Council on Geostrategy

Report
Geoeconomics Programme
No. 2025/18
September 2025

Towards a new climate aid strategy

By *Jack Richardson*

New geostrategic thinking for a more competitive age
https://www.geostrategy.org.uk

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Contents

Foreword

During a period where the provision of Official Development Assistance (ODA) – popularly known as 'foreign aid' in the public discourse – has become a vote loser relative to other areas of national concern, aid projects have come under growing scrutiny and political pressure. Gone are the days when Britons were prepared to spend significant amounts of money on international development in all its various forms. The public may accept the logic of ODA, but there are more pressing issues closer to home, such as promoting national economic growth through the modernisation of infrastructure and upgrading the national defence system.

As ODA has been trimmed back, resources earmarked for climate change mitigation and adaptation in the developing world have also been cut. In the prevailing geopolitical and economic context, it seems unlikely these will go up any time soon.

Under these circumstances, it is clear that the established way of doing things cannot continue. In this study, Jack Richardson asks penetrating questions in relation to the extent that British International Climate Finance (ICF) is effective in dealing with climate change and its impact. He then goes on to look at the limitations of the current approach, before asking if a reprioritisation of objectives is needed. Finally, he lays out a new strategy for British ICF spending in the future.

This Report deserves to be read by Britain's politicians and officials alike, as well as those with an interest in climate finance more generally.

James Rogers
Co-founder (Research), Council on Geostrategy

Executive summary

CONTEXT

- His Majesty's (HM) Government is cutting the United Kingdom's (UK) International Climate Finance (ICF – a subset of the Official Development Assistance [ODA]) budget to shift financial resources towards defence and security. A reduction in budgets necessitates a reprioritisation of British ICF objectives and programmes.

- If resources permit, and as long as they are used effectively, the use of ODA to deal with climate change's consequences is worthwhile. Climate change poses a challenge to the UK's national interests – for example, by threatening suppliers of critical resources and goods.

- International commitments are far outpacing available resources. A large proportion of British ICF goes to paying the overheads of international organisations, rather than towards mitigation or adaptation directly.

- In a more volatile world, aid to help other countries deal with climate change's inevitable impacts is a legitimate tool for furthering wider British interests.

QUESTIONS THIS REPORT ADDRESSES:

- How is UK ICF currently spent and how effective is it in dealing with climate change and its impact?

- What are the limitations of the current approach to British ICF policy?

- Why is a reprioritisation of UK ICF objectives necessary?

- How should HM Government prioritise British ICF spending in the future?

KEY FINDINGS

- UK ICF efficacy and value for money appears poor. From April 2011 to March 2024, British ICF spending mitigated just 0.28% of the global carbon dioxide equivalent (CO_2e) emissions added to the atmosphere in 2023 alone, at an average cost of around double the current UK carbon price (£79 per tonne of CO_2e).

- Among Colombia, India, Indonesia, Pakistan and eastern Africa – countries where much British ICF is dispersed – fossil fuel consumption increased by 4,802 Terawatt hours (TWh), compared to clean energy's increase by 1,020 TWh over the same period. This shows an energy addition rather than a transition.

- The ICF strategy is too broad, its 29 sub-objectives are too numerous, and reporting on the 169+ programmes is opaque. Programmes suffer from 'omnicausification', inflicting inefficiency and poor value for money for taxpayers, while ICF is spent on non-climate objectives.

RECOMMENDATIONS

To ensure UK ICF is effective, HM Government should:

1. **Review its ICF spending and priorities to guide reform:** ICF spending should be guided by four basic principles. It should be anchored to British national interests; support bilateral initiatives over multilateral and global ones; focus on a 2° Celsius (°C) or more world temperature increase; and improve accountability and transparency.

2. **Prioritise trading partners and Commonwealth nations for resilience grants:** By prioritising countries with trade or historical ties as recipients for ICF spending, the UK can increase the resilience of its supply chains. This would also help to legitimise ICF spending and create value in the eyes of British taxpayers.

3. **Focus on expanding clean energy supply chains over clean energy deployment:** Redirecting ICF spending towards developing clean energy supply chains in recipient countries will improve their

economic development, diversify global supply chains and increase capacity for carbon pollution mitigation. This will meet UK national security interests as well as benefitting the recipient countries.

4. **Leverage private finance to restore and preserve natural carbon sinks:** There are numerous examples of effective and well-principled initiatives and programmes which should be continued and replicated where possible. Examples include the Blue Belt Programme, the Tropical Forests Forever Fund and the Blue Forests Initiative.

5. **Push for greater ICF spending by countries which can afford it:** The burden of ICF under the United Nations Framework Convention on Climate Change (UNFCCC) is unevenly distributed. Countries which have become wealthier since the introduction of the Annex programme should be pushed to assume a greater share of global ICF spending.

1.0

INTRODUCTION

It is worth stating at the start of this Report that climate aid, if resources allow, is worthwhile. Given the fiscal pressure which the United Kingdom (UK) is under, however, some policymakers may ask why His Majesty's (HM) Government should spend any money on International Climate Finance (ICF) in the first place, notwithstanding commitments made at the United Nations Framework Convention on Climate Change (UNFCCC). Arguments relating to 'soft power' are often provided, but overrated. Core national interest is the primary reason, but the logic should be kept precise in order to be valuable.

The Strategic Defence Review of June 2025 was correct in stating that climate change and environmental degradation will 'create new geographic realities'.[1] Due to the insufficient progress of climate diplomacy under the UNFCCC, it is best to assume a global temperature increase of 2° Celsius (°C) or more. There is a weight of evidence suggesting greater environmental pressures are occurring now, that they will increase with further temperature rises, and that they will have a larger detrimental impact on countries with low resilience and state capacity to deal with those pressures.[2] This could, for instance, increase the risk of exacerbating both internal and international migration.[3]

It will always be true that there are other opportunities for tax cuts or increased spending which miss out as long as the Official Development Assistance (ODA) budget exists. The fact remains, however, that Britain is an island nation dependent on supply chains stretching across the world, including to regions and countries which will likely be heavily affected by climate change, and with insufficient resources to prepare for it.

The UK is not invulnerable to climate change, including from its effects overseas. If the fiscal situation allows, investment in resilience and adaptation to, and the mitigation of, climate change is warranted to attenuate the second order effects of climate change on Britain's economy and citizens.

Aside from mitigating climate change and dealing with its consequences, UK ICF could also be used to promote Britain's wider interests. As aid, it could be made conditional upon cooperation on other priorities, such as security and immigration, for example. As a tool for

[1] 'The Strategic Defence Review 2025 – Making Britain Safer: secure at home, strong abroad', Ministry of Defence, 02/06/2025, https://www.gov.uk/ (checked: 08/09/2025).
[2] Sky News, 'What happens if the world warms up by 2°C?', YouTube, 20/06/2019, https://www.youtube.com/ (checked: 08/09/2025).
[3] Jack Richardson and William Young, 'The climate and migration: Implications for Britain', Council on Geostrategy, 26/01/2023, https://www.geostrategy.org.uk/ (checked: 08/09/2025).

economic development, it could be deployed to check the growing influence of strategic competitors in the politics and economies of strategically important developing states.

1.1 Aim and structure

With the justification for climate aid in principle made, this Report seeks to review HM Government's approach to ICF and make recommendations to improve its efficacy in a time of constrained resources. The following research questions drive this study:

1. How is UK ICF currently spent and how effective is it in dealing with climate change and its impacts?
2. What are the limitations of the current approach to British ICF policy?
3. Why is a reprioritisation of UK ICF objectives necessary?
4. How should HM Government prioritise British ICF spending in the future?

In answering these questions, the Report first offers a review of the mechanics and performance of British ICF since 'Tranche 1', which began in 2011, concluding that it has had a marginal impact at best.

The Report then reviews the context which the UK finds itself in today – a cut ODA budget with growing pressures for ODA spending – and the current approach to spending ICF. It concludes that consolidation and better prioritisation for ICF spending is necessary for ICF to become more effective.

Finally, this study offers recommendations for a review of ICF governance and and a change in approach to spending:

- Objectives should be slimmed down:
    - Biliateralism should be preferred over multilateralism;
    - British national interests should be present in all UK ICF decisions;
    - Climate reality should be prioritised over climate diplomacy; and
    - Accountability and transparency should be improved;

- Resilience grants should ideally be prioritised for key supplier countries and Commonwealth Small Island Developing States;
- Mitigation finance should be used to expand energy supply chains to allow for more diversification; and
- HM Government should press for an expansion of ICF to include more non-Annex I countries.

2.0

UK ICF FROM 2011 TO 2025

HM Government's ICF strategy – 'Together for People and Planet', published in March 2023 – identifies the purpose of British ICF as meeting financial commitments made by the UK under the UNFCCC.[4] ICF is a subset of ODA, spent on helping developing countries to mitigate and adapt to the consequences of climate change. HM Government has four stated strategic priorities for ICF spending:

1. Clean energy (to reduce greenhouse gases);
2. Protect, sustainably manage and restore nature in line with the Kunming-Montreal Global Biodiversity Framework;
3. Increase adaptation and resilience; and
4. Develop sustainable cities, infrastructure, and transport.[5]

At present, there are 169 programmes with ICF tags on the UK Development Tracker website, across the Department for Environment, Food and Rural Affairs (DEFRA), the Department for Energy Security and Net Zero (DESNZ) and the Foreign, Commonwealth and Development Office (FCDO). DEFRA owns eight programmes, DESNZ has 31, and the FCDO possesses 132. The Department for Science, Innovation and Technology (DSIT) currently lists no programmes with ICF funding, and other records show more programmes which do not appear on the tracker.[6]

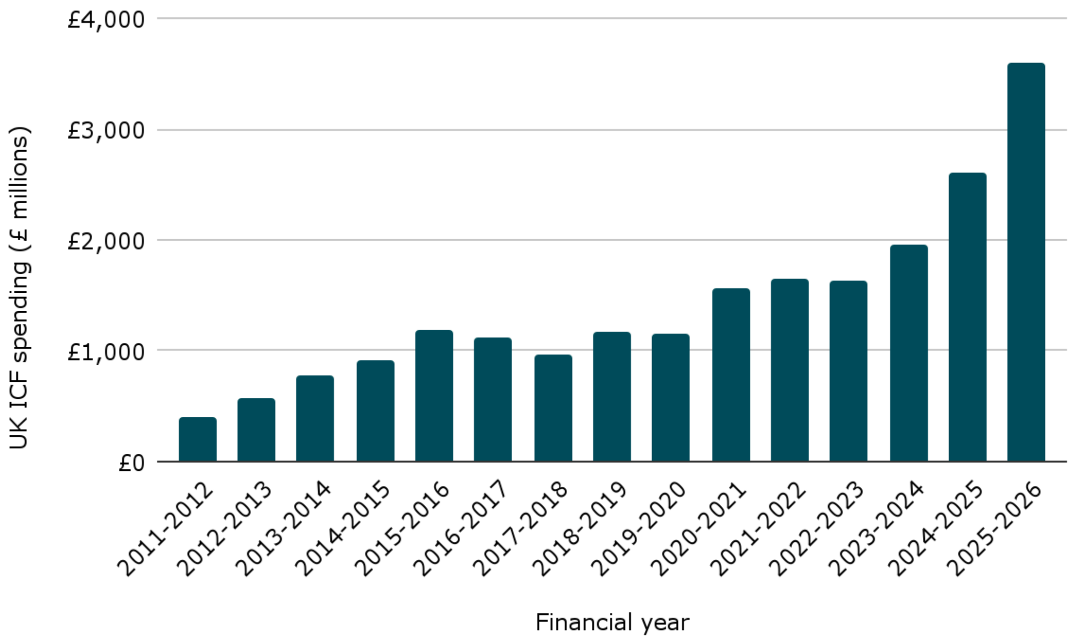
2.1 ICF has increased substantially over three tranches since 2011

ICF has been spent across three tranches (ICF1, ICF2 and ICF3) since 2011, following Britain's 2009 commitment to contribute to the global goal of mobilising US$100 billion (£73.9 billion) in climate finance from developed economies annually by 2020.[7] For ICF3, the level of spending increased to £11.6 billion towards the target, ultimately met two years late

[4] 'Together for People and Planet: UK International Climate Finance Strategy', Department for Energy Security and Net Zero, 30/03/2023, https://www.gov.uk/ (checked: 08/09/2025).
[5] Ibid. This strategy was developed and published under the previous Conservative government, but there have been no updates in objectives since then.
[6] 'UK International Climate Finance results 2024', Foreign, Commonwealth and Development Office, 10/10/2024, https://www.gov.uk/ (checked: 08/09/2025).
[7] 'UK aid's international climate finance commitments', Independent Commission for Aid Impact, 29/02/2024, https://icai.independent.gov.uk/ (checked: 08/09/2025).

in 2022.[8] Annual ICF contributions have grown from £403 million to £3.6 billion; a sixfold increase in real terms (see: Graph 1).

GRAPH 1: UK ICF SPENDING, IN £ MILLIONS[9]



'Together for People and Planet' commits to a 'balanced approach' between mitigation and adaptation:

- **'Mitigation'** means mitigating greenhouse gas emissions. This includes investment in clean energy to displace fossil fuels and conserving and restoring natural carbon sinks such as rainforests.

- **'Adaptation'** means making countries, cities and communities more resilient to the effects of climate change. This includes upgrading infrastructure or making crops and natural resources more resilient to weather events, installing protective infrastructure such as flood defences and establishing extreme weather warning systems.

[8] 'Climate Finance and the USD 100 billion goal', Organisation for Economic Cooperation and Development, No date, https://www.oecd.org/ (checked: 08/09/2025).
[9] Andrew Mitchell, Written statement: 'International Climate Finance', UK Parliament, 17/10/2023, https://questions-statements.parliament.uk/ (checked: 08/09/2025).

2.2 Destinations for British ICF

UK ICF includes money sent to developing nations bilaterally or provided to multilateral institutions, but reporting is opaque. Carbon Brief published a report of an investigation into how British ICF was spent in 2023, compiled using Freedom of Information requests.[10] The report showed that Ethiopia, for example, received over £300 million from the financial years 2011-2012 to 2022-2023 through bilateral and multilateral channels. Bangladesh, India, Indonesia, Kenya, Mozambique, Nigeria and Pakistan are other large recipients.

A 2019 performance review of UK climate aid found that over half of the ICF2 tranche had been spent through core contributions to multilateral international climate finance and other multilateral channels.[11] Core contributions means the general funding of the organisation, including overheads, for example. Finance does not necessarily go directly to projects. The largest multilateral funds include:

- **Green Climate Fund (GCF):** Created by the UNFCCC in 2010 as the world's largest climate fund, it supports developing countries in implementing both mitigation and adaptation actions.
- **Climate Investment Funds (CIFs):** Established in 2008 and hosted by the World Bank, the CIFs finance transformational low-carbon and climate-resilient development in middle and low income countries.
- **Global Environment Facility (GEF):** A multifocal trust fund which supports environmental projects globally, addressing biodiversity, climate change, land degradation, international waters and chemicals, as well as managing the Least Developed Countries Fund.
- **Adaptation Fund:** Created to finance projects which help vulnerable communities in developing countries adapt to climate change.
- **NDC Partnership:** This partnership assists countries to implement their Nationally Determined Contributions (NDCs) under the 2015 Paris Agreement, offering technical and financial support.

[10] John Gabbatiss, 'Analysis: How the UK has spent its foreign aid on climate change since 2011', Carbon Brief, 11/10/2023, https://www.carbonbrief.org/ (checked: 08/09/2025).
[11] 'International Climate Finance: UK aid for low-carbon development', Independent Commission for Aid Impact, 19/02/2019, https://icai.independent.gov.uk/ (checked: 08/09/2025).

None of these multilateral recipients of British ICF are headquartered in the UK, but Britain does hold positions on some of their boards (see: Table 1).

TABLE 1: UK POSITIONS ON ICF BOARDS

Fund	HQ location	UK position	Fund size
Green Climate Fund	Songdo, South Korea	Permanent board seat	US$15.9 billion (£11.8 billion) in October 2024[12]
Climate Investment Fund	Washington, DC, United States (US) (via World Bank)	Founding donor and board set	US$12 billion (£8.9 billion) in January 2025[13]
Global Environment Facility	Washington, DC, US	Permanent Council seat	US$6.68 billion (£4.94 billion) in September 2025[14]
Least Developed Countries Fund	Washington, DC, US (via GEF)	Represented via GEF Council	US$2.35 billion (£1.74 billion) in May 2025[15]

[12] Liane Schalatek, 'Climate Finance Fundamentals 11: The Green Climate Fund', Heinrich-Böll-Stiftung, 02/2024, https://us.boell.org/ (checked: 08/09/2025).
[13] Attracta Mooney, 'Climate fund hails "new era" with $500mn bond deal', *Financial Times*, 15/01/2025, https://www.ft.com/ (checked: 08/09/2025).
[14] 'Global Environment Facility Trust Fund', World Bank Group, 05/09/2025, https://fiftrustee.worldbank.org/ (checked: 08/09/2025).
[15] 'The LDCF in Numbers', Global Environment Facility, 21/05/2025, https://www.thegef.org/ (checked: 08/09/2025).

Adaptation Fund	Washington, DC, US	Occasional rotating seat	US$1.98 billion (£1.46 billion) in December 2024[16]
NDC Partnership	Washington, DC, US (via World Resources Institute) and Bonn, Germany (via UNFCCC)	Former co-chair and donor	Budget not disclosed

HM Government provides substantial amounts of money to these organisations, which often pays for overheads rather than directly mitigating or helping people in foreign countries to adapt to climate change. For example, the UK donated £1.44 billion to the Green Climate Fund between 2020 and 2023, making it the top donor to the Fund, and on 10th September 2023, Rishi Sunak, then Prime Minister, announced a further US$2 billion (£1.48 billion) towards the next Green Climate Fund replenishment.[17] Once HM Government has provided the money, it loses control over how the money is spent, even if some influence is in theory maintained through its participation on ICF boards.

2.3 British ICF's marginal effect on carbon mitigation

From April 2011 to March 2024, almost 106 million tonnes of carbon dioxide equivalent (CO2e) emissions were avoided – just shy of 0.28% of the global CO2e emissions added to the atmosphere in 2023 alone – at a cost of £8.4 billion (an overall average carbon price of £79, roughly double the current UK carbon price). Over this period, British ICF avoided around

[16] 'Adaptation Fund Trust Fund: Financial Report', World Bank Group, 31/12/2024, https://fiftrustee.worldbank.org/ (checked: 08/09/2025).
[17] Andrew Mitchell, Written statement: 'International Climate Finance', UK Parliament, 17/10/2023, https://questions-statements.parliament.uk/ (checked: 08/09/2025).

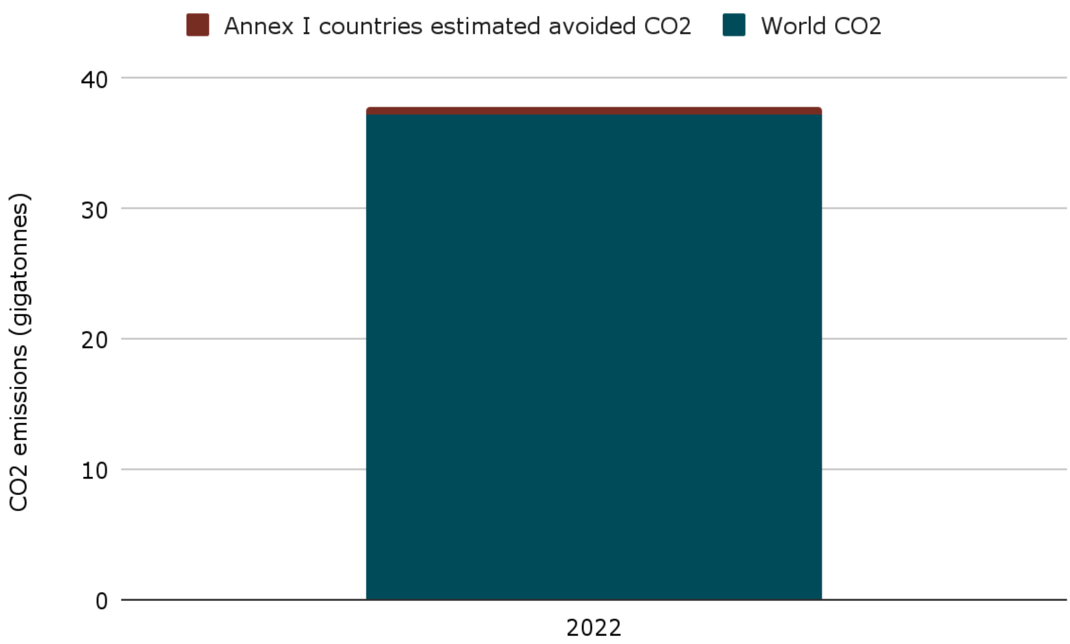
0.024% of the annual global CO2e.[18] In 2023 specifically, UK ICF avoided 0.06% of annual global emissions.

Britain is not the only developed economy spending money on climate change aid, so its efforts cannot be viewed in isolation. In 2022, the UK was responsible for providing approximately 1.75% of the total ICF from developed economies,[19] and represented 6.52% of the combined Gross Domestic Product (GDP) of the Annex I countries. The Annexes were stipulated in 1992 and have not been updated since, but many non-Annex I countries have become far wealthier since then. Examples include Middle Eastern petrostates or Asian nations, such as South Korea or the People's Republic of China (PRC), which have industrialised rapidly since then.

Assuming that every dollar spent by developed countries on ICF in 2022 was as effective as British ICF, then 1.28% of that year's carbon emissions were avoided (see: Graph 2).[20]

[18] Hannah Ritchie, Pablo Rosado and Max Roser, 'CO2 and Greenhouse Gas Emissions', *Our World in Data*, 2023, https://ourworldindata.org/ (checked: 08/09/2025). The range begins in 2013, as the 2012-2013 financial year was the first to register any avoided emissions in UK ICF reporting.
[19] Andrew Mitchell, Written statement: 'International Climate Finance', UK Parliament, 17/10/2023, https://questions-statements.parliament.uk/ (checked: 08/09/2025).
[20] 2022 is the year with the latest available data at the time of writing.

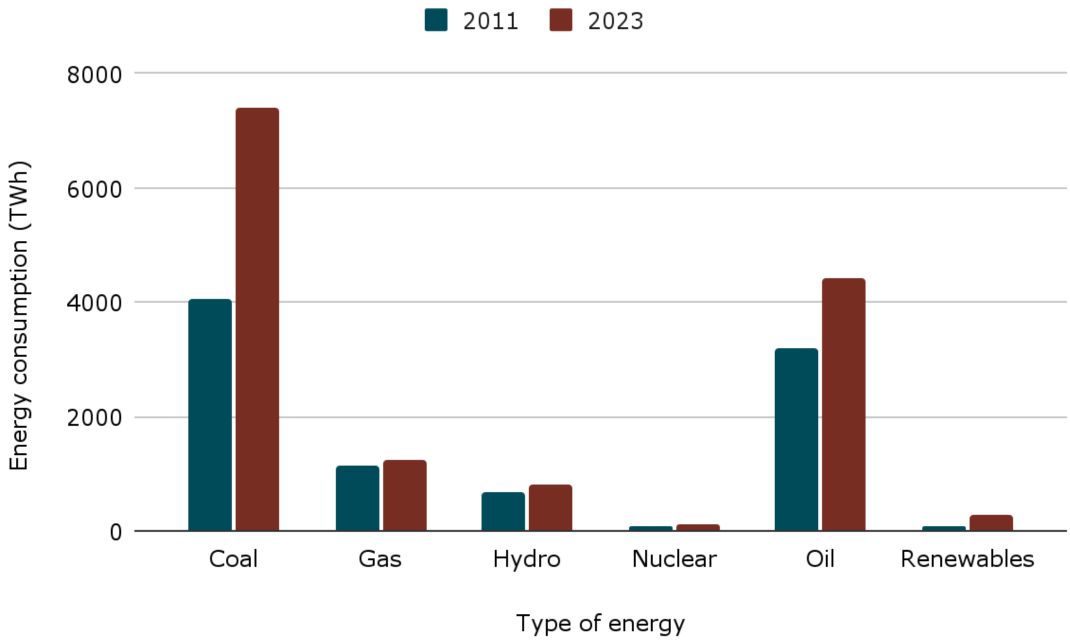
GRAPH 2: WORLD CO2 EMISSIONS AND ANNEX I ESTIMATED AVOIDED EMISSIONS[21]



UK ICF spending on clean energy does not yet appear to have led to a substantial energy transition in any key recipient countries; rather, it has contributed to an energy addition. Among some of the largest British ICF recipients with available data for energy consumption (Colombia, India, Indonesia, Pakistan and eastern Africa),[22] fossil fuel consumption increased from 9,031 Terawatt hours (TWh) to 13,833 TWh compared to clean energy's increase from 1,041 TWh to 2,061 TWh.[23] Energy addition is good for development, but there is currently no evidence that fossil fuels have been meaningfully displaced by clean energy through UK ICF (see: Graph 3).

[21] Hannah Ritchie and Max Roser, 'CO2 emissions', *Our World in Data*, 01/2024, https://ourworldindata.org/ (checked: 08/09/2025).
[22] Eastern Africa includes some of the largest recipients of UK ICF: Ethiopia, Somalia, Kenya, Uganda, Burundi, Rwanda and Djibouti. Individual data was not available for all these countries.
[23] Hannah Ritchie and Pablo Rosado, 'Energy Mix: Explore global data on where our energy comes from, and how this is changing', *Our World in Data*, 01/2024, https://ourworldindata.org/ (checked: 08/09/2025).

GRAPH 3: AGGREGATE ENERGY CONSUMPTION IN SELECT BRITISH ICF RECIPIENT COUNTRIES, 2011 VERSUS 2023[24]



2.4 The efficacy of UK ICF spending on adaptation cannot be judged

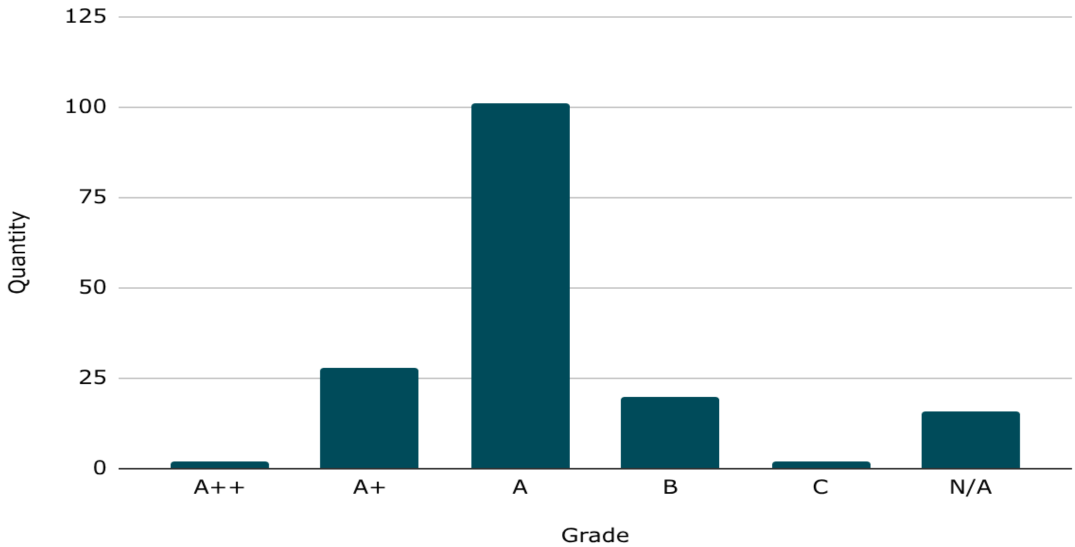
According to HM Government's ICF results for 2024, over 110 million people have been directly supported through 132 programmes to adapt to the effects of climate change, with four fifths being in rural locations.[25] Another 32.5 million have had their 'resilience improved', but there is minimal detail. While there are some exceptions (such as the Manufacturing Africa – FDI programme),[26] the language used in annual reviews tends to be obscure, with few concrete examples of delivered outcomes from ICF spending. Programmes are often judged in their reviews more on how much they spend, rather than their outcomes.

[24] Hannah Ritchie and Pablo Rosado, 'Energy Mix: Explore global data on where our energy comes from, and how this is changing', *Our World in Data*, 01/2024, https://ourworldindata.org/ (checked: 08/09/2025).
[25] 'UK International Climate Finance results 2024', Foreign, Commonwealth and Development Office, 10/10/2024, https://www.gov.uk/ (checked: 08/09/2025).
[26] 'Manufacturing Africa – Foreign Direct Investment', Foreign, Commonwealth and Development Office, 12/2024, https://devtracker.fcdo.gov.uk/ (checked: 08/09/2025).

Reporting on the performance of individual ICF programmes appears generous. Of the 169 programmes with an ICF tag on the Development Tracker, 101 had an 'A' output rating in their latest available annual review. Another 28 had an 'A+' rating, and two even had an 'A++' rating, meaning 78% of all programmes met or exceeded expectations.

Meanwhile, only two had a 'C' rating and 20 had a 'B' rating. 16 were 'N/A', either because they had no annual reviews publicly available or because they were not scored (see: Graph 4). This means that just 13% of ICF tagged programmes fell short of expectations. Despite this, all of the annual reviews for these programmes recommended that they continue.

GRAPH 4: RATINGS FOR ICF TAGGED PROGRAMMES ON THE FCDO DEVELOPMENT TRACKER



2.5 HM Government has struggled to spend its committed ICF resources

The Independent Commission for Aid Impact found that 55% of ICF3's £11.6 billion was to be spent in the last two years of the pledge. This comes after a controversial change to calculation rules in 2024 to allow for £1.7 billion of existing spend to be newly counted as ICF without actually increasing the amount of money being sent to recipient countries.[27]

[27] 'UK's £11.6bn climate finance commitment at risk as aid resources stretched', Independent Commission for Aid Impact, 29/02/2024, https://icai.independent.gov.uk/ (checked: 08/09/2025).

3.0

WHY CONSOLIDATION AND PRIORITISATION ARE NOW NECESSARY

While the ICF budget was cut in HM Government's Spending Review of June 2025, there were already pressures on the ICF and ODA budgets more generally. They suffered from competing priorities, from increasing investment in defence to accommodating refugees and migrants, needs which will likely persist. Economic headwinds are also likely to afflict national priorities. ODA budgets may shrink further due to the need to free up resources for other requirements in the coming years.

3.1 ODA and ICF: Changing political priorities

UK ICF is currently facing five challenges: 1. HM Government seeks to boost defence spending; 2. Competing priorities among departments; 3. The present ICF strategy is too broad; 4. Shrinking ODA budgets cannot meet growing commitments; and 5. The nation is cooling on foreign aid – and ICF assistance.

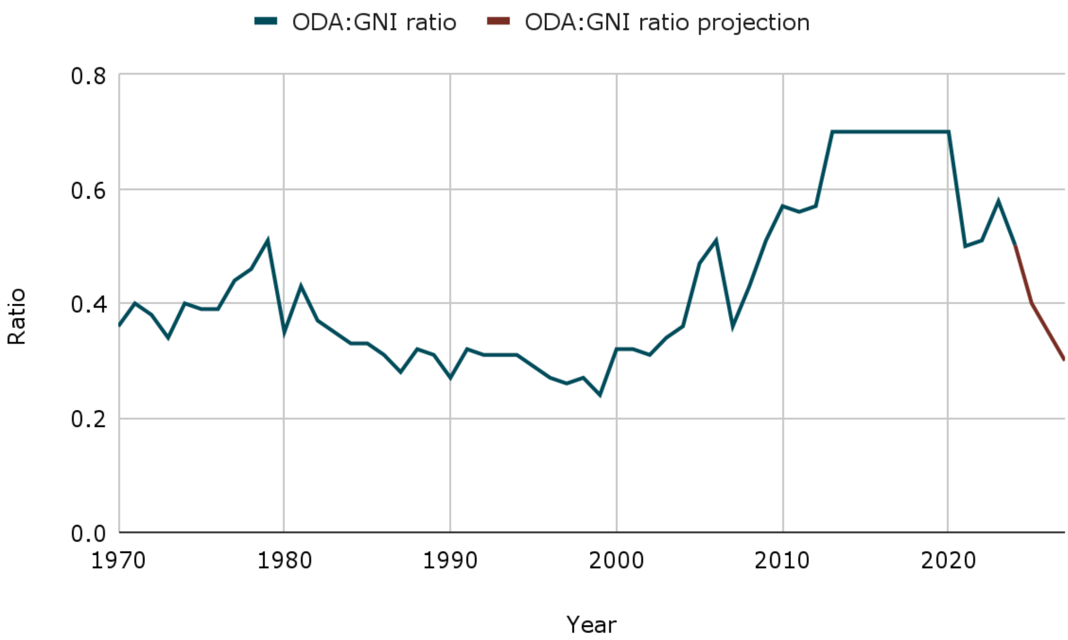
3.1.1 DEFENCE PRIORITISED OVER FOREIGN AID

Given the volatile geopolitical environment, HM Government is increasing investment in the British Armed Forces to improve the UK's defences. The primary feature of the 2025 Spring Statement was an additional £2.2 billion investment in defence and a commitment to spending 2.5% of GDP on North Atlantic Treaty Organisation (NATO)-qualifying defence spending by April 2027, with an ambition to increase to 3% by the end of the current Parliament.[28] Late in June, HM Government agreed to a NATO-wide commitment to increase investment in defence and infrastructure to 5% of GDP.[29]

Increased investment in defence has come at the expense of foreign aid spending. A gradual decrease in foreign aid will fund a gradual increase in defence spending, with a total of £11.8 billion being transferred over five fiscal years. This will result in the ratio of foreign aid spending to GNI being 0.3% – a 40% cut – bringing ODA to its lowest level since the late 1990s (see: Graph 5).

[28] 'Spring Statement 2025', HM Treasury, 26/03/2025, https://www.gov.uk/ (checked: 08/09/2025).
[29] 'UK to deliver on 5% NATO pledge as Government drives greater security for working people', 10 Downing Street, 23/06/2025, https://www.gov.uk/ (checked: 08/09/2025).

GRAPH 5: OFFICIAL DEVELOPMENT ASSISTANCE TO GROSS NATIONAL INCOME RATIO, 1970-PRESENT[30]



In June 2025, the Spending Review implemented cuts to the ODA budget. In 2024, DESNZ's ODA budget was £408 million and DEFRA's was £186 million.[31] These have been reduced to £247 million and £115 million respectively for the 2026-2027 financial year. The FCDO's ODA budget has been cut from £9.5 billion to £6.8 billion.

Other than the stated numbers, the Spending Review is not yet clear on exactly which programmes will be cut, or which priorities will be reassessed. Although it commits to continuing to use multilateral and bilateral channels, it notes that 'the ODA settlement prioritises British multilateral investment across issues where the international system needs to deliver at scale and to reform: the climate and nature crisis, global health and humanitarian emergencies.'[32] The pressures for ODA have not shrunk, but the resources have.

---

[30] For annual summaries of ODA spending since 2011, see: 'Statistics on International Development', Foreign, Commonwealth and Development Office, 03/04/2025, https://www.gov.uk/ (checked: 08/09/2025).
[31] 'Statistics on International Development: provisional UK ODA spend 2024', Foreign, Commonwealth and Development Office, 03/04/2025, https://www.gov.uk/ (checked: 08/09/2025).
[32] 'Spending Review 2025', HM Treasury, 30/06/2025, https://www.gov.uk/ (checked: 08/09/2025).

3.1.2 COMPETING PRIORITIES AMONG DEPARTMENTS

There are already tensions in UK ICF spending relating to the wider ODA budget. There has been a substantial increase in ICF spending from 2020-2021 onwards. But the overall ODA budget, linked to the target of 0.7% of GNI, did not increase in line with it; due to the Covid-19 pandemic, the target was reduced to 0.5% in 2021, without ICF being cut.[33]

This has led to 'raids' of the ICF budget. During a series of private interviews with current and former aid and climate personnel for this Report, a common theme was that many FCDO staff have a stronger cultural focus on more 'traditional' ODA themes, such as health and education. The large growth in the portion of the ODA budget assigned to ICF has therefore caused a growth in a climate 'box-ticking' approach to programmes. It appears that officials working on non-climate issues use the ICF budget by framing spending in climate terms. This is visible in Britain's transparency reporting of ICF spending to the UNFCCC and on the Development Tracker.[34]

The Teacher Effectiveness and Equitable Access for Children (TEACH) programme in Zimbabwe serves as an example of this. Its purpose is to safeguard 'educational gains made over the last decade', to reduce violence and to promote positive discipline and inclusivity.[35] This programme has noble aims, but nowhere within the description of TEACH is climate change mentioned, despite it being registered as a multi-bilateral climate mitigation programme within the UNFCCC report for 2022 spending.[36]

In another example, the May 2024 annual review of the Better Health in Bangladesh programme has spent £65 million on the following actions:[37]

- Providing a long-term capability-building offer to the country on climate change and health;

[33] Philip Loft and Philip Brien, 'The 0.7% aid target', House of Commons Library, 05/12/2024, https://commonslibrary.parliament.uk/ (checked: 08/09/2025).
[34] 'United Kingdom. 2024 Biennial Transparency Report (BTR). BTR1. CTF-FTC', United Nations Framework Convention on Climate Change, 27/02/2025, https://unfccc.int/ (checked: 08/09/2025).
[35] 'Teacher Effectiveness and Equitable Access for Children (TEACH) in Zimbabwe', Foreign, Commonwealth and Development Office, 04/2025, https://devtracker.fcdo.gov.uk/ (checked: 08/09/2025).
[36] 'United Kingdom. 2024 Biennial Transparency Report (BTR). BTR1. CTF-FTC', United Nations Framework Convention on Climate Change, 27/02/2025, https://unfccc.int/ (checked: 08/09/2025).
[37] 'Better Health in Bangladesh (BHB) Programme', Foreign, Commonwealth and Development Office, 05/2024, https://devtracker.fcdo.gov.uk/ (checked: 08/09/2025).

- Scaling up innovative approaches to increasing women's autonomy by supporting newly established midwifery professions in the country;
- Tackling antimicrobial resistance by investing in and strengthening the pharmacy sector;
- Strengthening science and technology partnerships by commissioning innovative and high-quality scientific research; and
- Addressing the digital transformation through capacity building and support to national health management information systems.

This is clearly a health programme, but due to its vague objective linking climate change to health, it gains access to ICF funding.

In the UK's Biennial Transparency Report to the UNFCCC in 2024, examples of programmes with tenuous links to climate change appear as being registered under Article 9 of the Paris Agreement. Examples include £3.22 million in emergency aid for Sudan and £230,000 for boosting exports from Africa to India.[38]

A similar pressure on British ICF spending is the 'omnicausification' of programmes, which spreads resources thin. This occurs when programmes are established which attempt to deal with several afflictions or problems at once with vague, all-encompassing objectives, which makes spending inefficient. In a review of the effectiveness of aid programmes by the Centre for Global Development, Rachel Glennerster reported that during her time as Chief Economist at the FCDO, she 'consistently found projects containing multiple, often unrelated components'.[39] ICF results for 2024 state that distributed resources have supported 137 countries – 70% of all countries worldwide – and 3,756 organisations since 2011.[40]

---

[38] For emergency aid to Sudan, see: 'Responding to Protracted Crisis in Sudan: Humanitarian Reform, Assistance and Resilience Programme', Foreign, Commonwealth and Development Office, 12/2022, https://devtracker.fcdo.gov.uk/ (checked: 08/09/2025). For boosting trade between Africa and India, see: 'Private Enterprise Development in Low Income Countries (PEDL)', Foreign, Commonwealth and Development Office, 01/2025, https://devtracker.fcdo.gov.uk/ (checked: 08/09/2025).
[39] Rachel Glennerster and Siddhartha Haria, 'Radical Simplification: A Practical Way to Get More Out of Limited Foreign Assistance Budgets', Centre for Global Development, 21/04/2025, https://www.cgdev.org/ (checked: 08/09/2025).
[40] 'UK International Climate Finance results 2024', Foreign, Commonwealth and Development Office, 10/10/2024, https://www.gov.uk/ (checked: 08/09/2025).

3.1.3 THE CURRENT ICF STRATEGY IS TOO BROAD

'Together for People and Planet' is a strategy with four pillars, each with a series of target objectives. Five examples across the strategy include:

- Making clean energy cheaper and more accessible than fossil fuels globally;
- Transforming to sustainable and inclusive food systems and supply chains;
- Empowering indigenous peoples, women and marginalised communities through participatory decision-making;
- Developing resilient basic services (health; education; Water, Sanitation and Hygiene [WASH]; infrastructure) for vulnerable communities; and
- Reducing the ecological and deforestation footprints of cities.

The £11.6 billion allocated for ICF initiatives by HM Government is a large sum of money; nevertheless, it is insufficient to achieve all of these objectives properly. Borrowing from the Centre for Global Development's research, the current ICF strategy appears as 'a Christmas tree weighed down with everyone's pet cause'.[41] It has far too much to do, with the likely result that ICF programmes suffer in quality of output. Furthermore, as much of its finance is distributed to multilateral funds, it is unlikely that meeting these objectives is even within HM Government's discretion. Yet, the Government remains accountable for meeting them.

3.1.4 SHRINKING ODA BUDGETS CANNOT MEET GROWING COMMITMENTS

The UK has committed itself to raising ODA relating to climate change. At COP29 in 2024, a New Collective Quantified Goal (NCQG) was unanimously adopted. It tripled the amount of finance pledged to be mobilised by developed countries from US$100 billion (£74 billion) per year to US$300 billion (£221.8 billion) by 2035.[42]

[41] Rachel Glennerster and Siddhartha Haria, 'Radical Simplification: A Practical Way to Get More Out of Limited Foreign Assistance Budgets', Centre for Global Development, 21/04/2025, https://www.cgdev.org/ (checked: 08/09/2025).
[42] 'COP29 Key outcomes and next steps for the UK', Climate Change Committee, 11/12/2024, https://www.theccc.org.uk/ (checked: 08/09/2025).

Supporting the tripled NCQG would suggest HM Government has, in effect, committed to raising its ICF spend, although the NCQG allows for both private and public finance despite opposition from the G77 + the PRC grouping.[43] However, HM Government can only help to facilitate private financiers to provide development spending. It cannot compel them, so the taxpayer ultimately remains liable for meeting this goal (i.e., through ODA).

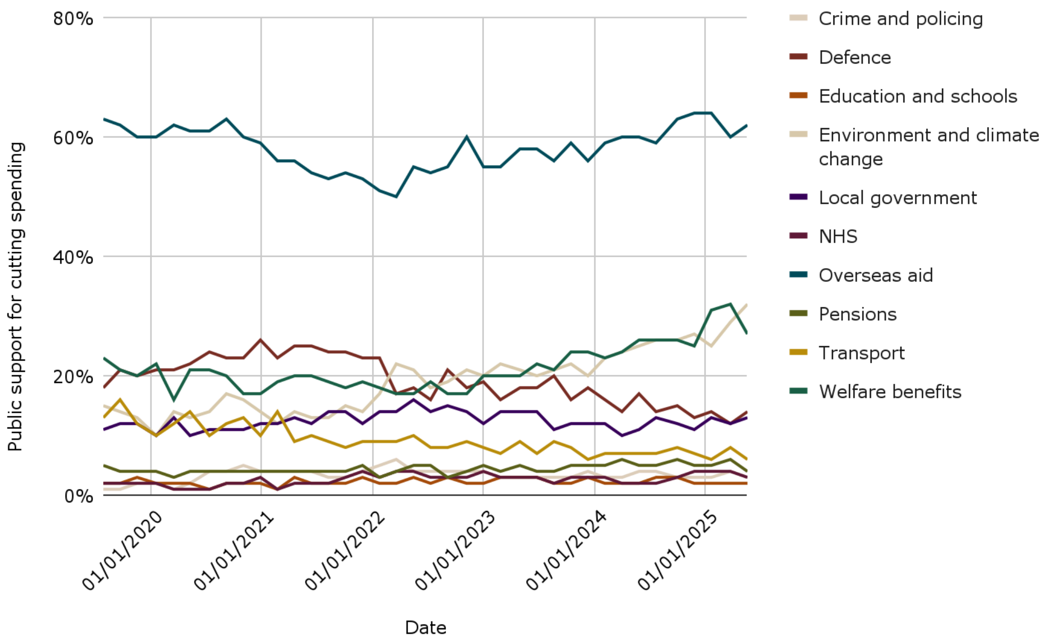
There are further pressures on ICF from wider ODA commitments. The 2025 Spending Review confirmed that global health and humanitarian emergencies would continue to be prioritised alongside climate change and nature, despite shrinking budgets and growing commitments. Furthermore, as well as the higher spending demand from escalating humanitarian requirements due to increased conflict,[44] £2.8 billion – a fifth of the ODA budget – was spent on hosting refugees in Britain in 2024,[45] making the UK the largest recipient of its own foreign aid.[46]

3.1.5 NATION COOLS ON FOREIGN AID – AND ICF ASSISTANCE

ICF cannot be taken for granted as politically popular, making increased spending less likely and prolonged cuts more probable during periods of fiscal constraint. ICF is a form of ODA, which is consistently the option which UK citizens favour HM Government cutting spending on first. Since 2020, between 53% and 64% of people have said they would prioritise cutting foreign aid; always around double the next least prioritised sector of spending (see: Graph 6).

[43] The G77 + PRC is a nation state grouping within the UNFCCC. Its official position is that the NCQG should focus on public – not private – finance, because loans result in a 'reverse capital flow from developing to developed countries'. See: 'G77 and China Submission for the 11th Technical Expert Dialogue (TED) and the Third meeting of the ad-hoc work program on the New Collective Quantified Goal (NCQG)', United Nations Framework Convention on Climate Change, No date, https://unfccc.int/ (checked: 08/09/2025).
[44] 'UK's £11.6bn climate finance commitment at risk as aid resources stretched', Independent Commission for Aid Impact, 29/02/2024, https://icai.independent.gov.uk/ (checked: 08/09/2025).
[45] Philip Loft and Philip Brien, 'The UK aid budget and support for refugees in the UK, 2022 to 2024', House of Commons Library, 02/05/2025, https://commonslibrary.parliament.uk/ (checked: 08/09/2025).
[46] Patrick Triglavcanin, 'The UK's International Development White Paper: Fit for today?' *Britain's World*, 24/11/2023, https://www.geostrategy.org.uk/ (checked: 08/09/2025).

GRAPH 6: BRITISH PUBLIC SUPPORT FOR CUTTING GOVERNMENTAL SPENDING, 2020-2025[47]



3.2 Consolidation of ODA: The need for a priorities review

The outlook for ODA (and the ICF budget) is stark. The most likely scenario is that there will be growing demand for spending – not just from increased environmental pressures and natural disasters as climate change itself continues, but from other conflict-related humanitarian events and a rising cost of hosting both refugees and illegal migrants in the UK. However, resources to meet those demands will remain constrained, likely for years to come.

It cannot be assumed that either the global or domestic economic and political picture will improve over the coming years (which would allow for an eventual increase in budgets again). If anything, it is safest to assume that the economic headwinds will remain problematic: the unsustainability of Britain's economic position has been summarised by Prof. Sir Dieter Helm, Professor of Economics at the University of Oxford,

[47] 'What sector is the UK government spending too much on?', YouGov, No date, https://yougov.co.uk/ (checked: 08/09/2025).

as 'not enough production, too much consumption, too little savings and too much debt'.[48] Additionally, growing conflict and hostile actions from adversaries and their proxies may necessitate even greater increases in defence spending in the years ahead, putting further pressure on foreign aid budgets.

But while the cuts to foreign aid are likely to persist, the fact remains that climate change, biodiversity loss and other environmental pressures will continue. This will have ramifications for the UK, and affect its interests both at home and overseas. Deploying more limited resources in an efficient and impactful way will be harder but arguably more important compared to the first three tranches of ICF. A review and update of HM Government's approach to ICF is necessary.

[48] Dieter Helm, 'The UK's unsustainable economy: not enough production, too much consumption, too little savings and too much debt', Dieter Helm, 21/10/2024, https://dieterhelm.co.uk/ (checked: 08/09/2025).

National security today means so much more than it used to – from the health of our economy, to food prices, to supply chains, from safety on the streets to the online world.

NATIONAL SECURITY STRATEGY
24th June 2025

4.0
TOWARDS A NEW APPROACH TO UK ICF

What might a reformed British ICF look like? In principle, UK ICF policy and strategy should prioritise British national interests as much as the recipient nations' interests. Accountability and transparency should be increased, and HM Government should prioritise dealing with the consequences of climate change over the negotiated outcomes of multilateral climate diplomacy, which are not developing fast enough to keep up with the reality of climate change. As well as this, grants could be prioritised for resilience and adaptation, loans for clean energy supply chain expansion, and private financing for natural carbon sink conservation, to mitigate emissions. There are five key actions which HM Government could take to reform British ICF: review ICF spending and slim its priorities; increase the resilience of trading partners and Commonwealth nations; expand clean energy supply chains; leverage private finance for carbon sink preservation and expansion; and press for expansion of responsibility for contributing to international climate spending.

4.1 Review UK ICF priorities to slim focus to a small number of objectives

HM Government should reduce the large number of objectives for ICF spending and focus on achieving better results for fewer objectives. A review ahead of the next ICF tranche should be initiated. Britain has no control over climate change or its consequences and a very limited ability to deal with them – which a renewed ICF strategy should accept.

A review should seek to establish new principles for UK ICF spending. It should move away from a focus on 'soft power' and overreliance on multilateral channels, and acknowledge the stark threat from climate change and the inability of the UNFCCC to meet it properly. While secondary objectives relating to other ODA priorities may be met through programmes, British ICF spending should prioritise clarity in programme objectives:

4.1.1 ANCHOR ICF SPENDING TO BRITISH NATIONAL INTERESTS

All mitigation of, and increased resilience to, climate change is in the UK's interests, but some programmes would be more worthwhile than others. Objectives of ICF spending should be tested against the objectives of the National Security Strategy 2025.

4.1.2 FOCUS ON BILATERALISM OVER MULTILATERALISM AND GLOBALISM

Bilateralism and a focus on a smaller list of countries could make implementation of ICF programmes faster and more manageable. Direct governmental control over these programmes – alongside accountability, transparency and good communication – would also increase public confidence in British ICF spending, reducing the perception that these programmes exclusively serve others rather than UK citizens. A bilateral approach would also allow HM Government to provide conditional aid, tying it more directly to domestic and foreign policy interests, such as security or immigration, to increase the value add to British taxpayers, as well as public confidence in UK aid spending. This would be preferable to the current approach of sending billions to funds which HM Government has little influence over.

4.1.3 FOCUS ON A 2°C OR MORE WORLD

Climate diplomacy – mostly conducted through the UNFCCC and therefore requiring unanimity – is moving too slowly to prevent global temperatures from rising unsustainably. Hitting the 1.5°C target is now all but impossible, but British policy remains focused on prevention. UK ICF spending should take this reality into account and assume a 2°C or more world, increasing focus on resilience.

4.1.4 IMPROVE ACCOUNTABILITY AND TRANSPARENCY

Better reporting – with clear, concise, measurable objectives and actions – would increase confidence that foreign aid, which is, politically speaking, the 'easiest' budget to cut, is being spent well and is effective. A smaller number of programmes would be easier for accountability, while conciseness could reduce bureaucracy and paperwork.

With these broad principles in mind, HM Government should slim down its ICF objectives and programmes to be more limited in scope. Concentrating on doing fewer things to a higher standard would improve the efficacy of spending. Both governmental ministers and Parliament would be able to have greater oversight of the programmes, improving accountability and transparency.

4.2 Bolster trade and Commonwealth partners with resilience grants

Britain imports around 40% of its food overall, and around 20% is imported from outside of Europe.[49] The UK imports 84% of its fruit, including goods like bananas which are now integral to the British diet.[50] A 2020 study found that the proportion of fruit and vegetables supplied to the UK market from climate-vulnerable countries increased from 20% in 1987 to 32% in 2013.[51] Some climate-vulnerable countries also have resources vital to British interests. Morocco, for example, possesses the world's third largest deposits of phosphorus (behind the US and the PRC); supplies of which remain critical for the UK's domestic food supply.[52]

Furthermore, half of the world's Small Island Developing States – all at risk from climate change – are Commonwealth members. The Commonwealth includes several developing countries with large populations at severe risk from climate change (such as Bangladesh) which, without greater resilience, could experience instability and population movements. There are also larger key trading and strategic Commonwealth partners which are vulnerable to climate change, such as Nigeria and India.

While not a hard and fast rule, it would be wise to prioritise important trading partners, end suppliers of important resources, and countries with historical ties and high climate vulnerability for constrained financial resources. This would increase the legitimacy of aid spending and increase value for money for the taxpayer.

4.3 Expand clean energy supply chains with loans and private finance

Access to energy is a critical development tool. An advantage for development from decentralised clean energy technologies, especially

[49] See: 'UK Food Security Index 2024', Department for Environment, Food and Rural Affairs, 11/07/2024, https://www.gov.uk/ (checked: 08/09/2025) and 'An overview of the UK's food imports', SSO International Forwarding, 28/09/2023, https://ssoif.co.uk/ (checked: 08/09/2025).
[50] 'Environmental changes and food security', House of Commons, 08/12/2023, https://publications.parliament.uk/ (checked: 08/09/2025).
[51] Pauline Scheelbeek et al., 'UK's fruit and vegetable supply increasingly dependent on imports from climate vulnerable countries', *Nature Food*, 1 (2020).
[52] 'World phosphate deposits', Food and Agriculture Organisation, No date, https://www.fao.org/ (checked: 08/09/2025).

solar power, batteries, and battery-powered small vehicles, is that they do not require fuel. This frees time and resources for other activities and tasks, such as education or work. HM Government should work with the private and philanthropic sectors to promote clean energy deployment, especially as a means for development.

However, more mitigation finance could be better redirected towards building clean energy supply chain capacity in developing countries in the form of loans and enabling finance. This would do the following:

- Support economic development of recipient countries;
- Help to diversify global supply chains, reducing the potential for economic coercion via those supply chains – a stated objective of the National Security Strategy;[53] and
- Increase capacity for more carbon pollution mitigation via the deployment of clean technologies.[54]

HM Government should facilitate blended finance structures, where public funds reduce perceived risk for private investors, using ICF. Sovereign guarantees, political risk insurance and first-loss tranches can attract capital into markets which would otherwise be under-served. Financial tools, such as securitisation, sustainability-linked bonds and credit enhancement mechanisms, could be developed in coordination with City of London institutions. Regulatory clarity, such as ensuring that investments in overseas clean energy supply chains qualify under Sustainability Disclosure Requirements for example,[55] could help to increase the quantity of investment from the private sector, especially in sectors such as mining. The objective should be to make Britain not merely a buyer of clean technologies, but a co-architect of the chains producing them.

Investment in supply chain expansion would go to wherever the business case made most sense, i.e., not necessarily to current climate vulnerable trading partners or Commonwealth countries, as with

[53] 'National Security Strategy 2025: Security for the British People in a Dangerous World', Cabinet Office, 24/06/2025, https://www.gov.uk/ (checked: 08/09/2025).
[54] For example, using British ODA to build a solar farm with panels bought from the PRC theoretically mitigates climate change marginally, but leveraging private finance to build solar panel factories in developing nations would increase supply chain capacity and put clean energy on a more sustainable footing internationally.
[55] 'PS23/16: Sustainability Disclosure Requirements (SDR) and investment labels', Financial Conduct Authority, 28/11/2023, https://www.fca.org.uk/ (checked: 08/09/2025).

resilience grants. Vietnam, India and Nigeria could be logical destinations for supply chain expansion efforts, for example. They have large national renewable resources and export-enabling infrastructure, and are important strategic partners more generally.

India is unlikely to reconsider its decision to exit its Just Energy Transition Partnership (JETP) and the transition away from coal in the near future, but Britain could seek to expand the UK-India Technology Security Initiative to include partnerships on wind, solar and nuclear energy, as well as encourage friendly nations to co-invest.[56] Energy supply chain expansion might help to re-engage the US and India in a similar model to the JETP, although a refocus would be necessary given the political leanings of Donald Trump, President of the US, and Narendra Modi, Prime Minister of India. Re-engaging and focusing combined American and European spending and lending power would also be necessary to support expansion of supply chains against potential dumping in response.

HM Government should not worry about sticking to any international ODA rules relating to the link between ICF spending and perceived national interest. In the current geopolitical climate, the Government can better justify to the British people spending money on projects which improve the lot of recipient developing countries if it also meets British national security objectives.

4.4 Leverage more private finance to enhance nature-based carbon sinks

Forests and oceans absorb over half of human CO2 emissions annually.[57] Both are indispensable for mitigating climate change and for protecting biodiversity. However, both are also under threat, from legal and illegal deforestation to seabed-damaging fishing and seabed trawling.

Due to the proliferation of carbon markets and development of gold standards under Article 6 of the Paris Agreement, it is becoming easier to leverage private finance into preserving and enhancing natural carbon sinks. Deploying ICF to achieve this could provide the best cost per million tonnes of CO2e possible for the UK taxpayer as well as achieve the objective of stemming biodiversity loss – another critical environmental

[56] 'UK-India Technology Security Initiative factsheet', Foreign, Commonwealth and Development Office, 25/07/2024, https://www.gov.uk/ (checked: 08/09/2025).
[57] Pierre Friedlingstein et al., 'Global Carbon Budget 2023', *Earth System Science Data*, 15:12 (2023).

pressure. Britain has been a key player in the development of standards and integrity for carbon markets, as well as in diplomatic initiatives to expand their use.[58]

Going further, HM Government should not just engage in this process but put UK ICF mitigation finance onto a profitable footing from such initiatives. Profit-making is a long-established justification for aid spending,[59] and may now be necessary for keeping important and successful programmes financed as governmental resources are stretched ever more thinly. Profits would then be reinvested into British ICF.

HM Government could explore using some ICF to expand successful programmes, such as the Blue Belt Programme and Blue Forests Initiatives,[60] to private financing through the issuing of bonds or credits, in turn leveraging greater financial resources. If it has data on the tonnage of carbon saved from these programmes, it should be able to provide clear information for companies to use in their reporting in exchange for investment. The UK could essentially 'sell' the services of successful programmes, turning them into public enterprises and using its own brand as a trustworthy institution to attract cash. While the Environmental, Social and Governance (ESG) principle has taken a reputational hit recently, many investors are still prioritising sustainability in their investments.[61] Thus, although the majority of investors still do not incorporate it into their decision making at all, there is a potential growing market.[62]

HM Government should also continue to support and develop more innovative financing programmes, such as the Tropical Forests Forever Facility, and explore how to replicate them for other ICF objectives. The Tropical Forest Forever Facility is an initiative designed to provide long-term financial support to countries which actively protect their

[58] 'Raising integrity in the voluntary carbon and nature market – notice', Department for Energy Security and Net Zero, 15/11/2024, https://www.gov.uk/ (checked: 08/09/2025).
[59] Daniel Martin, 'Britain makes profit on Indian aid for the first time', *The Telegraph*, 20/07/2025, https://www.telegraph.co.uk/ (checked: 08/09/2025).
[60] For the Blue Belt Programme, see: 'The Blue Belt Programme', Foreign, Commonwealth and Development Office, 24/10/2017, https://www.gov.uk/ (checked: 08/09/2025). For Blue Forests Initiatives, see: 'Blue forests', Blue Ventures, No date, https://blueventures.org/ (checked: 08/09/2025).
[61] Despite outflows, global ESG assets rose 8% year-on-year to US$3.2 trillion (£2.36 trillion) – more than four times their 2018 level – highlighting its continued integration into mainstream investing. See: Elisa Battaglia Trovato, 'Sustainable investing at the crossroads', Professional Wealth Management, 17/06/2025, https://www.pwmnet.com/ (checked: 08/09/2025).
[62] Zoe Knight, 'A widening gap: HSBC Sustainability Sentiment Survey', HSBC, 07/07/2025, https://www.business.hsbc.com/ (checked: 08/09/2025).

tropical forests using a blended finance structure. It mobilises capital from both public and private sources, with a portion of the earnings distributed to countries maintaining forest cover.[63]

4.5 Press for the expansion of official responsibility to contribute to ICF

The principle of 'Common But Differentiated Responsibilities' puts most, if not all, of the burden of climate finance onto 'Annex I' developed economies. The rest of the world – the 'non-Annex I' countries – officially bears much less responsibility under the UNFCCC.[64]

Some non-Annex I nations have indeed increased their climate finance in recent years, notably South Korea – which committed 65% of its bilateral allocable ODA to climate-related initiatives in 2023 – and the United Arab Emirates (UAE), which launched its US$30 billion (£22.2 billion) ALTÉRRA climate fund in 2023, as well as jointly investing US$200 billion (£147.9 billion) with the Gates Foundation into supporting African smallholder farms.[65] The PRC has increased its climate-related finance to developing countries mostly bilaterally through its Belt and Road Initiative and in the form of loans. Only 3% of its climate finance was provided in grant form.[66] Nevertheless, utilising large untapped financial resources and greater burden sharing are still necessary for addressing this global problem, including for shoring up public support for spending.

HM Government should press for a reassessment of the Annexes to place more responsibilities on increasingly wealthy nations to expand the international pool of finance for mitigating and adapting to climate change.

[63] Peter Graham, 'Tropical Forests Forever? A Bold Experiment in Conservation Finance', Climate Advisers, 28/03/2025, https://www.climateadvisers.org/ (checked: 08/09/2025).
[64] Jack Richardson and William Young, 'China's carbon-intensive rise: Addressing the tensions', Council on Geostrategy, 30/05/2022, https://www.geostrategy.org.uk/ (checked: 08/09/2025).
[65] For South Korea, see: 'Climate/South Korea', Donor Tracker, No date, https://donortracker.org/ (checked: 08/09/2025). For the UAE, see: Simon Jessop, Valerie Volcovici and Katy Daigle, 'World Bank, UAE lead climate financing boost at COP28', *Reuters*, 01/12/2023, https://www.reuters.com/ (checked: 08/09/2025).
[66] Shuang Liu et al., 'China Is Providing Billions in Climate Finance to Developing Countries', World Resources Institute, 07/11/2024, https://www.wri.org/ (checked: 08/09/2025), and Beata Cichocka and Ian Mitchell, 'Has China Really Provided More Climate Finance to Developing Countries than the US?', Centre for Global Development, 29/10/2024, https://www.cgdev.org/ (checked: 08/09/2025).

5.0

CONCLUSION

Climate change is a systematic challenge that Britain cannot realistically tackle alone, especially when ODA resources have been cut so significantly. Spending constrained resources abroad must be justified to the UK taxpayer, especially during difficult economic times when geopolitical threats are rising. The UNFCCC process is still valuable, but is proving insufficient in tackling climate change. In light of this, Britain's policy on climate aid should become more anchored to UK national interests and much more concentrated, doing fewer things well rather than attempting to do too much with too little.

5.1 Key findings

The impact of UK ICF has been marginal. It has not stood up to its own objectives, which are too broad. The results of its consequences could now even be argued to be in opposition to the security priorities of HM Government, given much mitigation finance goes to increasing the adversaries' leverage over critical supply chains.

Resources are spread far too thinly to be truly effective, and HM Government cedes too much power unnecessarily to multilateral organisations. Accountability and transparency are poor, which does not serve ICF in the long run regarding public support.

ODA resources have shrunk, but commitments for spending keep proliferating. This means HM Government will be doing more things less well. Consolidation and reprioritisation are necessary.

5.2 Final reflections

In a term of constrained financial resources and a welcome renewed focus on security, Britain cannot afford to not be getting maximum value for money from every pound spent. UK ICF can be deployed to the country's national interests – not just through improving Britain's ability to manage the direct threat of climate change to its citizens' welfare, but also wider interests such as diversifying critical supply chains and generating revenue for the Exchequer. To get there, HM Government should not fear changing its approach from what could be described as a 'globalist' approach to ICF to one rooted much more firmly in the UK's national interests. Doing so would generate better outcomes for British citizens, recipient nations and the environment.

About the author

Jack Richardson is the Head of Policy at Octopus Energy. He was previously the Policy Adviser to the Secretary of State for Energy Security and Net Zero (2023-2024), where he advised on a range of subjects covering energy infrastructure and Net Zero. Before that, he led think tank Onward's Energy and Environment programme and the Conservative Environment Network's climate and energy campaigns.

Acknowledgements

The author would like to thank his colleagues at the Council on Geostrategy, the experts and reviewers consulted for this Report, and the Conservative Environment Network for funding this research.

About the Council on Geostrategy

The Council on Geostrategy is an independent non-profit organisation situated in the heart of Westminster. We focus on an international environment increasingly defined by geopolitical competition and the environmental crisis.

Founded in 2021 as a Company Limited by Guarantee, we aim to shape British strategic ambition in a way that empowers the United Kingdom to succeed and prosper in the 21st century. We also look beyond Britain's national borders, with a broad focus on free and open nations in the Euro-Atlantic, the Indo-Pacific and Polar regions.

Our vision is a united, strong and green Britain, which works with other free and open nations to compete geopolitically and lead the world in overcoming the environmental crisis – for a more secure and prosperous future.

Notes

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Council on Geostrategy

Dedicated to making Britain, as well as other free and open nations, more united, stronger and greener.

ISBN: 978-1-917893-10-7

Address: Alliance House, 12 Caxton Street, London, SW1H 0QS
Phone: 020 3915 5625
Email: info@geostrategy.org.uk

New geostrategic thinking for a more competitive age
https://www.geostrategy.org.uk