

Third Asia-Pacific Climate Change Adaptation Forum
Songdo, Republic of Korea
March 18-20, 2013

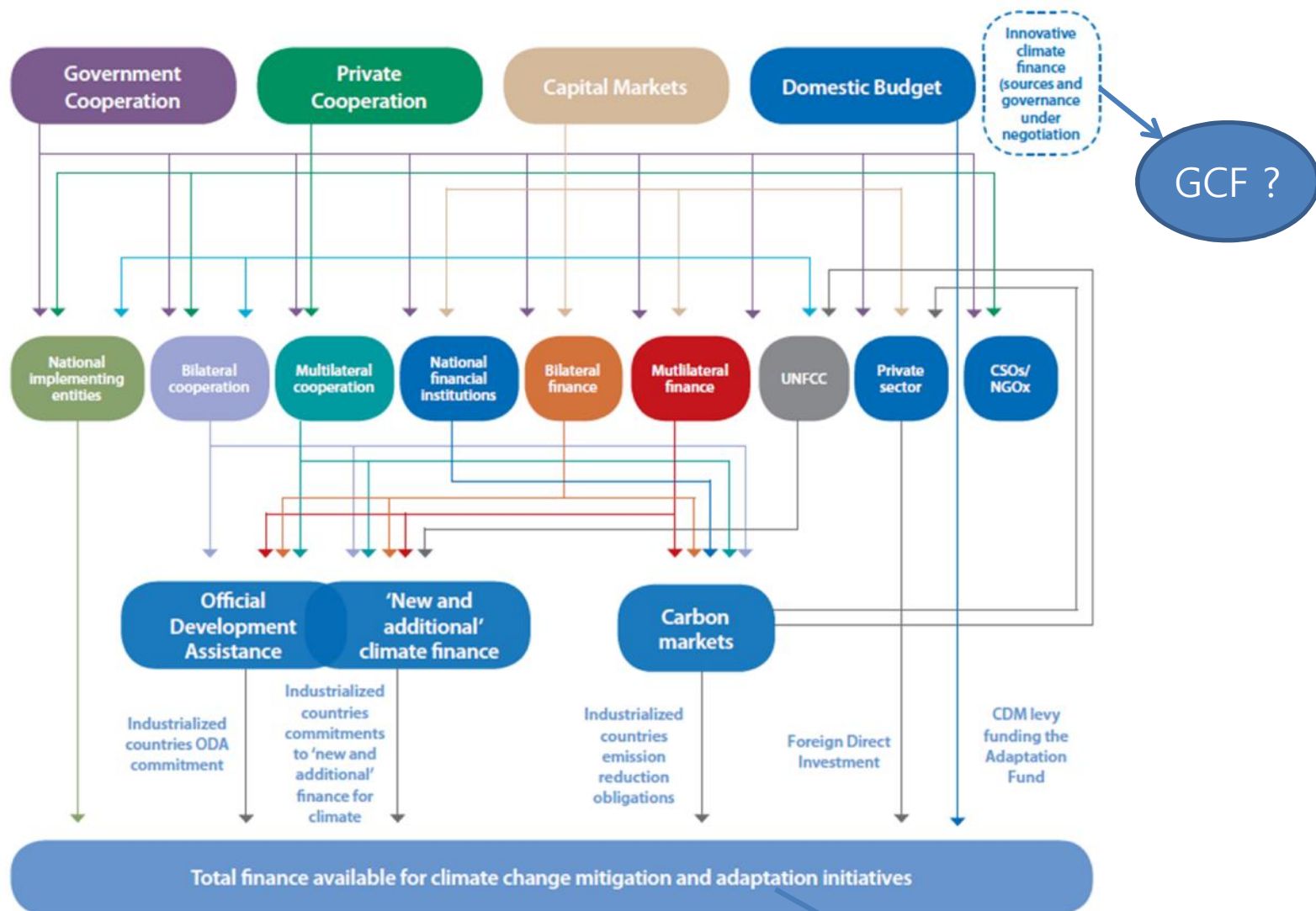
Architecture for CCA Finance

March 18, 2013

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Existing Climate Finance Flows



Source: Catalysing Climate Finance, UNDP, 2011

Source and Blending of Climate Finance

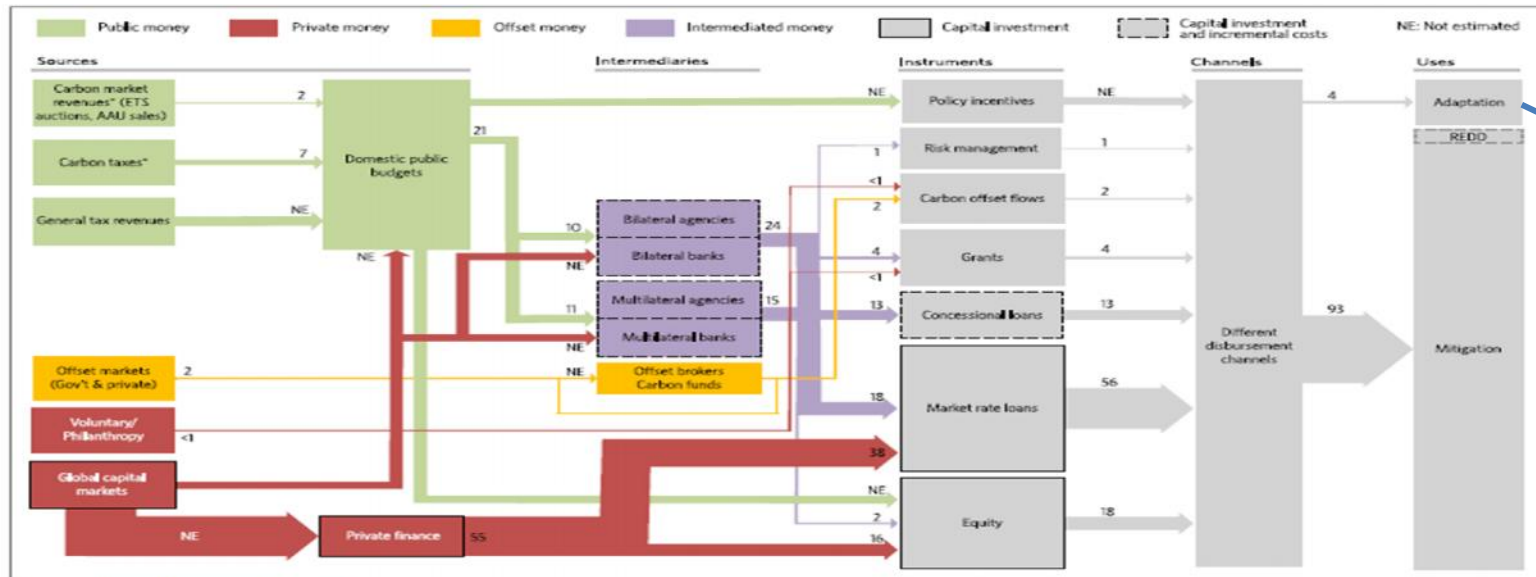
Sources		Mechanisms/types of finance	Recipients
Public	Donor government	Performance-based grants, debt, equity, ODA	Sectoral ministries; local government; PPP
	Host government	Equity, grants, subsidies	
	MDB	Export credit; debt swaps; venture loan guarantees; grants; equity; incubators	Government agencies; NGOs; private sector; PPP; civil society
Private	Commercial banks	Commercial lending; asset finance; forward contracts; working capital; consumption loans; IPOs	Project developers; private sector; PPP
	Private equity	Venture capital; R&D funding	
	Pension funds	Venture capital; commercial lending; mezzanine finance; bond purchasing	
	Insurance companies	Policy insurance; project equity; bond purchasing; venture loan guarantees	
	Capital markets	Stocks; bonds; commercial papers; IPOs	
Market based	Emission trading, CDM	Emission trading, credits; offsets; payment for international services	Project developers; retailers & resellers of offsets
	REDD+		

Private in adaptation ?

Source: Mobilizing private sector finance for green growth transition, Yvo de Bore, KPMG LLP, 2012

Climate Finance Flows

Source: Climate Policy Initiative (CPI), The Landscape of Climate Finance, 2011



Source: Climate Policy Initiative (CPI)

Notes: Figures presented are indicative estimates of annual flows for the latest year available, 2009/2010 (variable according to the data source). Figures are expressed in USD billion and are rounded to produce whole numbers. Estimates spanning multiple years are adjusted to produce annual-equivalent estimates. Where ranges of estimates are available, the mid-point is presented. All flows are incremental except for those identified as full or partial 'capital investment'. Most data presented relate to commitments in a given year, due to limited availability of disbursement data. *Estimated carbon pricing revenues indicated are not necessarily wholly hypothecated for climate finance.

Table 1. Estimated volume of mitigation and adaptation finance (USD million and in percent)

Source	Total [^] (USD m)	Adaptation (%)	Mitigation (%)	Adaptation (USD m)	Mitigation (USD m)
Bilateral	22,767	16%	84%	3,641	19,127
Multilateral	14,361	3%	97%	475	13,886
Funds	2,492	3%	97%	65	2,428
Offsets*	2,250	0%	100%	0	2,250
Philanthropy**	450	47%	53%	210	240
Private finance	54,600	0%	100%	0	54,600
Total	96,920	5%	95%	4,390	92,531

Source: Climate Policy Initiative (CPI)

Notes:

[^] This column contains the mid-point of estimates where ranges exist.

* The Adaptation Fund is covered under the 'Funds' category and not under carbon offset flows.

**Philanthropy figure includes an estimated USD 240 million from voluntary carbon markets (OTC transactions).

Challenges to increase CCA Finance

- Private vs. Public sectors
- Developed vs. Developing countries
- Global vs. National/Local agenda
- Economic Development vs. Environment
- Mitigation vs. Adaptation projects
- Short-run vs. Long-run perspectives
- Bilateral vs. Multilateral arrangements
- Direct Access vs. International organizations
- Governments vs. NGOs

Architecture for CCA Finance

- Public sector's role for leveraging private sector
- Climate adaptation Climate resilient development process
- Various combination of different stakeholders
- Developing country-driven projects
- Multi-financing (MDBs/Bilateral ODA/Private: CP3)
- Knowledge and Technology sharing programs



Paradigm shift/Transformational change