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Review Article

Unlocking Climate Finance for Fragile Countries: Structural Barriers and Strategic Prospects

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Abstract: This paper offers a critical and constructive analysis of the structural and conjunctural challenges hindering the access of developing countries - particularly those in sub-Saharan Africa - to international climate financing. It highlights systemic blockages (institutional, technical, geopolitical) and persistent imbalances between promises and realities, while formulating concrete recommendations for more equitable, sustainable and effective access to these resources. The aim is to contribute to a reform of climate financing mechanisms in favour of real climate justice and inclusive sustainable development.
Keywords: Climate Finance, Developing Countries, Sub-Saharan Africa, Systemic Bottlenecks, Climate Justice, Sustainable Development.

INTRODUCTION

As defined by the United Nations Framework Convention on Climate Change (UNFCCC) Standing Committee on Finance (CPI, 2023), Climate finance is "finance that aims at reducing emissions, and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts" (OECD, 2020). In other words, Climate finance refers to financial resources and instruments-such as grants, loans, and investments-from public, private, or alternative sources, used to support actions that address climate change (IPCC, 2022). This includes funding for both mitigation (reducing greenhouse gas emissions) and adaptation (building resilience to climate impacts) don't the observation is that of a much greater focus on mitigation, accounting for over 90% of spending on climate and barely 10% for adaptation (CPI, 2023). Because of their capital importance for helping societies adapt to climate risks and the transition to a low-carbon economy (IKI, 2015), the question of climate financing remains a crucial issue for the community of states, and in particular the fragile states of sub-Saharan Africa and elsewhere grouped under the label of "developing countries".

For almost 02 decades, this issue has been at the heart of the main international and regional debates on climate justice [1], particularly since COP15 in Copenhagen, when developed countries pledged to mobilize USD 100 billion per year by 2020 (UNFCCC, 2009). This commitment, far from being fully respected, continues to generate tensions, as demonstrated by COP29 held in Baku in November 2024. The offer of 250 billion USD by 2035 proposed by the rich countries was deemed unacceptable by African countries and small island states, in view of the losses and damage suffered.

Developing countries, particularly in Africa, face a double vulnerability: extreme exposure to the effects of climate change and chronic difficulty in accessing resources designed to help them adapt to it and mitigate their own emissions. They are calling for urgent and far-reaching reforms of existing climate financing mechanisms to make them fairer, more inclusive and more effective [2].

[1] Climate justice is a concept that highlights the issue of socio-economic inequalities in the face of the effects of climate change by supporting the right for everyone to live a decent life in a healthy environment (Larrere, 2015).

[2] Developing countries pay much higher financing costs for their green projects, with an average rate of 12% in Africa, due to their dependence on foreign currency debt and the weakness of their currencies. This situation leads investors to demand high levels of collateral,

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Beyond the political-administrative discourse on the lack of transparency, poor traceability and unattractiveness to the private sector [3], this research focuses on the essential reasons why current climate financing mechanisms do not meet the needs of African countries in an equitable, accessible and effective manner. It aims to analyze the structural, institutional and political obstacles to accessing such financing, and to propose avenues of reform for a fairer, more transparent system that is better aligned with the continent's sustainable development priorities.

I. Why is Climate Financing Still Inaccessible, Unfair or Ineffective for Developing Countries?

The persistent feeling of marginalization expressed by developing countries with regard to the current climate financing system can be explained by the profound gap between the commitments announced by developed countries and the reality of the funds actually mobilized and accessible. This gap is explained by a set of structural, political, institutional and technical constraints that hinder the ability of African countries to effectively access existing climate financing mechanisms. These include:

1. The Burden of the Climate Debt Not Assumed By Historically Polluting Countries

Developed countries, historically the main contributors to greenhouse gas emissions, have a moral obligation to support the countries of the South in their fight against climate change, in accordance with the principle of common but differentiated responsibility [4]. (UNFCCC). However, the financial commitments made since COP15 in 2009, in particular the pledge to mobilize USD 100 billion per year, have yet to be met. Worse still, a large proportion of these funds is being provided in the form of loans rather than grants, adding to the debt burden of already vulnerable countries (Oxfam, 2023).

This approach deepens the sense of climate injustice, particularly in Africa, where countries are low emitters but suffer the most severe impacts of climate disruption (Chakraborty, 2024). A profound reform of the financing system is needed, including the cancellation or transformation of climate debts into fair and accessible financing, to enable a more equitable and effective response to the continent's climate challenges.

2. Lack of Political Will and Firm Commitment from Developed Countries

COP announcements are rarely followed by binding mechanisms. Financing remains voluntary, with no fair distribution mechanism between contributing countries, and no accountability obligations. COP29 in Baku illustrated this stalemate, with a proposal deemed insufficient by African countries ((Climate Action Tracker, 2024; UNFCCC COP29 Reports). Developed countries proposed to increase climate financing to 250 billion USD per year by 2035, an offer deemed insufficient by African countries and small island states, given the scale of the losses and damage they are suffering. These countries denounce the gap between promises and reality, exacerbated by inflation and the absence of climate justice. They point out that, in the face of a global crisis they did not cause, asking for 1% of global GDP to save lives is neither excessive nor unjustified (Ibid.). indeed, global climate finance almost doubled between 2021 and 2022, reaching 1.3 trillion USD per year compared with 653 billion in 2019-2020, mainly thanks to an increase in funds for mitigation and better data (Buchner *et al.*, 2023). Despite this progress, these flows still only represent around 1% of global GDP, which remains largely insufficient in the face of the scale of the climate crisis (Chakraborty, 2024).

3. The Complexity of Mechanisms for Accessing Climate Funds (VCF, GEF, etc.).

Access to international climate financing such as the Green Climate Fund (GCF) or the Global Environment Facility (GEF) remains very limited for many African countries, due to complex, lengthy and costly procedures (AFDB, 2022). These mechanisms require solid institutional capacity, an own budget often in excess of 100,000 USD, high technical skills and a rigorous monitoring-evaluation system (Ibid.). These criteria are difficult to meet for many national and local entities, especially community organizations on the front line of climate change impacts.

As a result, these funds primarily benefit multilateral intermediaries or large international institutions, to the detriment of local ownership, efficiency and equity. This situation severely limits the impact of funding on the ground, particularly in rural areas and vulnerable communities (Green Climate Fund (2021; UNDP, 2020). Developing countries are unfairly overcharged to finance their climate projects (up to 12%), compounded by their dependence on foreign currency debt. This burden hampers sustainable investment and accentuates their economic vulnerability (Vasudevan, 2024).

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exacerbating over-indebtedness and holding back sustainable investment (Ramaa Vasudevan, 2024).

[3] Climate financing flows are difficult to measure and track, compromising the transparency and effectiveness of support. Moreover, developing countries often receive inequitable financial support, and current mechanisms struggle to mobilize the private sector sufficiently (OECD, 2022). *Climate Finance Provided and Mobilised by Developed Countries in 2016-2020.*

[4] The Polluter Pays Principle (PPP) requires polluters to bear the environmental and social costs of their actions. Principles of EU Environmental Law? https://www.era-comm.eu

4. The Lack of Technical and Institutional Skills in African Countries

One of the major obstacles to African countries' access to climate financing is the lack of technical and institutional skills (AfDB, 2021). Many public and civil society players lack capacity in key areas such as the development of bankable projects, climate accounting and monitoring and evaluation. This gap is particularly marked within National Implementing Institutions (NIEs), which often lack qualified staff, technical tools and systems adapted to the requirements of international donors (Ibid.).

Lacking sufficient internal capacity, African countries frequently rely on foreign expertise to access funding, which limits their autonomy and national and local ownership of projects. To overcome this dependence, it is crucial to invest in the sustainable strengthening of local skills through training, academic partnerships and targeted technical assistance, in collaboration with African universities, research centers and professionals (Ibid.).

5. Poor Integration of Young People, Women and Local Communities

The populations most exposed to the effects of climate change - notably young people, women, indigenous peoples and local communities - are still too often excluded from decision-making processes linked to internationally-funded climate projects (AfDB, 2021, UNDP, 202 3). These projects, frequently designed top-down by experts or central institutions, suffer from a lack of consultation and local ownership, which compromises their relevance and sustainability (Mbarga, 2020).

This exclusion deprives climate initiatives of the contribution of local knowledge, community innovation and social mobilization. Yet young people make up over 60% of Africa's population, and women play a key role in the management of natural resources. To guarantee the effectiveness and equity of climate financing, it is urgent to set up participatory mechanisms enabling these groups to be fully involved in the planning, implementation and monitoring of climate actions (UNFCCC, 2023; UN Women, 2022, AfDB, 2021).

II. How Can We Reform the Climate Financing System to make it Fairer and More Accessible to Developing Countries?

Integrating the four approaches below is an essential prerequisite for a more equitable, inclusive reform aligned with the specific needs of fragile countries. It would enable us to rethink climate financing mechanisms in depth, so as to better meet the expectations of local players and strengthen the sustainable impact of interventions.

1. Join the Call to Transform Climate Loans into Subsidies and Cancel Unjust Climate Debts

Many developing countries, already heavily indebted, are having to take out new loans to cope with climate crises they did not cause. This over-reliance on loans to finance climate action, particularly in the most vulnerable countries, compromises their economic stability and exacerbates inequalities. This logic runs counter to the principle of climate justice and fuels an unjust cycle of indebtedness, where those most affected pay the price of historical pollution. This is why several players are calling for a significant proportion of climate loans to be converted into grants, particularly for adaptation projects that have no immediate return on investment (IMF, 2023).

Initiatives such as the Bridgetown Initiative, spearheaded by Barbados Prime Minister Mia Mottley, call for in-depth reform of the international financial architecture. In particular, this initiative calls for the cancellation or restructuring of unjust climate debts, the reallocation of special drawing rights [5]. (SDRs), and better mobilization of concessional financing for vulnerable countries (Bridgetown Initiative, 2022). Such proposals aim to free up budgetary space for resilient and equitable investments, while recognizing the ecological debt that industrialized countries owe to the countries of the South.

2. Technical and Institutional Capacity Building

Lack of technical and institutional capacity is a major obstacle to African countries' access to climate financing. Many national entities - ministries, local authorities, CSOs - lack skills in climate project engineering, carbon accounting, the green economy or MRV (Monitoring, Reporting, Verification) systems, all of which are key criteria required by international donors. Without this know-how, projects submitted are often deemed unbankable or incomplete, which slows down the disbursement of available funds (UNEP, 2021).

Faced with this challenge, it is imperative to invest systematically in local capacity building through training, technical assistance, partnerships with African universities and networking of practitioners. This would not only multiply the number of eligible projects, but also ensure their effective implementation and rigorous monitoring. Programs such as those of the United Nations Environment Programme (UNEP) and the Green Climate Fund (GCF) are already implementing "readiness support" initiatives, but these efforts need to be stepped up and aligned with national priorities (Ibid.).

[5] The Special Drawing Right (SDR) is an interest-bearing international reserve asset that supplements the other reserve assets of member countries. Rather than a currency, it is a claim on the freely usable currencies of IMF member countries. https://www.afdb.org/sites/default/files/documents/sdrs_faq_frt_pk.pdf

3. Investing in Education and Research for an Endogenous Climate Transition

This suggests a reform of education systems to integrate "climate and green finance" themes, and consistent support for the production of evidence-based data and scientific research.

Building local capacity in climate finance and ecological transition requires structural reform of African education systems. It is essential to integrate modules on climate economics, carbon markets, ecological taxation and energy transition into schools and universities. This will enable us to train a new generation of decision-makers, innovators and managers capable of supporting the continent's green transformation. In this respect, scientific cooperation between the European Union and the African Union - notably through the Science, Technology and Innovation Strategy for Africa (STISA-2024) - is an important lever that needs to be developed and expanded (African Union, 2022).

In addition, it is vital to build the capacity of African researchers and local academic institutions to produce evidence-based, contextualized data on the impacts of climate change. This knowledge is essential to inform public policy, design appropriate projects and defend the continent's interests in international negotiations. The AU-EU partnership on research and innovation, notably through the Horizon Europe program, as well as the work of the IPCC (IPCC AR6, Africa chapter), offer a strategic basis to be consolidated for a strong and influential African climate science (AU-EU Innovation Agenda, 2023; IPCC, 2023).

4. Promote More Transparent and Accountable Management of Climate Finance and Systematize the Human Rights and Climate Justice Approach in Projects Financed

The effectiveness and legitimacy of climate financing depend on its ability to integrate an approach based on human rights, climate justice and inclusive participation. It is essential that projects take into account the needs of the most vulnerable populations, by integrating issues of gender, intergenerational equity, climate migration and public health linked to climate change. This approach makes it possible to design actions that are more sustainable, rooted in local realities and respectful of human dignity (OHCHR, 2022).

At the same time, equitable and responsible access to resources requires robust systems of transparency, monitoring and accountability. This means publishing financial data, actively involving citizens and communities in the governance of funds, and strengthening the role of independent monitoring institutions. Strengthening the integrity of climate finance is imperative to avoid misappropriation, ensure stakeholder confidence and maximize the impact of projects on the ground (Transparency International, 2023).

CONCLUSION

Climate financing for developing countries, particularly in Africa, can no longer be seen as an optional gesture of solidarity, but as a right based on climate justice and the historical responsibility of emitting countries (Vasudevan, 2024; Chakraborty, 2014). In the face of the climate emergency and persistent inequalities in access to resources, a profound overhaul of financing mechanisms is required (ibid.).

This reform must be accompanied by technical and institutional capacity-building in African countries, inclusive governance based on human rights, and greater participation by non-state actors, particularly young people, women and local communities. Strong African advocacy, backed by knowledge mobilization and better coordination of stakeholders, is essential to ensure fair, transparent and sustainable management of climate financing. The continent's climate future, its ecological sovereignty and the resilience of its populations all depend on it.

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