

Climate Finance Challenges

Slow Progress

Efforts to strengthen global climate action gained renewed attention in June. Still, negotiations at the UN Climate Change Meetings in Bonn were overshadowed by persistent disagreements over climate finance and key policy issues, highlighting the growing challenge of translating climate ambitions into concrete action, according to the latest report by IISD SDG Knowledge Hub.

Negotiators faced significant difficulties in advancing discussions on several major agenda items, including the Mitigation Work Program (MWP), the Global Goal on Adaptation (GGA), the transition of the Adaptation Fund to serve exclusively under the Paris Agreement, the Just Transition Work Program, and research and systematic observation.

Deep divisions among countries meant that, on many issues, delegates were unable to agree on draft negotiating texts to advance at the 2026 UN Climate Change Conference (COP31), scheduled to take place in Antalya, Türkiye, later this year.

Climate finance remained one of the most contentious issues throughout the Bonn meetings. Developing countries continued to stress that greater financial support is essential for implementing mitigation and adaptation measures, while developed countries faced increasing pressure to scale up commitments.

During the conference, the Organization for Economic Co-operation and Development (OECD) released a new assessment showing that substantial untapped

opportunities exist to better align global financial flows with climate goals.

The report suggested that redirecting investments toward low-carbon and climate-resilient development across regions could significantly accelerate the global transition.

Ocean-based climate action also received renewed attention during the annual UNFCCC Ocean and Climate Change Dialogue, where governments, scientists and stakeholders emphasized the need to better connect local adaptation needs with existing international climate finance mechanisms.

Participants argued that stronger financial support is necessary to help coastal and island communities cope with rising climate risks.

Beyond formal negotiations, several side events highlighted the growing recognition that climate action must be integrated across multiple sectors.

Experts called for stronger links between the Ocean and Climate Change Dialogue and broader UN climate negotiations to ensure greater policy coherence.

Discussions under the Turquoise Nexus Initiative focused on the interconnected challenges of food security, sustainable water management and climate adaptation. Specialists also urged governments to strengthen cooperation across the three Rio Conventions by incorporating wildlife conservation into climate policies.

Meanwhile, the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) highlighted the role of its Multilateral System in improving global access to plant genetic resources, supporting food security, biodiversity conservation and climate resilience.

Outside the UNFCCC process, climate scientists and agricultural experts met to review the latest evidence on climate change and agrifood systems.

Their recommendations will contribute to the Intergovernmental Panel on Climate Change (IPCC) Seventh Assessment Report (AR7). Participants agreed that future climate policies should move beyond individual sectors and adopt a comprehensive agrifood systems approach.

Building resilience to climate impacts remained a central theme throughout June. Experts emphasized the critical role of peatlands in storing carbon, protecting biodiversity and strengthening resilience against climate change. Organizers also opened applications for the Earthna Prize 2026, which recognizes innovative resilience solutions rooted in traditional knowledge, with submissions remaining open until 20 July 2026.

Despite limited progress in formal negotiations, the June discussions underscored growing international recognition that stronger climate finance, cross-sector collaboration and integrated policy approaches will be essential for raising global climate ambition ahead of COP31. 