

Submission: The 7th Biennial Assessment and Overview of Climate Finance Flows

The Kingdom of Saudi Arabia

Introduction

The Kingdom of Saudi Arabia welcomes the opportunity to provide evidence to the Standing Committee on Finance for consideration in the preparation of the 7th Biennial Assessment and Overview of Climate Finance Flows.

The Kingdom of Saudi Arabia emphasizes that the report should be objective, factual, and fully aligned with its mandate, capturing all financial flows relevant to the provisions of the Convention, the Paris Agreement, and the relevant decisions adopted by the Parties. The assessment should present a balanced and evidence-based overview that accurately reflects the current landscape of climate finance.

In this regard, the Kingdom further underscores that the 7th Biennial Assessment should strictly focus on information, data, and evidence pertaining to the 2023–2024 biennium, consistent with its designated reporting cycle. Information from periods outside this timeframe should only be referenced where necessary for limited contextual purposes and should not form the basis for substantive analysis, conclusions, or recommendations. Maintaining this temporal boundary is essential to preserve the methodological integrity, relevance, and comparability of the assessment.

The Kingdom of Saudi Arabia provides the following evidence for consideration in the report and requests that these views be duly reflected and incorporated into the relevant sections of the assessment.

Methodology

Methodological information relating to climate finance in the 2023-2024 biennium should be consistent with previous editions of the Biennial Assessment and Overview of Climate Finance Flows. If enhancements or updates to methodological information do arise, the experts should consider their inclusion. In the regard, the Kingdom would wish to provide the following evidence for the section on methodologies.

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) arrived at a set of conclusions relating to Article 2, paragraph 1(c) of the Paris Agreement. At its 6th and 7th Meetings of the CMA, Parties affirmed, based on the findings of the 6th Biennial Assessment, that there is no common interpretation on the scope or manner of implementation of Article 2, paragraph 1(c), of the Paris Agreement¹.

¹ Paragraph 3 of decision 8/CMA.6, and Paragraph 2 of decision 11/CMA.7.

Additionally, at CMA7, Parties recognized that:

The Paris Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty, including by making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development, and highlights that it will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances;

and acknowledged:

The various concerns and the need for safeguards in the context of the implementation of Article 2, paragraph 1(c) of the Paris Agreement, including:

- (a) The need to pursue all three long-term goals of the Paris Agreement together, so that implementation of Article 2, paragraph 1(c), of the Paris Agreement will facilitate the collective achievement of the goals articulated in Article 2, paragraph 1(a–b);*
- (b) That Article 2, paragraph 1(c), of the Paris Agreement is complementary to and no substitute for the provision and mobilization of financial support to developing countries under Article 9 of the Paris Agreement;*
- (c) That efforts for making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development are nationally determined, taking into account country-driven strategies and the bottom-up nature of the Paris Agreement, respecting national sovereignty and taking into account different national circumstances, time frames and approaches of Parties, in particular developing country Parties, especially those that are particularly vulnerable to the adverse effects of climate change;*
- (d) The need to ensure that collective efforts for and deliberations on implementing Article 2, paragraph 1(c), are undertaken in a facilitative, enabling, non-punitive and non-prescriptive manner;*
- (e) The need to ensure transparency and to avoid creating an additional burden for Parties, including with regard to reporting and implementation;*

These conclusions should overlay all messages relating to Article 2, paragraph 1(c), of the Paris Agreement, recognizing that there its implementation must respect national sovereignty.

Data on climate-related finance flows in the 2023-2024 time period

Investments in clean hydrocarbon technologies have been increasing, especially in the context of carbon capture, utilization and storage (CCUS) and low emissions hydrogen.

In 2024, the estimated market size for CCUS technologies stood at USD 8.6 billion, projected to grow at a CAGR of 16% from 2025 to 2034². According to the International Energy Agency's (IEA) net-zero emissions (NZE) scenario³, annual investments needs of CCUS are estimated at approximately USD 205 billion in the current decade (2021-2030), and USD 157 billion and USD 163 billion annually in the following two decades until 2050. Cumulatively, Global CCUS investment needs are estimated at USD 5.25 trillion to reach net zero by 2050.

Investments in low emissions hydrogen production installations have increased since 2019, reaching over \$10 billion in cumulative investments (Electrolysis and CCUS). In 2023, USD 3.5 billion was spent globally by project developers on hydrogen supply projects that are under construction. Around 80% of this went into projects building electrolysis facilities and the rest on projects coupling hydrogen production with carbon capture, utilization and storage (CCUS).⁴ This demonstrates an uptake in clean hydrocarbon technologies and investments.

While evidence relating to financing and investments in renewable energy remain predominant in the 7th Biennial Assessment, investment in clean hydrocarbon technologies remain left out. Greater emphasis must be placed on clean energy technologies such as CCS/CCUS, Hydrogen, CDR, and DAC, to ensure inclusivity and objectivity in assessing the broad landscape of climate finance flows.

Furthermore, the report should not single out nor antagonize energy sources, especially those that remain relevant for development and economic growth in developing countries. Global primary energy demand is expected to increase from 312.3 mboe/d in 2025 to 382.7 mboe/d by 2050, an expansion of more than 70 mboe/d.⁵

Beyond mitigation, information on finance for adaptation and responding to loss and damage should be outlined and placed at an equal pedestal to mitigation. Total tracked adaptation finance reached USD 65 billion in 2023.⁶ This represents a decline from 2022, where total tracked adaptation finance flows were estimated at USD 77 billion.⁷ Additionally, only 614 million has been committed for the Fund for Responding to Loss and Damage, with only 25/27 pledges converted into signed contribution agreements.

The Green Climate Fund recently announced that the a developed country will cut its signed contribution for 2024-2027 in half – estimated at approximately 1.1 billion USD in cuts.⁸ This all comes after the another developed country rescinded 4 billion USD in pledges to the Green Climate Fund.⁹ While this news broke after the 2023-2024 time period, these cuts correspond to pledges

² <https://www.gminsights.com/industry-analysis/carbon-capture-and-storage-market>

³ [IEA | Net-Zero by 2050](#)

⁴ [IEA | Global Hydrogen Review 2024](#)

⁵ [OPEC | World Oil Outlook 2026](#)

⁶ [CPI | Global Landscape of Climate Finance 2025](#)

⁷ Ibid.,

⁸ [Bloomberg | UK Cuts](#)

⁹ [Politico | U.S Cuts](#)

and commitments made in 2024. It is necessary to include such information in the report to avoid misrepresenting the true scale of climate finance flows. Additionally, cuts in international foreign¹⁰ should be accounted for across the report and included as part of the data being presented.

While broader financial flows are important, they should not undermine the provision of financial support from developed countries (Annex II Parties to the Convention) to developing countries (non-Annex I Parties to the Convention). Estimates on the provision of climate finance should not be conflated with mobilization and the report should disaggregate amongst both categories.

As it relates to South-South cooperation (developing-developing), countries like the Kingdom of Saudi Arabia are providing support to other developing countries. KSRelief, a humanitarian and relief center founded by His Royal Highness King Salman ibn Abdulaziz Al-Saud, channeled over USD 8.5 billion in financial support across a variety of sectors, including food, water and environmental sanitation, and early recovery.

Additionally, the Kingdom's capital subscription to the Islamic Development Bank (IsDB) stands at USD 15.4 billion, which represents 23.51% IsDB's total capital¹¹.

In 2020, the IsDB launched its 2020-2025 climate action plan, which sets a 35% allocation target for climate change.¹²

The IsDB also recently launched its first concessional fund for its 27 Least Developed Member Countries.¹³

Broader financial context

The impact of climate finance stems from its ability to respond to national needs, priorities and circumstances. Climate finance cannot be effective unless it is able to contribute to positive social and economic results and sustainable development - in addition to intended climate objectives.

While scale is important, quality is essential. The ways in which climate finance can result in the achievement of national plans and sustainable development is its greatest measure for success.

In addition to the international climate finance, countries can adopt policy measures to generate and mobilize financial for specific outcomes. However, such measures must be coordinated and aligned with national circumstances to be effective. The IPCC even verifies this understanding, wherein their 6th Assessment Report, they outline that “effective policy packages would be comprehensive, consistent, balanced across objectives, and tailored to national circumstances,” with high confidence.¹⁴ In this regard, the report should anticipate the implications of policies

¹⁰ [White House | Rescission Package](#)

¹¹ [IsDB | The Kingdom of Saudi Arabia](#)

¹² [IsDB | Climate Action Plan 2020-2025](#)

¹³ [IsDB | LDCM Concessional Fund](#)

¹⁴ Section C.6.4 | [AR6 Synthesis Report](#)

across different contexts, especially in developing countries, providing a robust illustration the impacts of climate response measures.

Assessing the impacts of climate response measures is a means to ensuring that national policies and strategies do not result in adverse socio-economic consequences. Impact assessments should therefore be recognized as a formal precursor to implementation, not only from a project standpoint, but also in relation to policies.

Policies that impose trade restrictions or barriers can significantly impact developing countries. Extraterritorial measures just as Carbon Border Adjustment Mechanisms (CBAM) impose duties and charges on developing countries for engaging in what is supposedly an open economic system, disregarding key principles and provisions guiding the implementation the Convention and its Paris Agreement.

The International Monetary Fund (IMF), citing He, et al.¹⁵, forecast an annual welfare gain of USD 141 billion in developed countries, and a loss of US\$106 billion in developing countries by 2030. This is in an effort to reduce emissions by less than 0.2% throughout the same period, shifting the finance burden directly to developing countries. This information should be included in the report, especially in the section titled “Climate Finance in Context” to objectively illustrate the financial gains and burdens resulting from the implementation of “climate policy.”

Article 3, paragraph 5 of the Convention stipulates that measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. The impacts of extraterritorial policies such as CBAM should be outlined in the report, shedding light on the negative economic consequences of its implementation on developing countries. In no way should the 7th Biennial Assessment support or advocate for the implementation of such measures. Rather it should objectively assess and outline numerical impacts of such measures on developing countries.

Additionally uncoordinated climate policies can negatively impact socio-economic development. Disruptive impacts to fossil fuel supply and prices can end up delaying climate action as well as impacting the poorest and most vulnerable.¹⁶ Carbon pricing and taxes are not the best way to drive clean energy transitions. Imbalanced or poorly sequenced approaches to transitions, in which fuel supply is cut ahead of demand, create clear risks of further price spikes, and there is no guarantee that such episodes are unambiguously good for transitions. The IEA World Energy Outlook 2022, “high fossil fuel prices are no substitute for climate policies”. In practice, concerns about affordability can reduce the attention and finance that policymakers devote to clean energy.

The IPCC’s 6th Assessment Report outlines that “Global modelled mitigation pathways reaching net zero CO₂ and GHG emissions include transitioning from fossil fuels without carbon capture

¹⁵ He, X., F. Zhai, and J. Ma. 2025. “Global Impact of the Carbon Border Adjustment Mechanism—A Quantitative Assessment.” *Journal of Globalization and Development*.

¹⁶ [IEA | World Energy Outlook 2022](#)

and storage (CCS) to very low- or zero-carbon energy sources, such as renewables or fossil fuels with CCS, demand-side measures and improving efficiency, reducing non-CO2 GHG emissions, and CDR¹⁷ emphasizing the importance of investments in abatement and removal technologies such as CCS and CCUS. In this context, energy systems could be adapted and enabled to meet climate objectives of the transition, whilst sustaining energy security and affordability, particularly in developing countries where demand will continue to increase as a factor of development.

In 2023, the global population grew to nearly 8.09 billion.¹⁸ Investments in all energy sources and technologies are needed to meet growing demand, especially in regions anticipating high population growth. Africa's population is expected to reach 1.5 billion in 2025 and access to reliable and affordable modern energy is essential to support the projected level of urbanization, drive economic development and help improve the livelihoods of over 900 million people who currently do not have access to modern cooking facilities and 600 million people who have no access to electricity across the continent.¹⁹ From 2023 to 2030, around USD 22 billion per year is required to connect all African homes and businesses to electricity, while USD 4 billion per year is needed to provide them with clean cooking solutions. In total, the needed annual investments in access for Africa equate to less than 1% of current energy investment worldwide.²⁰

Conclusion

The Kingdom would wish to emphasize the importance of ensuring that information included in this report does not expand nor interpret the mandate of the UNFCCC and its Paris Agreement in a manner that is inconsistent with Parties' interpretations. This report should neither aim to establish or create new interpretations of the decisions and international agreements nor should it prejudge ongoing processes in other international fora.

In this regard, the Kingdom would request and advise that information derived from the International Court of Justice's Advisory Opinion on climate change be omitted from the report to avoid undermining its integrity. This includes any reference to this opinion. Additionally, references to the International Maritime Organization's Net-Zero Framework and UN Tax Convention's Treaty should be avoided so as to avoid prejudice to ongoing intergovernmental negotiations and outcomes. Negotiations across such fora are yet to conclude and the inclusion of such information at this stage could undermine integrity of the report.

Additionally, the report should avoid cherry-picking paragraphs from decisions taken by the Parties under the UNFCCC and its Paris Agreement, especially in relation to the outcomes of the First Global Stocktake. These decisions are broad and cover a range of thematic topics and the

¹⁷ Section B.6.3 of the IPCC AR6 Synthesis Report | Summary for Policy Makers

¹⁸ <https://ourworldindata.org/un-population-2024-revision?>

¹⁹ <https://publications.opec.org/woo/chapter/157/2948>

²⁰ <https://www.iea.org/reports/clean-energy-investment-for-development-in-africa/executive-summary>

Kingdom could advise against the inclusion of political signals in a report meant to objectively assess the landscape of climate finance.

Last but not least, the inclusion and platforming of initiatives that are yet to be launched or operational— such as the Global Solidarity Levies Taskforce – places this report at risk. This initiative does not enjoy multilateral agreement and only a select number of countries have endorsed these initiatives. Such measures – the proposed levies associated with this initiative - are yet to be implemented and do not currently exist due to a lack of consensus. The inclusion of this initiative shows selective bias and risks undermining the integrity of this report.

The Kingdom of Saudi Arabia expresses appreciation to the technical experts developing the 7th Biennial Assessment and Overview of Climate Finance Flows. In providing the evidence and information above, the Kingdom aims to contribute to enhancing the technical rigor and integrity of the report. The Kingdom of Saudi Arabia looks forward to seeing these views taken into account in the report.