the Presidency, and Australia, become the Presidency of Negotiations, is a novel construction. In the run-up to COP31, Australia has been noticeably absent from discussions, leaving the stage for Türkiye – which made good use of the opportunity by outlining an Action Agenda with several new initiatives. In New York in September 2026, in addition to the '35 by 35' electrification goal, Türkiye launched an initiative to address the high energy demand of AI. As part of this initiative, countries are to pledge that the expansion of their AI infrastructure is aligned with global climate goals.

Whether Australia will step up to meet expectations remains to be seen. Conflicts over domestic policy issues have probably prevented the Australian Minister for Climate Change and Energy from assuming the active role that was expected of him in the preparations for COP31.

Not to be forgotten are the current/outgoing COP30 Presidency (Brazil), which will have to deliver two roadmaps – one to implement the transition away from fossil fuels and the other to halt and reverse deforestation and forest degradation by 2030 –, and the future Presidency for COP32 (Ethiopia), which is already playing an active role in shaping the arc to 2027.

# 2 Scaling the global energy transition

The deepening global energy and food crises triggered by the war the US and Israel started with Iran and the closure of the Strait of Hormuz have made the transition away from fossil fuels (TAFF) even more urgent. Disruptions to major oil, gas, and fertilizer supply routes drove up prices and renewed concerns over energy and food security. More than any recent geopolitical event, the crisis exposed the risks of continued dependence on fossil fuels and highlighted countries' vulnerability to fossil-fuel-related supply shocks. This has created a strong incentive for countries around the world to accelerate their expansion of renewable energy and to press ahead with the phase-out of fossil fuels.

The existing global energy transition agenda provides an important foundation for responding to these challenges. At COP28, governments agreed to triple renewable energy capacity, to double energy efficiency, and to transition away from fossil fuels, thereby setting a clear course for the global energy transition. At COP29, this agenda was complemented by commitments to expand energy storage and modernise electricity grids. At COP30, discussions on roadmaps to phase out fossil fuels really took off.

## 2.1 Making '35 by 35' a driver of renewable electrification

The Turkish COP31 Presidency has made electrification a central pillar of its Action Agenda, proposing an increase in the share of electricity in global final energy consumption from just over 20% today to 35% by 2035. This target can provide a politically accessible entry point for advancing TAFF, including among countries reluctant to engage directly with the debate on phasing out fossil fuels.

For this potential to be realised, COP31 should anchor '35 by 35' in renewable energy, explicitly linking it to the COP28 goal of tripling renewables and the COP29 commitments on grids and storage. It should also link electrification to energy efficiency and circularity, ensuring that additional electricity demand is minimised and growing demand for critical materials is managed in a sustainable manner.

The COP31 Presidency should build a broad coalition around the target and integrate it into the Action Agenda, ensuring that progress is tracked in -the second Global Stocktake. The campaign 'Electrify Now' could support this effort by facilitating national planning, peer learning, and mobilisation of finance, particularly in emerging and developing economies.

Read more here: 'Renewable Electrification as a Means of Transitioning Away from Fossil Fuels'

While prospects for a strong negotiated outcome on mitigation continue to be hampered by political divisions and unresolved questions around finance and adaptation, a central test for COP31 will be whether Parties, or at least a critical mass of Parties, can demonstrate credible progress towards a just, orderly, and equitable transition away from fossil fuels. COP31 needs to build on the progress made at previous COPs, prevent backsliding, and strengthen implementation through strong South-North frontrunner alliances in the Action Agenda.

## 2.2 Putting TAFF into practice through national implementation

Although some countries blocked the attempt of the Brazilian COP Presidency to secure consensus on a formal global TAFF roadmap at COP30, the initiative demonstrated growing political support for moving from high-level commitments towards implementation. President André Corrêa do Lago has announced that the Brazilian TAFF roadmap will be developed throughout 2026 and that its priorities will be presented step by step ahead of COP31.

Given continued political divisions and unresolved disputes over finance, reopening formal TAFF negotiations at COP31 carries the risk of opening another divisive debate. A more promising approach is to advance progress through the Action Agenda and visible national action. Countries, particularly those which attended the first international TAFF conference in Santa Marta, should announce national TAFF roadmaps ahead of or at COP31, setting out concrete measures, timelines, and financing needs. These should be synced with existing NDCs and national energy, industrial,

and development strategies, with clear links to energy access, affordability, security, and economic development.

Germany should lead by example by linking its new national TAFF roadmap to policies – including policy measures affecting the industrial sector – that align with these goals. In the long term, this roadmap should be expanded to include interim targets for phasing out fossil fuels.

## 2.3 Integrating Circular Economy Approaches

Türkiye's announcement in Bonn of a 15% circular material use target by 2035 signals that the host of COP31 intends to move beyond traditional climate policy instruments and integrate the circular economy more firmly into the green industrial transformation agenda. This is a welcome ambition, partly because circular economy approaches also strengthen energy security by reducing exposure to volatile commodity markets and by decoupling economic activity from virgin resource consumption. The task is now to ensure that this ambition translates into a systemic response to materials-driven emissions, rather than being narrowed to a waste management theme. With electrification set to be a central COP31 priority, this becomes a strategic prerequisite, not a peripheral concern, as the energy transition's surging demand for critical minerals renders metal circularity essential. Germany and the EU should actively defend the full waste hierarchy – refuse, reduce, reuse, repair, remanufacture – in the Action Agenda deliverables, and push for widening the material scope beyond organics and plastics to the sectors on which the energy transition will depend most heavily: metals and minerals.

Where the target is anchored will determine how far it travels beyond Antalya. At present it is part of the Presidency's voluntary Action Agenda. Linking the target to the next round of NDCs through the second Global Stocktake would give it a foundation that extends beyond the term of a single Presidency.

COP31 should establish the circular economy as a strategic pillar of the energy transition, recognising it as a response to both materials-related emissions and the growing pressure on resources resulting from electrification and the expansion of renewable energy.

## 2.4 Just Transition Work Programme and Just Transition Mechanism

The necessary transition will only be accepted if it is perceived as effective, fair, and financially viable. This means that poorer countries and vulnerable people need adequate support.

The challenges faced by poorer countries in phasing out fossil fuels do not mean that we can slow down the transition. On the contrary: the more we slow down, the more people will find themselves in a vulnerable situation. To ensure the transition is managed properly, justice and equity must be at the heart of process, which is why the Just Transition Work Programme (JTWP) remains one of the negotiation items whose importance is recognised by all Parties.

After a lengthy negotiation process in Belém, one of the most important hallmarks of the JTWP, the Just Transition Mechanism (JTM), was launched. The main idea of the JTM is to create an independent institutional arrangement under the UNFCCC to help countries implement their just transition process in a way that aligns more closely with global climate action, while still ensuring the efforts are effective. The discussions during the SBs in Bonn highlighted the JTM as an important mechanism for just transition implementation, but key details on its operationalisation and funding remain crucial issues that have yet to be resolved in future talks. Hence, at COP31, the JTM should be the

subject of detailed negotiations. Some problems remain, as the mapping of relevant initiatives and instruments, as mandated by the Belém decision, has not yet been completed. The JTM must be established as soon as possible, with clear guidelines on governance modalities and a clearly defined set of functions. It also requires dedicated capacity, finance, and other resources, which should be provided by wealthier countries.

The financing required for the transition away from fossil fuels, which – where specifically needed – should take the form of public finance, is not only necessary for the expansion of renewable energy, but also for grid infrastructure, green economic diversification across all sectors, worker and community transition, and the retirement or repurposing of high-carbon assets. These are areas where, for example, MDB and technical expertise can support countries and help address risks that private investors will not take alone. MDBs should make sure that all their financing is supporting countries in their transition away from fossil fuels and towards a 1.5°C aligned development pathway.

The Santa Marta conference in April 2026 made it clear that the energy transition is not just a question of replacing energy sources. It requires us to challenge the fiscal structures that entrench fossil-fuel dependence: what governments subsidise and invest in, how fossil-fuel profits are taxed, how rents are captured, and where the resulting revenues go. The current shock is a live illustration of that very dynamic. Taxing exceptional rents treats the symptom; reforming the incentives that lock economies into fossil-fuel dependence is the larger, long-term task – and Santa Marta is where the two agendas converged. COP31 should build on those discussions and help lay the political groundwork for a strong second edition of the conference next year.

The topics and foci connected to just transition are wide-ranging, including mitigation-related topics affecting workers in various industries, adaptation-related topics that touch on the question of how resilient communities are fostered by inclusive disaster management, and other topics such as agriculture and trade. Each topic has supporters and opponents, including, for instance, the Like-Minded Developing Countries' clear stance against unilateral trade measures, the African Group's strong support for clean cooking, and the EU's push to connect TAFF with JTWP. So far, the co-chairs of the JTWP negotiations have steered discussions toward operationalisation and procedural topics. A clear push toward implementation at COP31 will make it difficult to avoid a discussion on scope and could once again take up the negotiation time.

As mandated at COP28, COP31 in Antalya is supposed to be the place where JTWP should be reviewed. During the last days of SB64 in Bonn, participants discussed the terms of reference for the programme's possible continuation, as well as proposals to improve the JTWP's modalities. Many Parties and non-Party organisations support the continuation of JTWP, but change is clearly needed. Some submissions from Parties and organisations raise the very same issues that are also of concern to Germanwatch, namely that the JTWP needs to be better coordinated and more inclusive. Moreover, the JTWP encompasses many themes from other agendas and even from outside the UNFCCC, which means that the secretariat and supporting Parties need more resources and capacity to intensify discussions.

## 2.5 Making the Mitigation Work Programme fit for purpose

The Mitigation Work Programme (MWP) remains important because it is currently the only formal negotiation space dedicated to strengthening mitigation ambition and implementation. While its Global Dialogues and Investment-focused events have provided valuable space for technical exchange and the sharing of best practices across key sectors such as power, agriculture, and industry, it has yet to catalyse mitigation action at the scale and pace needed to close the 2030 emissions

gap. This would require an agreement that the MWP's mandate should clearly complement the Global Stocktake (GST) by translating its findings into actionable insights and informing stronger NDCs, an issue that has generated some of the most divisive and contested discussions since the MWP's inception.

Over the years, the MWP has been marked by deep divisions among Parties, with climate finance and other means of implementation taking centre stage in the discussions. Fossil-fuel-producing countries, led by Saudi Arabia, used these divisions to block progress on mitigation. As a result, Parties failed to agree on the MWP's continuation, leaving the issue for COP31 without an agreed text.

At COP31 Parties should agree to continue the MWP while shifting its focus from dialogue to implementation. The MWP must be clearly linked to the implementation of NDCs, the GST, and complementary initiatives such as the Global Implementation Accelerator and the Just Transition Mechanism. The Global Dialogues should focus on concrete solutions, implementation barriers, and investment needs, with an emphasis on greater accountability and inclusivity. For the EU and Germany, the priority should be to preserve the MWP as a dedicated mitigation forum without making its continuation contingent on the resolution of more general disputes over finance or fossil fuels.

## 2.6 Ensuring new implementation initiatives deliver results

The Global Implementation Accelerator (GIA) and the Belém Mission to 1.5 emerged from COP30 to bridge the gap between national commitments and implementation. The Belém Mission focuses on identifying opportunities to raise ambition and accelerate NDC and NAP implementation, with a report due ahead of COP31. The GIA has been presented as a longer-term mechanism to accelerate a limited number of high-impact solutions from the Global Climate Action Agenda, supporting their implementation by mobilising governments, businesses, finance, cities, and civil society. It has the ambition to identify social tipping points and to accelerate implementation by addressing them in a targeted manner.

COP31 should clarify the GIA's mandate and ensure that it works in a complementary manner to the MWP and other building blocks in the implementation architecture (e.g., the Belém Action Mechanism). The GIA should draw on the Belém Mission's findings and recommendations when selecting priorities for implementation. It should build on the new tipping point report from and identify positive tipping points also beyond the obvious candidates of renewables and electrification. It could focus on helping countries, particularly poor, developing countries, translate selected priorities – such as the '35 by 35' target and the tripling of renewables – into concrete action. The key test will be whether these initiatives move beyond coordination to deliver measurable implementation, particularly where finance, technology, and capacity remain major constraints.

# 3 Global resilience under pressure: Adaptation, loss & damage, and food systems

As the world heads towards COP31, climate impacts are intensifying across regions, with extreme heat, wildfires, floods, storms, glacial lake outburst floods, and droughts increasingly disrupting communities, economies, and ecosystems. Europe and other parts of the world have just

experienced an exceptionally hot summer, while August 2026 was the hottest August on record worldwide. At the same time, a very strong El Niño has now clearly set in and is expected to intensify towards the end of 2026, adding to the risks posed by a warming climate. The World Meteorological Organization forecasts that El Niño will persist into early 2027, with major shifts in temperature and rainfall patterns and heightened risks of extreme heat, drought, and flooding across different parts of the world. Its effects will interact with the longer-term warming trend and will, with a very high probability, lead to global temperatures and climate impacts reaching even more extreme levels in 2027. These developments underline the growing urgency of accelerating climate action while strengthening resilience to impacts that are already being felt.

## 3.1 Placing food security at the centre of climate action

The combined effects of climate change, the wars in Ukraine and Iran, energy and fertilizer price shocks, cuts in development aid, insufficient support for adaptation and loss and damage, and the weakened multilateral cooperation are intensifying the pressure on food systems, livelihoods, and food security. Fertilizer shortages due to the closure of the strait of Hormuz are likely to affect production and food insecurity is expected to worsen. According to the Food and Agriculture Organization of the United Nations (FAO), acute global food insecurity has nearly tripled since 2016. At least 49 million more people could face acute food insecurity by the end of 2027 as a result of the current El Niño event. Climate policy must address the climate and food crises together by accelerating the phase-out of fossil fuels while ensuring that electrification and carbon removals do not intensify competition for land, water, and capital; by transforming agriculture in cooperation with farmers while safeguarding livelihoods, decent work, and affordable food; by strengthening adaptation and resilience; by integrating agrifood systems and smallholders into just transition efforts; by aligning climate finance accordingly; and by securing broad support for reducing dependence on fertilizers derived from fossil fuels. As the four-year Sharm el-Sheikh Joint Work on Agriculture and Food Security is set to conclude at COP31, Parties face difficult choices on its future. Repeated procedural problems and deep political divisions over finance and technology have hampered progress in the past. The Sharm el-Sheikh Joint Work should now be continued beyond COP31 with an implementation-focused mandate that develops voluntary guidance to ensure mitigation and adaptation measures safeguard and strengthen food security, informing NDCs, NAPs, the Global Goal on Adaptation and Article 6.4. Turkey's COP31 Presidency has made food security one priority area in their action agenda aiming to "accelerate the transition to resilient agriculture to safeguard livelihoods through resilient farming systems, stronger water management, and integrated approaches across the climate–water–food nexus." This prioritisation should translate into concrete measures to strengthen food security and clarify how rapid assistance can be organized for particularly vulnerable people and countries affected by the combined effects of El Niño, climate change impacts and the fossil fuel crisis. Groups of champion countries could drive this forward.

## 3.2 The Global Goal on Adaptation: Aligning implementation with existing needs

Adaptation needs to be understood by all Parties as a central part of the overall COP31 decision package in Antalya. The negotiations must not be used to protect institutionalised positions or procedural boundaries while climate impacts continue to intensify. Parties need to approach the discussions not only with an understanding of the realities faced by vulnerable countries and communities, but also with the reason and pragmatism needed to find workable compromises. This

requires all Parties to show flexibility, including the EU and Germany, which should be prepared to make genuine concessions where necessary to bridge differences and enable meaningful progress on adaptation, finance, and implementation. What is at stake is not only the outcome of individual negotiating tracks, but the credibility of the multilateral process as a forum capable of responding to a rapidly changing climate reality.

The lack of progress at the Bonn climate talks in June 2026 (SB64) highlighted the political challenges ahead. Negotiators remained divided over key negotiation elements under the Global Goal on Adaptation (GGA), including the taskforce's composition and its mandate to continue work on GGA indicators agreed in Belém, the future of the Baku Adaptation Roadmap (BAR), and – most fundamentally – the commitment to scale up adaptation finance. SB64 ended without agreement on conclusions, which means that the GGA negotiations will resume at COP31 in Antalya starting with a blank sheet. This is a worrying starting point for COP31 given the urgency of moving from negotiating frameworks towards implementation backed by actually available finance.

Since Bonn, however, work on adaptation has continued. Countries have started to test the Belem indicators and are sharing their experiences. The second mandated workshop under the Baku Adaptation Roadmap (BAR), held on 7–8 September 2026 during the Baku Climate Week, allowed for a technical discussion on the adaptation cycle and means of implementation. While there was a fruitful exchange on national examples on a technical level, the discussion on means of implementation and especially finance remained divided and resembled negotiations. It remains to be seen how the discussions under the BAR will influence the negotiations at COP31. Thus, the workshop did not realise its transformative potential.

## Expectations for COP31 regarding the Global Goal on Adaptation

**1. Give the GGA the political attention it requires.**

COP31 should make resilience, including the GGA, a key political deliverable on a par with mitigation. This summer's extreme heat might help make German and EU negotiators realise that adaptation measures are urgently needed. However, substantial support should always go hand in hand with addressing the limits of adaptation, thereby giving an additional push to mitigation. Adaptation should not be considered as a predominantly technical negotiating track. For vulnerable countries and communities facing escalating climate impacts, credible progress on adaptation is crucial to safeguarding their livelihoods. In many places adaptation is becoming a matter of survival, making it a key outcome of the UNFCCC process. Adaptation is central for country groups like the Least Developed Countries, the African Group of Negotiators, Small Island States, and the Latin American and Caribbean countries, which – in the interest of their populations – can no longer afford to let adaptation be neglected. A strong outcome would also help rebuild trust between at least a few developed and developing countries by demonstrating that adaptation needs and commitments are taken seriously, while demonstrating that multilateralism can still lead to collective action that is meaningful for all parties involved.

**2. Deliver on the commitment to triple adaptation finance.**

COP31 should translate the commitment to triple adaptation finance into a clear trajectory, timeline, and accountability framework with a clear baseline and responsibilities, including a strong focus on accessible, predictable, and grant-based finance for vulnerable countries and communities. This should be possible even if the overall climate finance does not increase.

**3. Give the Baku Adaptation Roadmap a clear implementation mandate.**

COP31 should agree on a concrete path forward for the Baku Adaptation Roadmap (BAR), moving it from a workshop-based process without a specific mandate towards implementation, while

ensuring that it supports the delivery of the GGA. The coherence of the adaptation framework and the adaptation architecture in and outside the UNFCCC needs to be strengthened, the exchange of best practices needs to be facilitated, and effective monitoring needs to be enabled.

**4. Enable the GGA indicator taskforce to drive forward the development and testing of workable and policy-aligned indicators.**

Under the Belém-Addis-Vision (BAV), Parties should agree on a pragmatic mandate and a workable composition for the taskforce, allowing the Belém indicators to be tested and refined in practice. This unresolved roadblock from SB64 must be urgently removed, ideally at an early stage, to allow for substantial discussions on adaptation. The BAV's objective should be to create a manageable framework that captures meaningful adaptation outcomes. Indicators must therefore be clear and measurable, and, by disaggregating the data, help to highlight who is particularly vulnerable to climate risks and which groups benefit from, or are excluded from, adaptation measures.

**5. Establish a closer link between adaptation and general climate and development planning.**

COP31 should call for adaptation to be integrated more closely into development planning and for development measures – such as the transformation of agricultural, food, and health systems – to be more firmly embedded in NDCs and NAPs. The GGA and its indicators need to reflect the interrelationship between adaptation and development, rather than drawing overly fine distinctions between adaptation and development gains.

**6. Prepare a strong adaptation input for the second Global Stocktake.**

The GGA outcome should aim to provide a solid basis for the second Global Stocktake, including evidence of progress, gaps, and finance needs, as well as a clear assessment of what needs to change in order to accelerate adaptation action in line with development plans up to 2030.

**7. Build bridges between Just Transition and the GGA.**

Adaptation should be recognised as a core dimension of the Just Transition framework. COP31 should connect the GGA with just transition discussions, ensuring that resilience, livelihoods, social protection, decent work, and equitable access to essential services are addressed together rather than in separate policy silos.

## 3.3 Devastating flash floods in the Himalayas: The urgency of loss and damage

Due to insufficient mitigation and adaptation efforts and increasingly severe climate impacts, losses and damages are rising worldwide, with serious implications for human security. Vulnerable countries and communities with limited financial capacities to deal with those impacts are particularly affected. The devastating rock and ice avalanche in the Himalayas, which struck Nepal and Tibet in August 2026, should not be viewed merely as yet another example of climate-related losses and damages. The global shock at the scale of the devastation and the loss of thousands of lives must be translated into concrete political action: Nepal´s swift request to the Fund for responding to Loss and Damage (FrLD) has provided a chance especially for rich and high-emitting countries on the FrLD board to show that the Fund fulfils the purpose for which it was established. So far, developed countries such as Germany have been rather hesitant.

The Fund remains heavily underfunded, as pledges amount to only about USD 822 million, while estimated annual financial needs for addressing loss and damage range from USD 447 to 894 billion by 2030 . Based on these estimates and actual economic losses in the past, the FrLD should aim to

mobilise USD 50 billion annually during the first replenishment process in 2027. Given the increasing impacts and the associated financial needs, this figure should rise to around USD 400 billion annually by 2035, following an iterative approach. A key priority at COP31 should therefore be to push for an ambitious replenishment of the FrLD in 2027, strengthening its unique role in addressing funding gaps left by existing climate funds, including through rapid disbursement mechanisms and direct access modalities. As the increase in pledges from rich and high-emitting countries to the FrLD are very likely to fall short of the funding needed to address loss and damage, these countries should at least form a coalition to get other big polluters – heavily emitting companies (carbon majors) and sectors – to contribute in a meaningful and reliable way. The court case of a Peruvian Farmer suing the German company RWE, one of the carbon majors, establishes the legal basis for proving that these polluters must pay for the damage they have caused. Without significantly increased and more predictable resources, the growing gap between loss and damage needs and available finance risks further eroding trust in the international climate negotiations. For the initial funding phase, USD 250 million has been allocated – yet the mismatch between needs and available resources is remarkable: proposals submitted by vulnerable countries prior to 15 June 2026 amounted to USD 2.8 billion, more than eleven times the available funding. The International Court of Justice (ICJ) Advisory Opinion emphasises state obligations in the context of climate change, including the obligation to pay for damages caused. With UN General Assembly's adoption of a resolution welcoming the advisory opinion, states are now called upon to comply with these obligations, putting pressure on developed countries to contribute financially.

The forthcoming State of Loss and Damage Report, mandated at COP30 in Belém, should provide more comprehensive information on financial needs and contributions to loss and damage finance, thereby helping to close the current information gap and build momentum towards meeting actual loss and damage financing needs. Terms of References jointly developed by the Warsaw International Mechanism (WIM) and the Santiago Network on Loss and Damage (SNDL) are expected to be finalised ahead of COP31.

Yet, despite intensifying climate impacts, no standing agenda item is dedicated to loss and damage, which remains largely absent from the formal negotiation agenda, apart from WIM, SNLD, and FrLD reports. Those reports do not provide the necessary space for discussions to tackle the dramatic challenges ahead. A dedicated agenda item on loss and damage is required to ensure the full implementation of Article 8 of the Paris Agreement. This would include assessing the performance of the current institutional architecture for loss and damage – which encompasses the WIM and its Executive Committee (WIM ExCOM), the SNLD, and the FrLD – and examining whether it adequately responds to current and projected needs. It should draw on the forthcoming State of Loss and Damage report, including its findings on financial needs and existing contributions. This is particularly important as the institutional architecture for dealing with loss and damage continues to be severely constrained by insufficient financial resources, limited operational capacity, and a lack of sustained political commitment.

Loss and damage should also be taken into account more systematically across other relevant agenda items, including climate finance, adaptation, agriculture, and food security. The discussions taking place as part of the Veredas Dialogue on Article 2.1(c) could provide a starting point for linking loss and damage with climate finance, for example through discussions on innovative sources of finance or taxation and approaches to addressing debt arising from losses and damage.

## 3.4 Resilience beyond the negotiation rooms

Beyond the formal negotiations, the COP31 Action Agenda offers a pivotal opportunity to advance resilience. Mitigation initiatives have traditionally dominated the Action Agenda, while efforts to

strengthen resilience have received comparatively little political attention and support. COP31 should address this imbalance by putting adaptation and resilience more firmly at the centre of the implementation agenda. Links to food security, infrastructure, water, and health provide important entry points, but these need to be developed into a more coherent resilience agenda that responds to the scale and urgency of current needs. The shift from ambition to implementation should shed light on existing initiatives, proven solutions, and the significant financing gaps that continue to constrain action.

Non-state actors, cities, regions, development banks, businesses, and civil society organisations can play a crucial role in accelerating implementation by scaling up investments, strengthening resilience planning, and facilitating the exchange of best practices. Concrete initiatives on heat action plans, early warning systems, climate-resilient infrastructure and food systems, coastal protection, and health-system resilience could demonstrate effective adaptation in practice. Health should be a particularly important dimension of this agenda: for instance, Australia's decision to co-convene the Alliance for Transformative Action on Climate and Health (ATACH) in the run-up to COP31 can help strengthen the focus on climate-resilient and low-carbon health systems, highlighting the direct links between climate adaptation, public health, and essential services.

Elevating such resilience initiatives and creating space for a coalition of the willing within the Action Agenda could complement progress under the UNFCCC and help translate international commitments into tangible benefits for vulnerable communities. To maximise its impact, the Action Agenda should also build stronger links with the Global Goal on Adaptation and the Baku Adaptation Roadmap, creating a bridge between formal negotiations, implementation, and investment. Ultimately, its success should be measured not by the number of initiatives showcased, but by whether it helps mobilise resources and accelerate action that makes people, economies, and essential systems more resilient to climate impacts.

# 4 Funding transformation and resilience: Climate finance and the larger economic picture

## 4.1 Climate finance negotiations

Two years after the adoption of NCQG in Baku, climate finance remains a key point of contention in international climate negotiations. In Baku, many countries in the Global South already expressed the view that the finance collective goal of mobilising at least USD 300 billion annually by 2035 did not meet their needs. Since then, the dissatisfaction has increased rather than diminished. The NCQG still lacks an implementation plan, and signals from developed countries that they intend to reduce their climate finance spending are fuelling growing distrust. The Baku to Belém roadmap, intended to show how climate finance can be scaled up to USD 1.3 trillion, has so far gained little political traction. For many developing countries, it is becoming increasingly difficult to accept the gap between announcements of an 'implementation era' and the actual provision of funding.

**The Article 9 Climate Finance Work Programme (CFWP)**, established at COP30, will be a central agenda item at COP31 and cannot be viewed in isolation from the wider trust deficit regarding the Paris Agreement's financial commitments. A delivery-focused agenda set by the COP31 Presidencies will be difficult to maintain as long as the underlying question of financial obligations remains

unresolved. Developed countries have reduced official development assistance across the board, and the impact is already being felt both on the ground and in the UNFCCC climate funds. An early test came with the replenishment of the Global Environment Facility (GEF-9) earlier this year, when pledged funds reached their lowest level in sixteen years. Several major contributors have also lowered their Green Climate Fund (GCF) pledges while the Fund enters its third replenishment period.

The three engagement workshops on the work programme held in Bonn during SB64 revealed fundamental differences of opinion regarding the work programme's nature and expected outcome. Developing countries argued that clarity on scope, modalities, and institutional status was needed before any substantive engagement, and pressed for a dedicated space to discuss developed countries' obligations under Article 9.1. Developed countries used the same workshops to steer the discussion towards the broader finance architecture, including private finance mobilisation, transparency, and an expansion of the contributor base. The workshops covered themes such as provision and mobilisation, access and transparency, but many participants left frustrated by the format of the workshops and the absence of a formal negotiating space. Several developing country Parties called for the CFWP to be formally reflected on the COP31 agenda in order to secure this negotiating space and sustained political engagement.

A central dispute also concerns the status and validity of the work programme itself. Developed countries consider it already operational and feel prepared to engage on substantive issues. Developing countries maintain that no substantive discussion is valid until COP31 agrees on the programme's scope and modalities. **The provisional CMA8 agenda now includes an item on the CFWP, but an agenda fight over this item is to be expected unless the COP31 Presidencies engage in meaningful debates with Parties.** A further unresolved question is whether the programme's scope is limited to Article 9.1, which deals with developed countries' obligations to provide climate finance, or extends to Article 9 as a whole. The answer to the question of scope and modalities will determine the programme's actual substance since its introduction at COP30. For developing countries, a credible outcome requires anchoring the programme in Article 9.1 and securing a commitment to scale up grant-based finance for adaptation and loss and damage. Continued inaction on the GGA and on operationalising the Belém-Antalya mechanism on just transition, coupled with the prevalence of debt-inducing instruments being increasingly deployed as climate finance instruments in UNFCCC climate funds, would reinforce the perception that the implementation era framing is not backed by substantive obligations.

Substantially, the work programme's scope needs to be designed in such a way as to address questions surrounding the tripling of the adaptation finance target, which was agreed upon at COP30 but remains ambiguous in terms of its baseline year and contributor base. It should also address Article 16 of the NCQG on tripling outflows from multilateral climate funds, not only because questions remain open on the share of the climate funds from the USD 300 billion finance goal and as the tripling of outflows goal ends in 2030. Most importantly, the work programme needs to deliver outcomes that provide reassurance about the continued and sustained provision of public climate finance, especially for adaptation and loss and damage action.

Although not as prominent, similar tensions are expected during **the Veredas Dialogue on Article 2.1(c) and its complementarity with Article 9**, which succeeds the Sharm el-Sheikh Dialogue and aims to support implementation of the Paris Agreement's goal of making financial flows consistent with low-emission, climate-resilient development pathways. The dialogue has to date produced an exchange of positions without measurable progress. A substantive outcome would require three elements. First, it would need a theory of change for reforming the international financial architecture that connects the UNFCCC process with the wider UN system, including financing for development processes that have so far operated separately. Second, it would require a defined standard for compliance with the Paris Agreement for institutions such as the IMF, beginning with a 'do no harm' baseline and extending to the integration of climate, human rights, and gender

considerations into their macroeconomic frameworks. Third, it would also require technical progress in the following areas, amongst others: debt sustainability, the exclusion of fossil fuels from MDB financing, issuance of climate-linked special drawing rights, and debt resolution and cancellation. Without progress on these elements, the dialogue is likely to remain at the stage it reached at SB64.

**The Adaptation Fund (AF) represents a third, more technical track, which is nonetheless of great political significance.** At SB64, formal discussion centred on three connected issues: the Fund's transition to serving the Paris Agreement exclusively, the composition of its board, and its fifth review. Developing country groups pushed to advance the transition process because it is the precondition for the Fund to receive and monetise its share of proceeds under Article 6.4, a revenue stream expected to become a source of adaptation finance for the AF. They also argued that discussions on board composition and the fifth review should not be allowed to delay the transition. Developed countries regarded the alignment of the Fund's governance with the Paris Agreement as an integral part of the transition itself. Many developing countries preferred a more pragmatic approach, whereby the operational steps required for the Fund to receive Article 6.4 proceeds could be monetized while broader governance questions remained under discussion. Progress at SB64 was limited, but the exchanges pointed to a possible interim arrangement in line with developing countries' pragmatic approach. Whether COP31 translates that interim pathway into an agreed arrangement will determine whether the Fund secures a predictable revenue base or remains dependent on the same voluntary pledges already in decline elsewhere in the fund architecture.

**A fourth track is dedicated to the Standing Committee on Finance's second functions review**, which has already been deferred three times, from one subsidiary body session to the next, over disagreement on what role the CMA should play in it. This leaves the body's own mandate under negotiation while it is expected to produce the evidence base for COP31. Two flagship reports are due to be presented at the Committee's 41st meeting ahead of COP31: the seventh Biennial Assessment and Overview of Climate Finance Flows and the third report on progress toward the USD 100 billion goal. Civil society submissions to the 40th meeting called on the Committee to disaggregate reporting between provision under Article 9.1 and mobilisation under Article 9.3; to make transparent the different methodologies underpinning the USD 100 billion figure, rather than making a political judgment about its adequacy; and to establish a common definition of 'new and additional' finance. None of these requests has been resolved, and if the two reports reach COP31 without disaggregation, both sides in the climate finance work programme will interpret the same figures to support opposing conclusions, rather than sharing a common evidentiary basis for discussions on scope and modalities.

## 4.2 Beyond the formal negotiation agenda

The Baku to Belém Roadmap to USD 1.3 trillion is expected to feature as part of COP31's Action Agenda. The roadmap was published shortly before COP30 in Brazil and was divided into five areas of action: replenishing, rebalancing, rechannelling, revamping, and reshaping. But as many observers feared, the roadmap has so far generated little political traction, largely due to its non-negotiated nature and the consultation process used to develop it, which was deemed exclusive by several Parties. The three channels responsible for its development – consultations within the UNFCCC process, input from the Independent High-Level Expert Group on Climate Finance, and the circle of finance ministers – produced a comprehensive menu of policy options. However, the roadmap assigns neither responsibility nor accountability measures for their implementation.

The roadmap cannot be advanced through a negotiated decision, but some elements of the roadmap can be implemented by coalitions of the willing moving ahead independently. The Global

Solidarity Levies Task Force (GSLTF) is one space where this is possible, having spent the past three years building exactly this kind of voluntary coalition architecture. Established at COP28 in Dubai and co-chaired by France, Kenya, and Barbados, the Task Force develops internationally coordinated levies on globalised, polluting, or undertaxed activities like aviation, fossil fuels, and financial transactions. The aim is to apply the polluter-pays principle to sectors that remain undertaxed relative to the environmental harm and profit they generate.

Its flagship is the Premium Flyers Solidarity Coalition, launched in June 2025 at the Fourth International Conference on Financing for Development (FfD4) in Seville. At COP30, during the High-Level Event on Solidarity Levies, new members and observers were welcomed, while the coalition's mandate was renewed up until COP33, cementing solidarity levies as a source of predictable, additional, non-debt finance. Germany has so far remained an observer, and its current trajectory runs in the opposite direction, as it reduced its air traffic tax in July 2026. COP31 should prompt a rethink. Joining the coalition would signal that Berlin remains prepared to back climate ambition with concrete action on innovative finance, even as international momentum for climate action continues to falter.

At COP31, The Global Solidarity Levies Task Force should also bring a progress report on the Premium Flyers Coalition and early signs of a new front: a coalition targeting excess fossil fuel profits. The timing is favourable, as record profits of major fossil fuel companies – against the backdrop of the US-Iran war and the closure of the Strait of Hormuz – have strengthened the case for a permanent polluter-profit tax more than at any point in the Task Force's history. The task in Antalya is to chart the path for such a coalition to emerge in the years ahead.

Antalya should ideally send a clear signal on international shipping. The IMO's Net-Zero Framework reaches a decisive point immediately after COP31, with negotiations resuming in November and formal adoption expected to be revisited at MEPC 85 and the reconvened extraordinary session. What is at stake now is not only the Framework's ambition or its financing mechanism, but its very survival. The US has repeatedly opposed the Framework, threatened retaliation against countries supporting it, and helped secure the one-year postponement of its adoption in 2025. At UNGA in September 2026, President Trump again singled out the IMO Framework, condemning it as an attempt to establish a global carbon tax and warning against international measures of this kind. The Framework would establish the first global shipping emissions-pricing mechanism, with revenues supporting the IMO Net-Zero Fund and the transition in developing countries. A further delay or failure to adopt it under sustained political pressure would therefore be more than a setback for shipping decarbonisation: it could kill one of the few emerging international mechanisms capable of using the polluter-pays principle to reduce emissions and generate substantial new funds.

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