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Accounting for apocalypse

Treating climate finance as charity rather than necessary investment is a fatal miscalculation

2025 dawns with a familiar paradox: while personal ledgers are reset and financial forecasts are refreshed, our global climate accounting remains trapped in a cycle of mounting deficits and unpaid debts.

The dust has settled on COP29 in Azerbaijan, leaving behind a familiar tableau of unfulfilled promises and diplomatic posturing. The symbolic weight of empty chairs still resonates: German Chancellor Olaf Scholz, French President Emmanuel Macron, and Brazil's Lula da Silva – the designated host of COP30 – chose absence over engagement at a conference that was meant to revolutionise climate finance. Argentina's President Javier Milei's withdrawal of his delegation served as a stark punctuation mark in this chronicle of disengagement.

This orchestrated retreat from responsibility comes at a critical juncture. While projections suggest that developing countries will need $2.4 trillion annually in clean energy investments by 2030, the Global North's decades-old promise to contribute $100 billion a year – finally achieved in 2022 – appears as a token gesture against mounting climate catastrophes. When Hurricane Dorian devastated the Bahamas in 2019, it caused $3.4 billion in damages – a staggering 25 per cent of the country's GDP – demonstrating how a single climate event can completely devastate economies in vulnerable regions. The inadequacy of current financial commitments becomes glaringly apparent — especially when compared to global military spending, which stood at $2.1 *trillion* in 2021.

All this speaks volumes about our collective failure to grasp the true cost of survival.

Dismantling deep-rooted myths

The familiar narrative of Global North versus South masks a larger reality. Historical responsibility remains clear — the United States and

the European Union account for the highest percentage of cumulative carbon dioxide emissions since 1850, the first year of available data. Yet, the current crisis demands that we move beyond this binary framework. China's Belt and Road Initiative (BRI), for example, has reached over $1 trillion in total engagement with developing nations in its first decade, with $634 billion in construction contracts and $419 billion in non-financial investments, often financing carbon-intensive projects that complicate the traditional narrative of responsibility.

The solution requires dismantling deeply entrenched myths about climate finance. UN Secretary-General António Guterres' persistent framing of climate finance as an *investment* rather than *charity* stands validated by hard economics. Projections by the Swiss Re Institute show that climate change could reduce global GDP by 11-14 per cent by mid-century if temperatures rise by 2.0-2.6°C compared to a world without climate change, highlighting the significant economic costs of insufficient action. The Global North's reluctance to adequately fund climate initiatives, as demonstrated at COP29, is thus not just a moral failure but economic self-destruction.

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The notion that climate finance represents aid rather than investment also ignores historical precedent — the Marshall Plan's transfer of $13.3 billion to rebuild Europe (equivalent to $148 billion today) was not charity, but a contribution to global stability.

Consider Indonesia's Just Energy Transition Partnership (JETP), which is struggling to mobilise $20 billion to accelerate the phase-out of coal. Again, this is not charity — it is a crucial measure to prevent the economic shockwaves that would ripple through global supply chains if Southeast Asia's largest economy faced severe climate disruption. Yet, such initiatives remain underfunded and mired in political complexity.

Or, last but not least, think about how extreme weather events that disrupt semiconductor production in Taiwan or destroy crops in Pakistan have already sent economic shockwaves around the globe.

Standing at a crossroads

The growing calls by researchers like Tedd Moya for developing nations to adopt OPEC-style approaches to natural assets and carbon pricing by setting fairer (and much higher) prices signal a strategic shift born of frustration. When African nations, which hold 40 per cent of global

renewable energy potential yet receive only 2 per cent of global renewable energy investment, propose coordinated approaches to carbon pricing and natural asset valuation, they are addressing a fundamental market failure rather than playing political games.

As COP30 in Brazil approaches, the global community stands at a crossroads strewn with the remains of broken climate promises. We are still offering pennies for a burning paradise, while the true cost of climate inaction is compounding at a devastating rate every day. The current approach to climate finance is not just an exercise in creative accounting — it is an attempt to balance the books of the apocalypse with outdated calculators and wilful ignorance. When events like Hurricane Maria can wipe out 226 per cent of Dominica's GDP in a single blow, we are not just watching a financial crisis unfold — we are witnessing the bankruptcy of our entire approach to planetary survival.

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The explosive growth of green bonds from $2.6 billion in 2012 to $500 billion in 2021 shows that market mechanisms can work, but they remain a drop in our evaporating oceans. The outcomes of COP29 have only reinforced what we already knew: success demands more than market structures — it requires a fundamental rewriting of how we value our collective future. We must move beyond treating climate finance as a charitable donation to recognising it as the premium payment on humanity's insurance policy.

When future generations sift through the ashes of our promises, they will not care about political posturing or North-South divisions. They will find our ledger of climate commitments and see how we tried to bargain with physics using IOUs. The question is not whether we can afford to act — it is whether we can afford to continue this charade of inadequate financing while paradise burns around us. The final audit of our actions will not be conducted by accountants or economists but by the unforgiving mathematics of atmospheric carbon and rising seas.



Kamo Sende
Aberdeen

Kamo Sende is a Doctoral Researcher in Agri-Trade Law and Policy at Robert Gordon University in Aberdeen, Scotland. His work focuses on the intersection of agriculture, trade policy and climate change.