



The Climate Finance System Is Failing Fragile and Conflict-Affected Countries

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[New analysis](#) shows that fragile and conflict-affected countries are among the world's most climate-vulnerable. Despite this, climate finance is not reaching these countries at scale.

Key findings

- ▶ Countries affected by conflict and fragility—including Somalia, Sudan and Yemen—are among the most vulnerable to the impacts of climate change. These findings hold across various definitions of climate vulnerability and fragile states.
- ▶ Fragile countries are at greater risk, vulnerability and exposure to climate threats than least-developed countries (LDCs) or small island developing states (SIDS).
- ▶ But these countries receive only one-third of the climate finance received per head in SIDS, and two-thirds the level received in LDCs.
- ▶ Nearly 100 percent of people living in World Bank-classified conflict-affected situations live in countries highly vulnerable to the impacts of climate change.
- ▶ Overall, the relationship between climate vulnerability and adaptation funding is weak, suggesting finance is not consistently flowing to the countries facing the greatest risks.

Why it matters

- ▶ These findings raise questions about whether climate finance systems are responsive to high-risk environments, and whether they support countries facing overlapping climate, governance and security pressures.
- ▶ Delivering climate finance in fragile and conflict-affected settings can be more difficult, and funding often flows more easily to more stable environments. However, evidence from humanitarian and development actors shows that effective adaptation and resilience programmes are not only possible in fragile settings, but crucial to avoiding escalating recovery costs and mounting humanitarian need.
- ▶ Without greater investment in adaptation and resilience, climate impacts risk deepening instability, displacement, and humanitarian crises in some of the world's most vulnerable countries.

Recommendations

- ▶ Climate adaptation finance must shift toward the places that need it most—urgently targeting fragile and conflict-affected communities. Adaptation finance targets should be set for the most vulnerable, particularly fragile and conflict-affected countries.
- ▶ Funding should support locally led, conflict-sensitive solutions that can reach the hardest-hit communities, harnessing technology to forecast risk and fund flexible and predictable programmes to reach people faster. This targeted approach can support communities exposed to the greatest climate threats in a cost-efficient and impactful way, preventing hunger and defending livelihoods.
- ▶ Conflict-sensitive, adaptive interventions are available. International Rescue Committee (IRC) evidence shows that anticipatory action—particularly forecast-based cash assistance—can break the climate-conflict cycle by protecting livelihoods, reducing food insecurity, and strengthening resilience before shocks hit, helping avoid escalating humanitarian and recovery costs.

About the research

This analysis (carried out between March and June 2026) builds on [earlier CGD analysis](#) (released November 2025) of [climate finance allocations and vulnerability](#) indices and extends that analysis to fragile states, using both the World Bank's and OECD's classifications of fragility. The indices analysed include the Notre Dame Global Adaptation Initiative Country Index ([ND-GAIN](#)), WorldRiskIndex ([WRI](#)), INFORM Climate Change Index ([INFORM CC](#)), UN Multidimensional Vulnerability Index ([MVI](#)), and FERDI's Physical Vulnerability to Climate Change Index ([PVCCI](#)).

Read the full analysis



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