Current State of Play in Financing Adaptation and Mitigation

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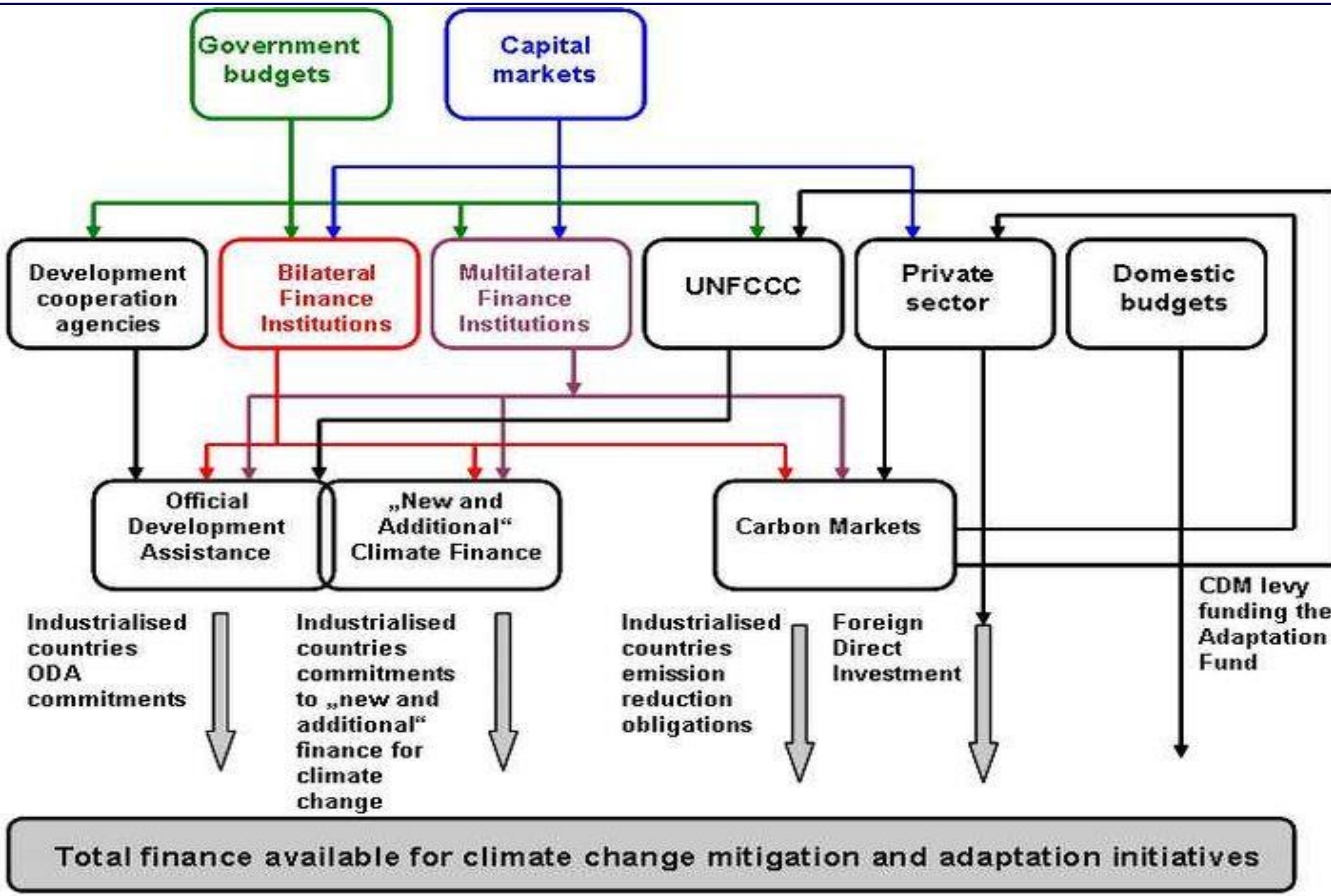
UNite to combat CLIMATE CHANGE

Climate Finance

Climate finance refers to financing channeled by national, regional and international entities for climate change mitigation and adaptation projects and programs

- public and private;
- international and national;
- north-south, north-north, south-south, south-north; and
- incremental cost and investment capital

Landcape of climate finance



Authors: Atteridge, A., C. Kehler Siebert, R.J.T. Klein, C. Butler, P. Tella, 2009

Global Financial Flow

- Annual global climate finance flows reached to about on average USD **364 billions in 2010/2011**
  - Public finance: USD 16-23 billions;
  - Private finance: USD 217-243 billions (two third coming from developed countries);
  - USD 293-347 billions are investments with ownership interests or claims;
  - USD 350 billions goes towards mitigation measures; and
  - USD 14 billions goes to adaptation
- Emerging economies were key recipients

Source: CPI, February 2013

Global Financial Flow

- Most climate finance has to be paid back;
- USD 364 billions should not be confused with USD 100 billion of Copenhagen accord;
- Not all of it is necessarily additional;
- Includes developing country and domestic;
- Includes public and private; and
- Money is flowing but still fall far short of what is needed.

Source: CPI, February 2013

North-south flows (under UNFCCC/KP regime)

Fund	Created under	Benefits	Beneficiaries	Resources
GEF-TF (4&5)	UNFCCC	Incremental cost to achieving global benefits	Developing countries	1.83 bn (disbursed 0.98bn)
SCCF	UNFCCC	Additional cost of adaptation	Developing countries	258.8 million
LDCF	UNFCCC	Additional cost of adaptation	Least developing countries	605.3 million
Adaptation Fund	KP	Adaptation benefits	Developing countries, Party to the KP	356.7 million
GCF	UNFCCC	To be determined by the GCF board	Developing countries	6.07 million

North-south flows (outside UNFCCC/KP regime)

Fund	Created under	Benefits	Beneficiaries	Resources
PPCR	WB	Adaptation benefits	Developing countries	1.15 billions
GCCA	EU	Adaptation benefits that generate global benefits	Developing countries	385 millions
CIF	Development Banks	Promotes international cooperation	CIF	Development Banks

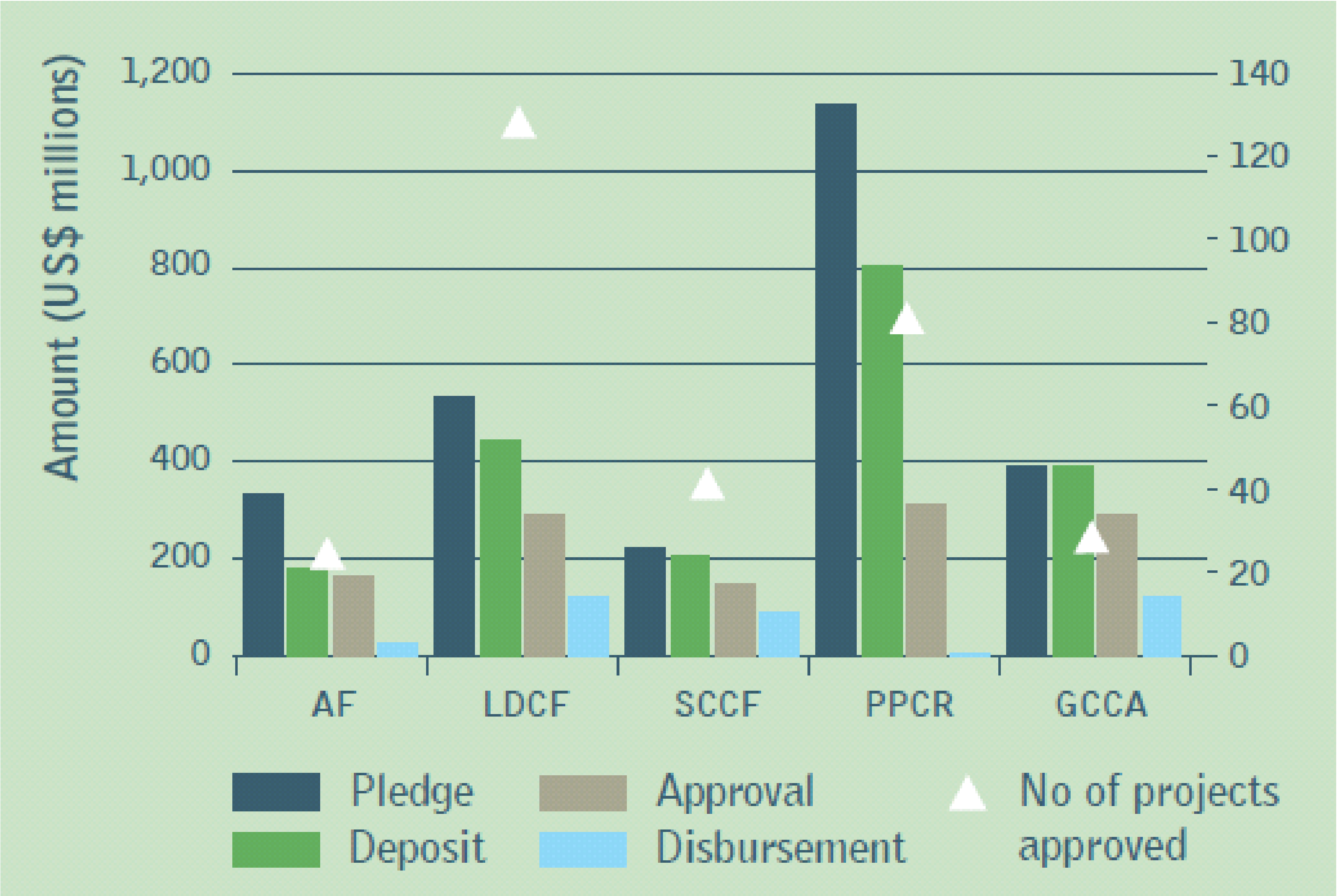
Other Funds (outside UNFCCC/KP regime)

- Australia's International Forest Carbon Initiative – 189 millions;
- Clean Technology Fund (CTF) – 4.936 billions;
- Congo Basin Forest Fund (CBFF) – 186 millions;
- Forest Carbon Partnership Facility - Carbon Fund (FCPF-CF) – 218 millions
- Forest Carbon Partnership Facility - Readiness Fund (FCPF-RF) – 240 millions
- Forest Investment Program (FIP) – 611 millions

Other Funds (outside UNFCCC/KP regime)

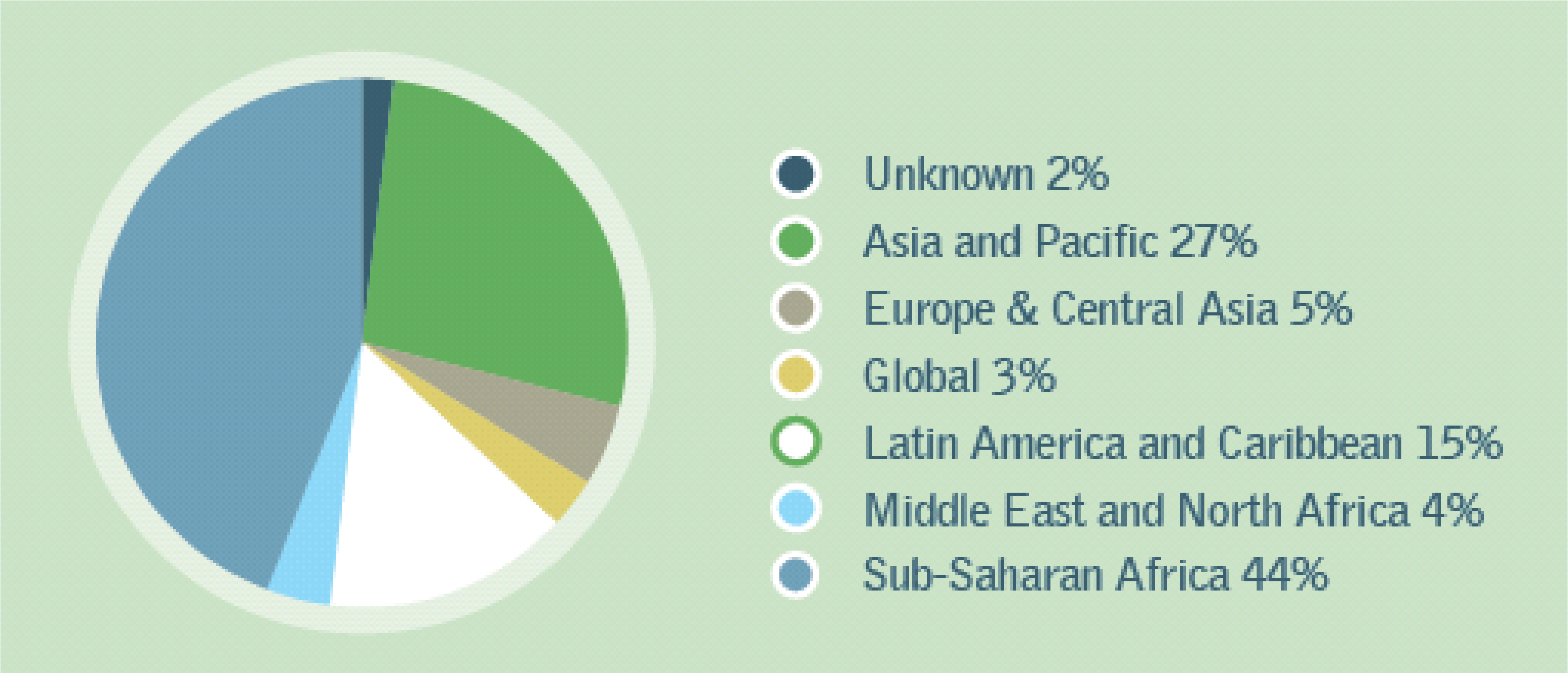
- Germany's International Climate Initiative – 1.082 billions
- Indonesia Climate Change Trust Fund (ICCTF) – 21 millions
- Norway's International Climate and Forest Initiative – 1.608 billions
- Scaling Up Renewable Energy Program (SREP) – 480 millions
- UK's International Climate Fund – 4.64 billions
- UN-REDD – 173 millions

Funds to adaptation actions



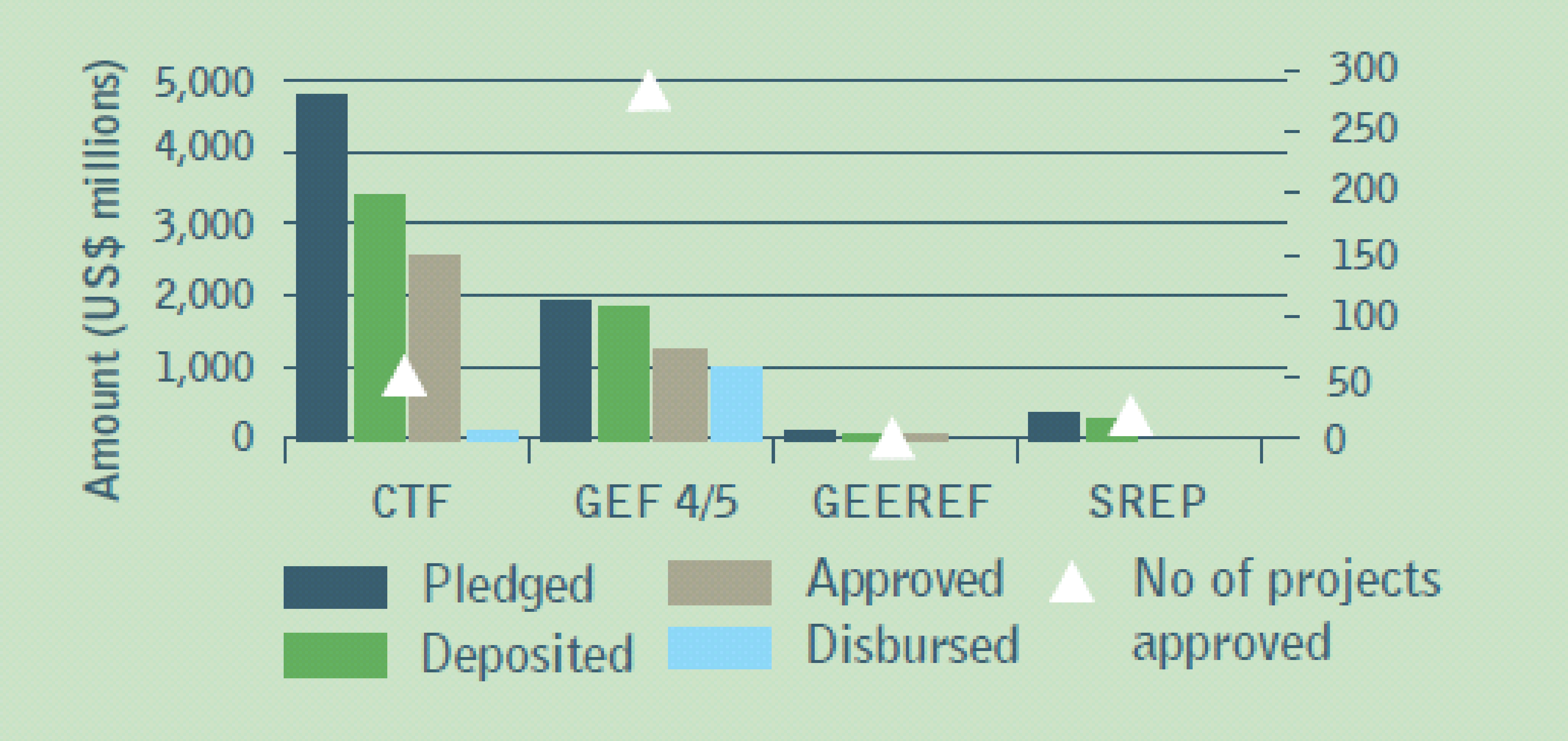
Source: *Climate Funds Update, 2012*

Adaptation fund distribtuion



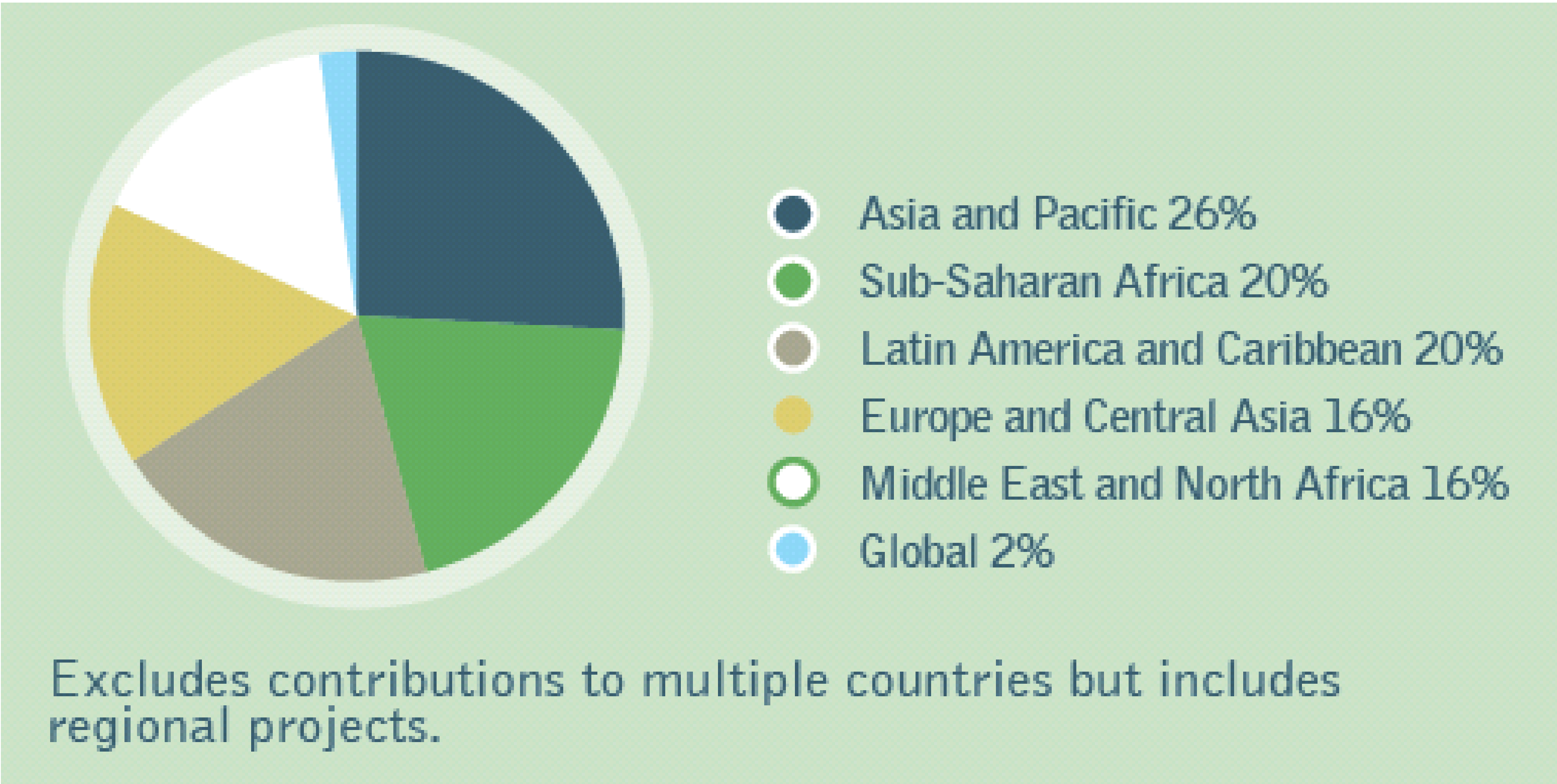
Source: Climate Funds Update, 2012

Funds to support mitigation actions



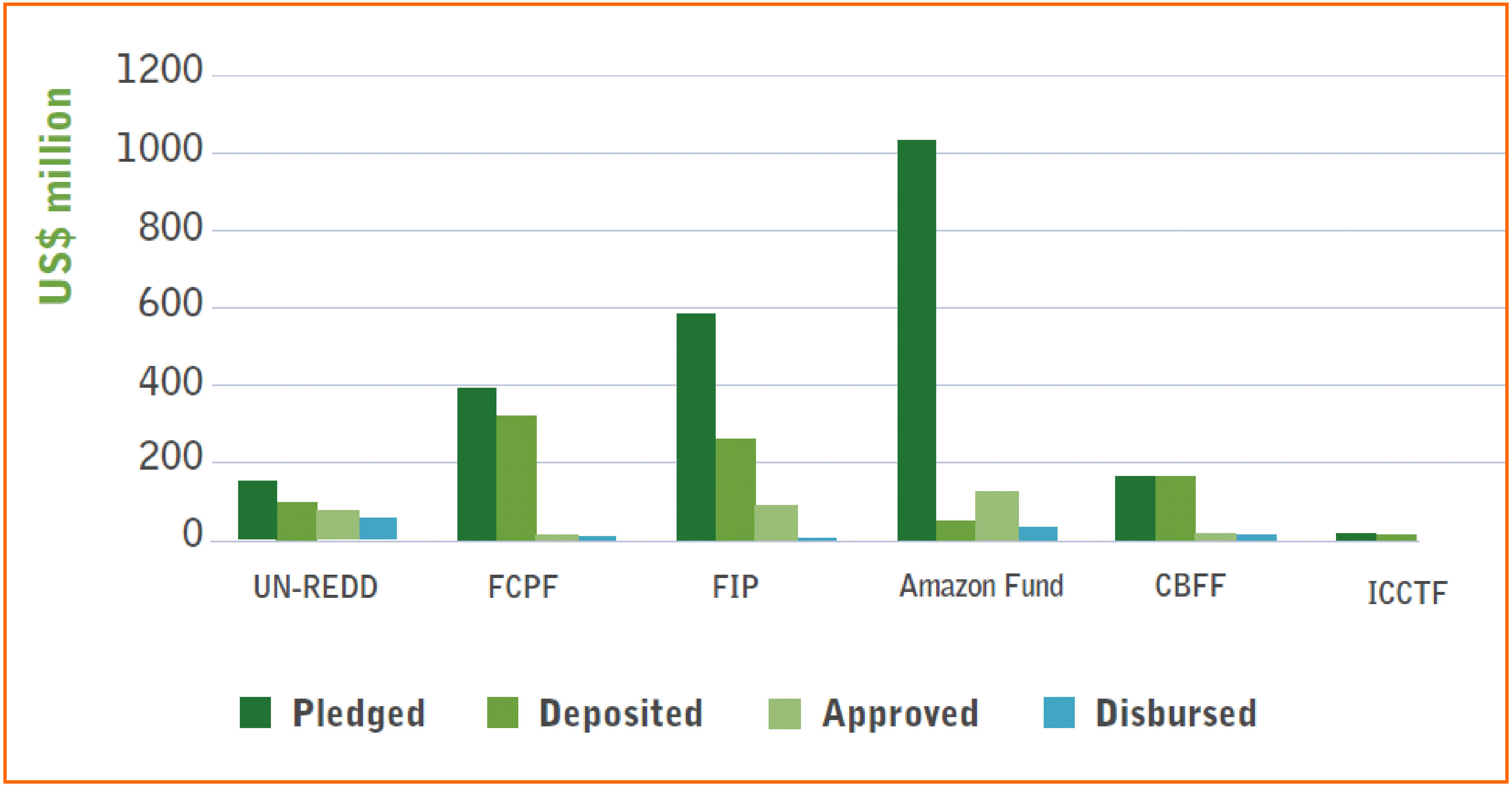
Source: Climate Funds Update, 2012

Distribution of mitigation projects



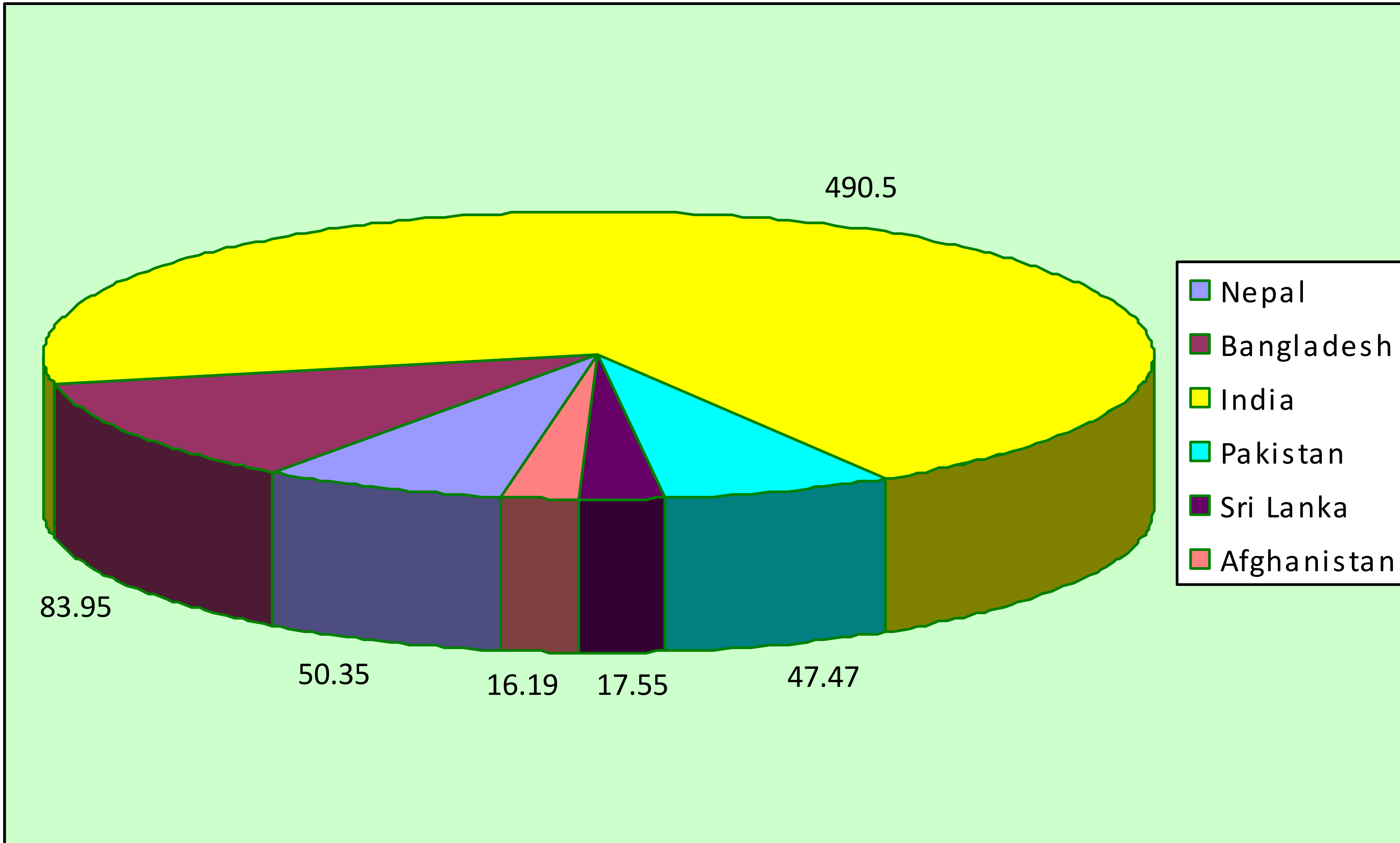
Source: Climate Funds Update, 2012

Funds to support REDD



Source: Climate Funds Update, 2012

Fund Flow in South Asia



Domestic and South-South

Domestic

- Domestic investments on adaptation in developing countries are growing:
  - Bangladesh: USD 40 million from national budget to the Trust Fund. UK has put USD 123 million to the Trust Fund
  - Sri Lanka: using the environment levy for national adaptation fund

South-South

  - China South -South Cooperation program on climate change (USD 30million/year)

Some remarks

- Adaptation finance is **not sufficient -** a significant adaptation finance gap do exist
- private sector is key to leverage additional funding
- There exist a **proliferation** of funds
- Donors put money both ways (funds or bilateral)

Some remarks

- Understanding **how much** and **what type** of support is being made available how these types of support correspond to countries' needs
- Spending financial resources **productively** is critical to building trust among countries and ensuring the effective use of the available financial resources
- Lack of clarity on “climate finance”
    - **New and additional**
- Needs of recipients are not fully met

THANK YOU !

For more information:

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