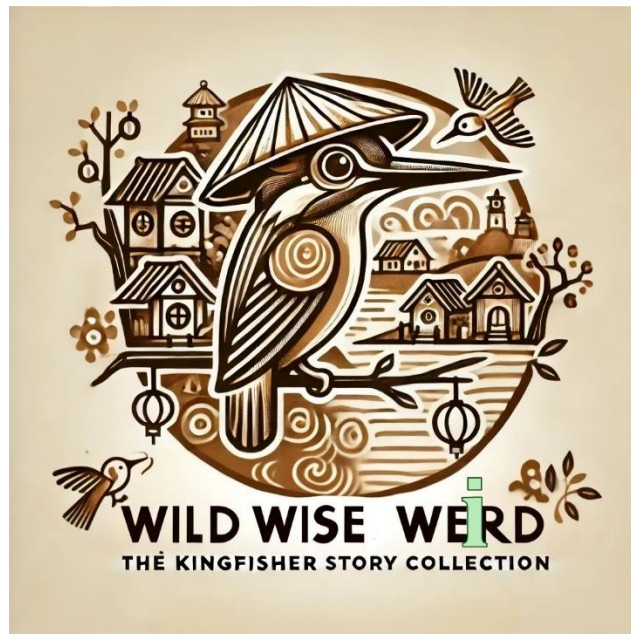


Rethinking Climate Finance: Why More Countries Should Step Up

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“[...] only by uniting the power of the entire village could they chase Snake away.”

In “The Virtue of Sacrifice”; *Wild Wise Weird* [1]



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Since 1992, a group of wealthy nations, classified as “Annex II” under the United Nations Framework Convention on Climate Change (UNFCCC), has borne the primary responsibility for financing climate action in developing countries. However, more than three decades later, this arrangement is increasingly out of step with present realities. Faced with escalating climate challenges and a rapidly evolving geopolitical and economic landscape, a recent study by Pauw et al. [2] makes a compelling case for broadening the pool of climate finance contributors beyond the traditional list.

The study highlights how both the financial and emissions landscapes have transformed over time. While Annex II countries once commanded approximately 80% of the world’s Gross National Income (GNI), their share had declined to around 50% by 2020. Simultaneously, many non-Annex II countries — including China, South Korea, Saudi Arabia, and Russia — have grown into economic powerhouses, with emissions and financial capacities on par with or surpassing those of traditional donor nations [3]. Looking ahead, emerging economies are projected to overtake the G7 in aggregate economic size by 2050, further underscoring the need to rethink who contributes to global climate finance.

Pauw et al. [2] examined four crucial dimensions: international commitments, countries’ emissions profiles (as a measure of “responsibility”), economic strength (“capability”), and historical contributions to climate finance (“willingness”). Their analysis reveals that several non-Annex II countries already assume meaningful roles in climate finance. For instance, South Korea and Russia have contributed more than some Annex II countries and meet multiple criteria that substantiate their increased responsibility. Similarly, affluent Gulf States—such as Saudi Arabia, Qatar, and the United Arab Emirates—combine high emissions, strong economic capacities, and a record of financial contributions to global climate and development funds.

Yet, the authors caution against maintaining a rigid distinction between providers and recipients. Instead, they propose introducing a “net recipient” category to reflect today’s more complex economic and geopolitical realities, where some countries may simultaneously contribute to and benefit from climate finance. This more flexible system could not only expand the pool of available funds but also enhance fairness and strengthen international cooperation.

Ultimately, this proposed shift carries implications well beyond technical negotiations. It highlights a fundamental aspect: addressing climate change requires collective responsibility rooted in the interdependence between people and nature. As climate risks mount, clinging to outdated North-South divisions hampers global progress. Expanding and diversifying the base of climate finance providers is not about shifting burdens but about adapting to a connected world where effective climate action benefits all [4].

References

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