The Pacific's Climate Financing Dilemma

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COP29 negotiations revolved around the ambition to increase financial commitments for climate change adaptation and mitigation programmes in developing countries. Ultimately, they agreed on the Triple Finance Framework aimed at upscaling climate finance from USD 100 billion annually to USD 300 billion annually by 2035. While this has been celebrated as a success and improvement, it left many unsatisfied that had advocated for more ambitious commitments (UN Climate Change, 2024; Sadikhzada & Gurbanov, 2025). Among the group of actors calling for more stringent measures, one can find Small Island Developing States (SIDS), which have

been strong advocates for more ambitious climate protection since the early 1990s. Within the group of SIDS, regional coalitions such as the Pacific Small Island Developing States (PSIDS) have emerged to tackle the Pacific Islands' heightened risks and constraints.

Located in the Pacific, they — Fiji, Kiribati, the Republic of the Marshall Islands, the Federated States of Micronesia, Nauru, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu, Vanuatu, Palau, and Timor-Leste — are at the forefront of rising sea levels, and thus consequences of climate change cannot be considered merely as a variable in future policy planning but already severely impact these countries. The risk of total inundation and other risks associated with climate change extend beyond the issue of a changing climate, considering these developments constitute threats to their continued existence as nations and peoples. Considering this reality, it should not come as a surprise that representatives of these countries have strongly been advocating for stricter measures, including climate finance, which represents one of the factors essential to their climate change strategies (Aisi, 2014). In the run-up to COP30, PSIDS came together at a pre-COP30 meeting to engage in discussions on strategies and priorities during the negotiations. Against this background, this article examines the progress made since COP29 and addresses the question of how PSIDS assess the New Collective Quantified Goal on Climate Finance (NCQG), more commonly known as triple finance, in their preparations for the upcoming COP.

The argument put forward is that while climate finance is a necessary component of strengthening resilience, it alone cannot secure the future of PSIDS, therefore requiring other countries to adopt more serious climate measures under their new Nationally Determined Contributions (NDCs). To advance this argument, the article first establishes what climate finance entails. The next section explores the role of climate finance in PSIDS, highlighting its contributions as well as persistent barriers that impede its effectiveness. Lastly, it addresses how PSIDS are preparing for the upcoming COP based on insights from their pre-COP30 meeting. The article's methodology consists of a synthesis of literature on climate finance and SIDS, online resources on COP29, the climate finance framework, projects and the pre-COP30 meeting. The academic literature (Schipper, 2020) also advances critical perspectives on the type of projects financed by climate finance. However, due to the scope of this article, the focus is on how the current climate finance framework shapes PSIDS and their ambitions for COP30.

Climate Finance and the COP29 Triple Finance Framework

The establishment of the Triple Finance Framework in Baku marks an important step towards providing targeted financial support for climate action and the reduction of vulnerabilities emerging from climate impacts in de-

veloping countries. While climate finance aims at bridging gaps in funding, its effectiveness and accessibility remain controversial, as countries most reliant on these mechanisms experience challenges when accessing its resources.

Climate finance refers to the flow of funds from public, private and international actors aimed at supporting mitigation and adaptation that address the impacts of climate change. While this concept is not novel, COP29, following the trend of increasing finance over the past years, acknowledged that USD 100 billion annually is insufficient to address the consequences of climate change. The framework thus tripled this amount, resulting in commitments amounting to a total of USD 1.3 trillion per year, coming from public and private sources. The framework allocates finances for adaptation, mitigation and loss and damage initiatives and builds on existing instruments such as the Loss and Damage Fund (COP27), the Green Climate Fund (GCF) and the Global Environment Facility (GEF). In order to better understand how countries relying on climate funds can access them, the visualisation provides a simplified understanding thereof (Fouad et al., 2021).

From a theoretical perspective, climate finance plays a central role in reducing the vulnerabilities of developing countries in light of climate change, as they are disproportionately exposed to the consequences of climate change while having limited financial means to address the consequences and increase resilience against future climate shocks. Climate finance grants them the financial means to adopt such policies of adaptation and mitigation, which take shape through various projects, in order to limit the consequences of climate impacts (Scandurra et al., 2020). For SIDS these climate finance mechanisms are indispensable. Their small economies, remote location and limited institutional capacities make them particularly vulnerable to climate shocks. Available financial resources are scarce, while climate risk mitigation is estimated to amount to more than nine per cent of the annual GDP (Fouad et al., 2021). Consequently, access to climate finance allows them to sustain resilience-building initiatives.

However, while funding has increased, Global South actors have stressed that the agreed amount still falls short of covering all expected costs for developing countries (Pasifika Environews, 2025). Additional concerns regarding climate finance include technical, institutional and procedural hurdles experienced by PSIDS when applying for and accessing funds related to climate impacts (Treichel et al., 2024). Keeping these challenges in mind, an increase in available resources should not be equated with a higher drawdown of funds by PSIDS. Rather, it has been observed that the gap between finance provided and finance needed on the ground continues to grow despite growing financial input (Sadikhzada & Gurbanov, 2024; UNEP, 2024). To close the gap, the Climate Policy Initiative calculated the need for a fivefold increase of climate finance to reach the USD 7.4 trillion needed

annually until 2030, assuming the scenario of a 1.5°C global warming level (Naran et al., 2024).

How has Triple Finance contributed to PSIDS' climate action?

Understanding the function and limitations of climate finance is essential when examining how the mechanism has impacted climate impact measures in the Pacific. As explored above, PSIDS, like other SIDS, rely on climate finance due to their small economies, remoteness and exposure to natural disasters. Climate finance has supported their adaptation and mitigation efforts by supporting projects aimed at strengthening resilience, yet, due to their characteristics as small island states, they struggle with accessing the full potential of the funds, while at the same time, not much progress has been achieved since the last COP.

Climate finance-funded projects contributed to various projects across PSIDS, including solar microgrids, access to drinking water across four island nations, sustainable agriculture, and even climate-resilient health systems (GCF, n.d.; ADB, 2024). Such projects, considering the small CO_2 emissions of PSIDS, can act as mitigation and adaptation projects and thus strengthen these communities. The case of solar microgrids illustrates this, as it allows states to reduce their CO_2 emissions (mitigation) and dependency on imported fossil fuels while developing the energy infrastructure and ensuring access to energy during extreme weather events that would disrupt the supply of fossil fuels (adaptation), leaving them less vulnerable in the case of such events (Sadikhzada & Gurbanov, 2025). Increased commitments to climate finance provide PSIDS with greater certainty when planning future projects and strengthening existing initiatives.

At first, triple finance therefore appears to be a step in the right direction for addressing the situation of PSIDS by promoting sustainable development. Nevertheless, as explored for SIDS in general, the constraints of achievements in climate finance remain present for PSIDS due to persistent structural challenges (Treichel et al., 2024). Challenges include the complex project accreditation and approval processes (Fouad et al., 2021), issues of scale, co-financing requirements or limited administrative capacities and human resources, making it difficult for PSIDS to prepare and manage projects at scale. Issues of scale refer to the preference of promoting projects in larger economies where co-financing does not pose a considerable strain on the country's economy (Treichel et al., 2024). As a result, despite nominal increases in funding, many PSIDS still face difficulties in accessing the full potential of these financial instruments. This has been mirrored in comments made by Jamie Ovia, Chair of the PSIDS and director of Tuvalu's Climate Change Department, during the pre-COP30 meeting in Samoa. According to him, there has been little progress with regard to climate finance since the last conference (Pasifika Environews, 2025).

Defining priorities for COP30: from climate finance to advocacy for stringent NDCs

Considering the shortcomings of climate finance and the lagging process since the last conference in Baku, PSIDS are going to push for concrete roadmaps on climate finance action alongside pressuring countries to adopt stricter Nationally Determined Contributions (NDCs). NDCs are country-specific climate action plans that outline each nation's commitments to reduce greenhouse gas emissions and adapt to the impacts of climate change under the framework of the Paris Agreement (UN Climate Change, n.d.). Starting in 2020, NDCs are subject to review every five years, and these revisions must be submitted to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat (UN Climate Change, 2024). Following this cycle, reviews and updates to the NDCs had to be submitted in February 2025. Interestingly, by the time of the deadline, 95% of countries party to the Paris Agreement had not yet submitted their NDCs (Dunne, 2025).

As a consequence of the limited impacts of the triple finance framework, PSIDS leaders discussed the need to shift the focus towards pushing for clear action plans (Baku-to-Belém Climate Finance Roadmap) on how to implement climate finance goals while urging countries to reconsider their NDCs. This goes hand in hand with the understanding that climate finance and the resulting mitigation and adaptation actions alone cannot halt the physical processes of rising sea levels, ocean acidification or extreme weather events, placing stresses on PSIDS. While climate finance allows PSIDS to become more resilient, strengthen their infrastructure or reduce their CO_2 emissions, their contributions to climate change remain marginal. CO_2 emissions of PSIDS, for instance, amount to less than one per cent of global CO_2 emissions (Scandurra et al., 2020), showing how limited their impact is on the mitigation of climate change and the overall trajectory of climate developments. In turn, this means that they are dependent on external action, including other countries adopting stricter, more ambitious measures. Putting pressure on countries to do so, therefore, has the potential to keep the established target of 1.5°C alive. An inability to remain within the specified warming level of 1.5°C due to, for instance, delayed action in wealthy countries leads to a cost escalation for PSIDS, as higher global warming levels can cause higher sea levels in the region (Tebaldi et al., 2021; IPCC, 2023).

These considerations of cost escalation and the need for mitigation, alongside the timing of defining new NDCs, also influence the PSIDS negotiation strategy and can explain why it may be more promising for the upcoming conference to encourage countries to adopt more ambitious climate commitments.

Conclusion

The position of PSIDS and the limited progress on climate finance since COP29 highlight the current debate of the suitability of climate finance to address climate impacts. While climate finance can serve as a tool to reduce vulnerabilities, it cannot substitute for global mitigation. At the same time, those dependent on it experience difficulties in accessing the funds due to institutional or technical constraints. Over the past years, PSIDS have been voicing the need for greater commitments to climate change measures, which is expected to continue during this year's conference in November. The insights from the preparatory COP30 meeting of PSIDS reveal that their approach in upcoming negotiations will not solely focus on increasing financial commitments but also on a push for clearer implementation timelines and more ambitious NDCs in light of their review in 2025.

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