

Financing Mitigation in Emerging Economies

FERDI Side event “Financing mitigation: how to get to an equitable global financing regime?”

7 December 2015 – Paris, *Climate Generations Areas*

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GLOBAL LANDSCAPE OF CLIMATE FINANCE 2015

Landscape of Climate Finance 2015 illustrates climate finance flows along their life cycle for the latest year available, mostly 2014, in USD billions

USD 391^{BN} TOTAL

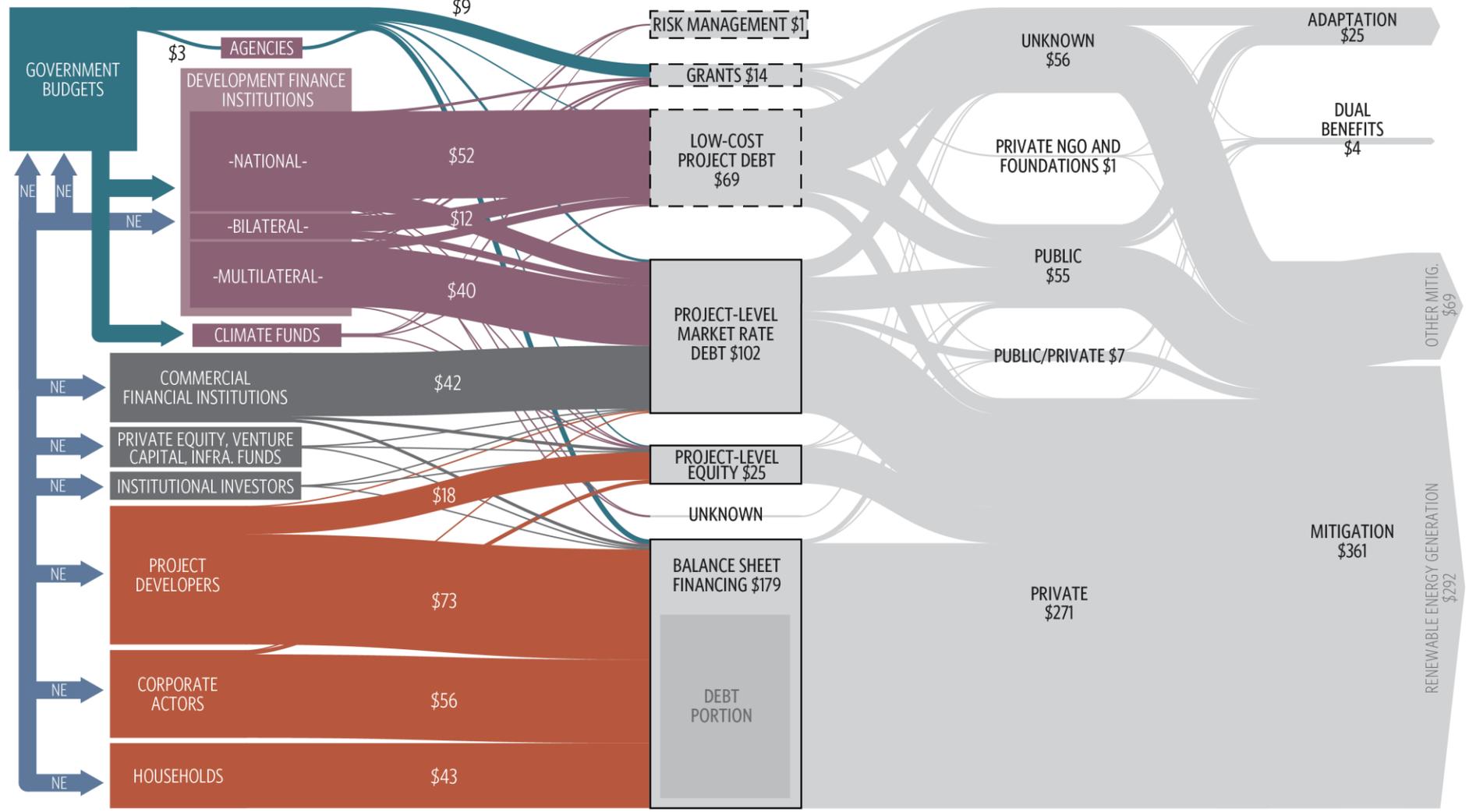


SOURCES AND INTERMEDIARIES

INSTRUMENTS

RECIPIENTS

USES

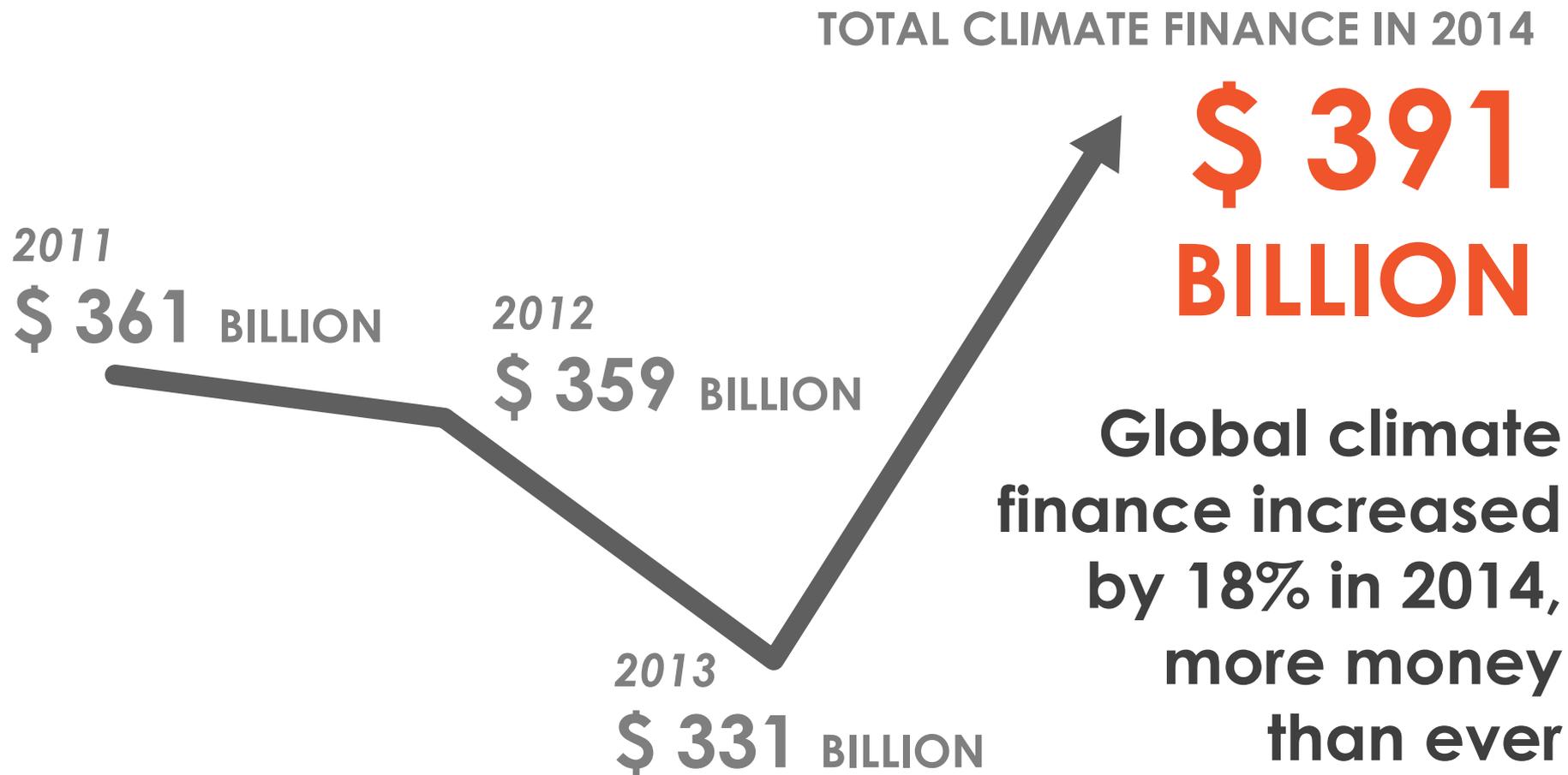


KEY

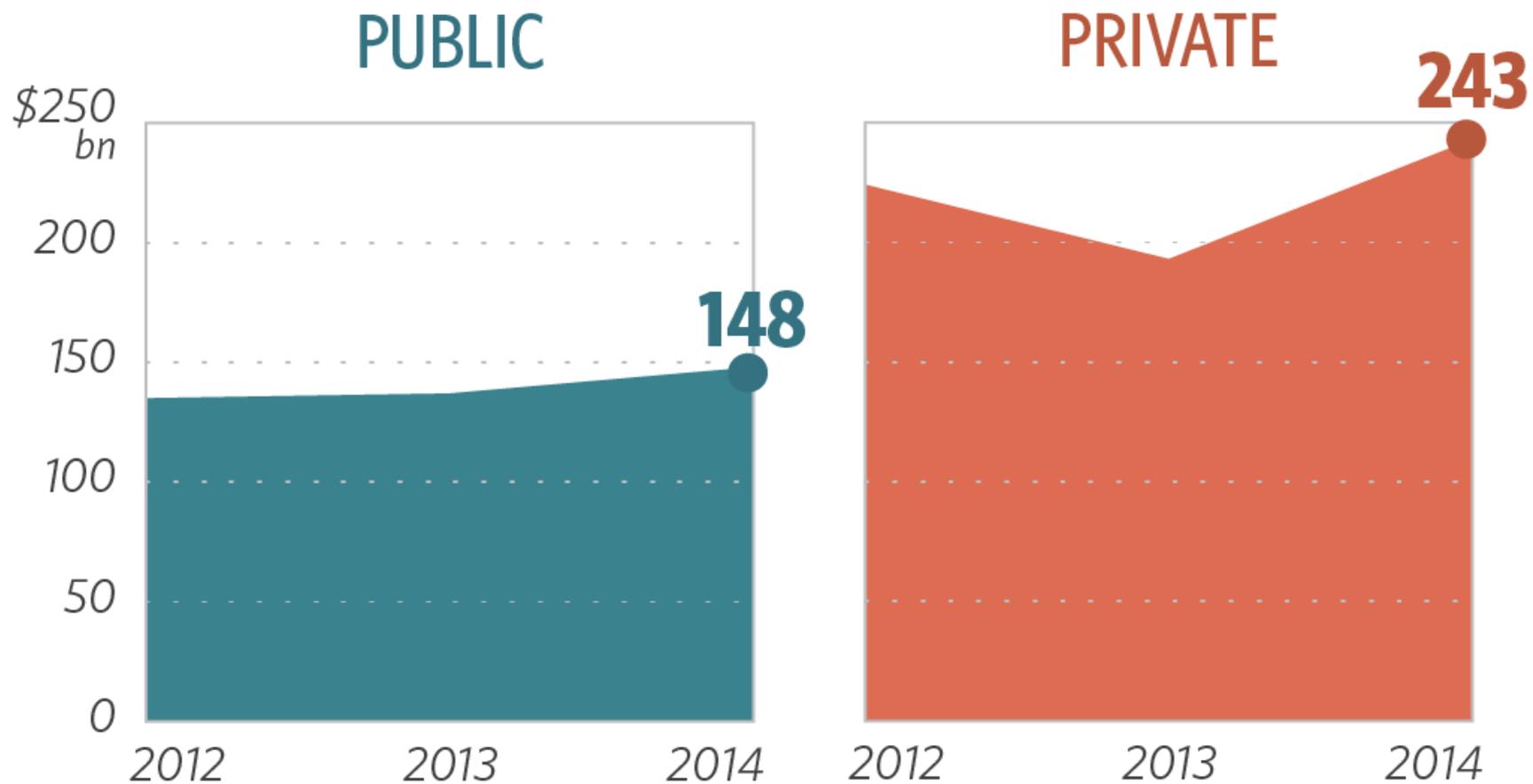
- PUBLIC MONEY
- PRIVATE MONEY
- PUBLIC FINANCIAL INTERMEDIARIES
- PRIVATE FINANCIAL INTERMEDIARIES
- CAPITAL INVESTMENT
- CAPITAL INVESTMENT AND INCREMENTAL COSTS
- FINANCE FOR INVESTORS & LENDERS

NE: NOT ESTIMATED

Total climate finance reached \$391 billion in 2014



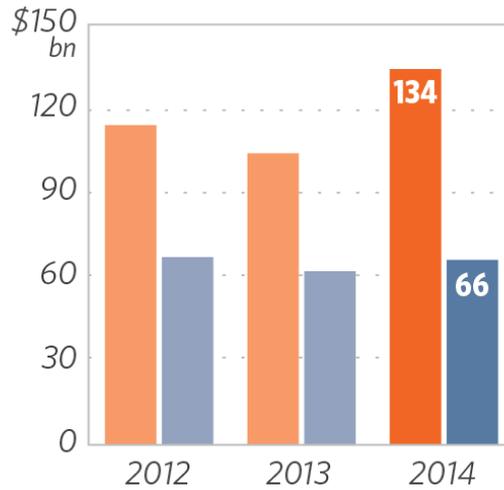
Total public and private finance increased



TOTAL **\$391** BILLION

Private investment in onshore wind and solar PV drove climate finance up

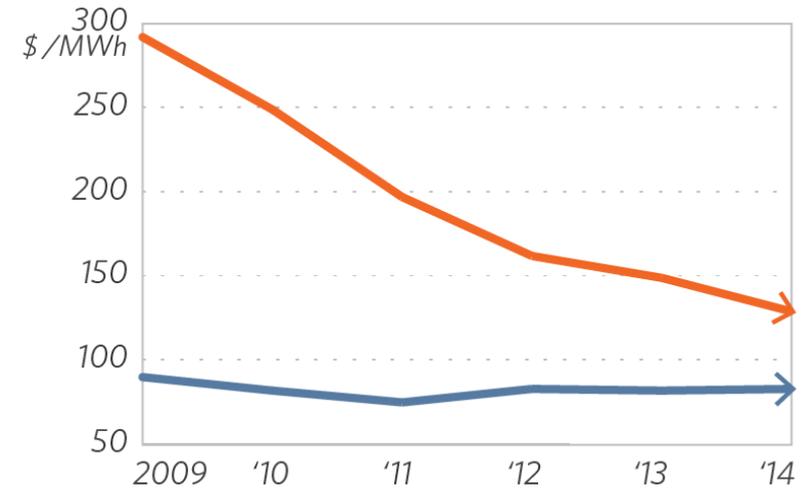
INVESTMENT



DEPLOYMENT

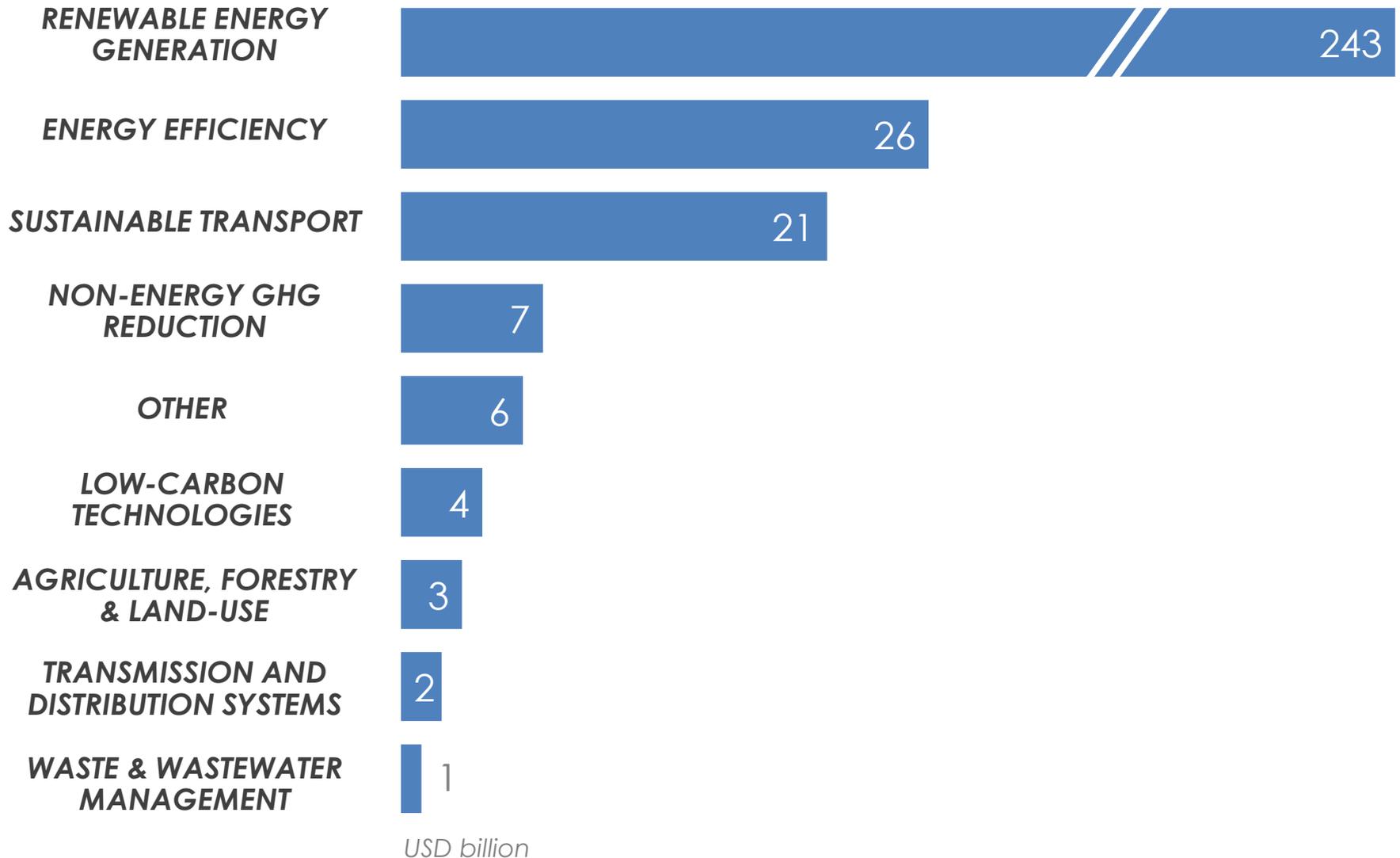


LEVELIZED COST OF ELECTRICITY

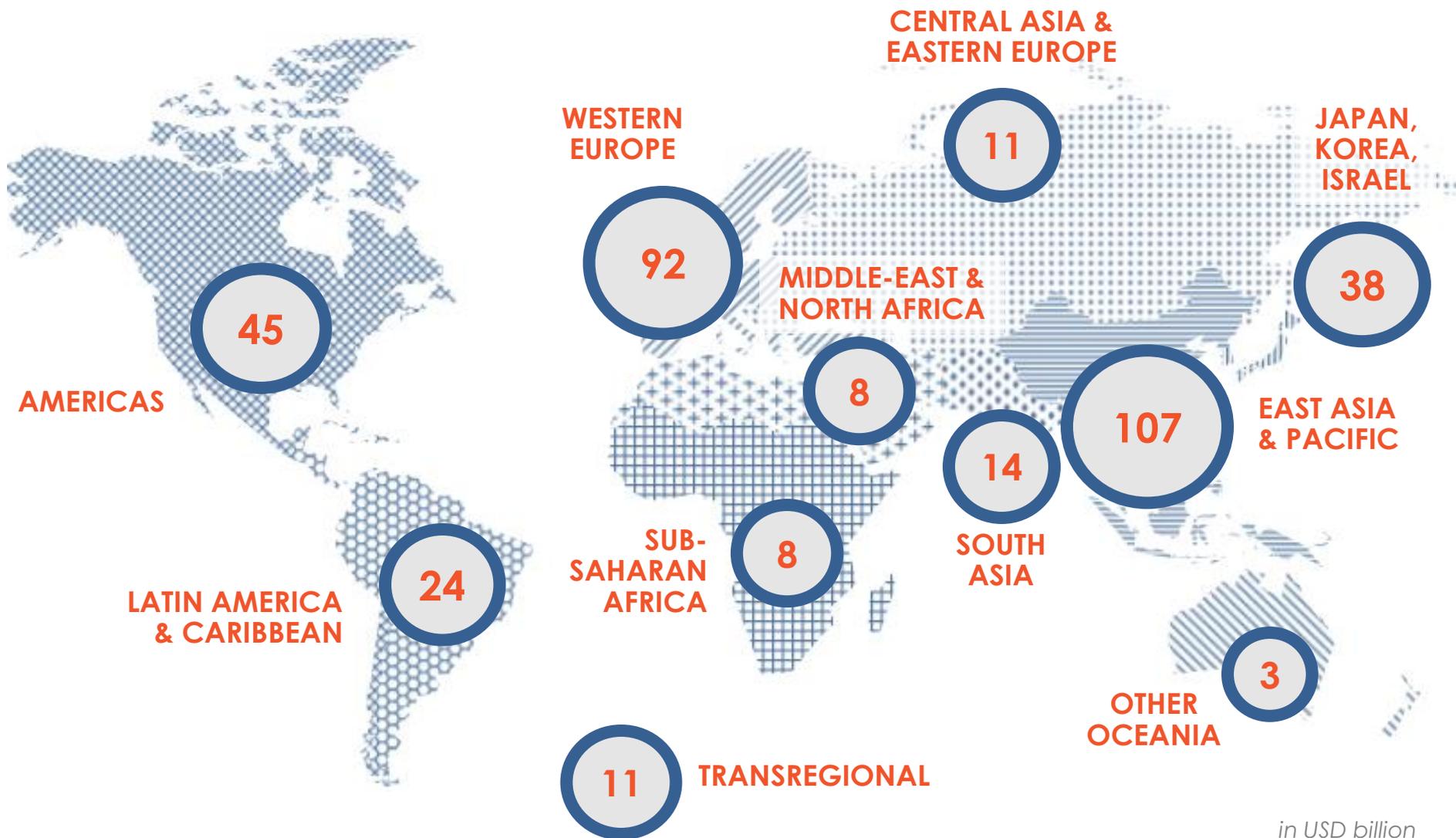


SOLAR PV **ONSHORE WIND**

Mitigation accounted for 93% of total climate finance, and focused on three main sectors



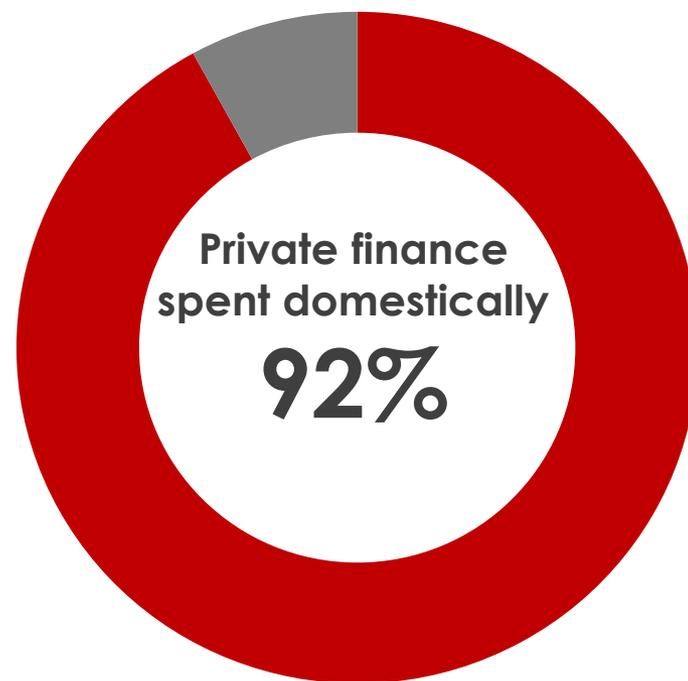
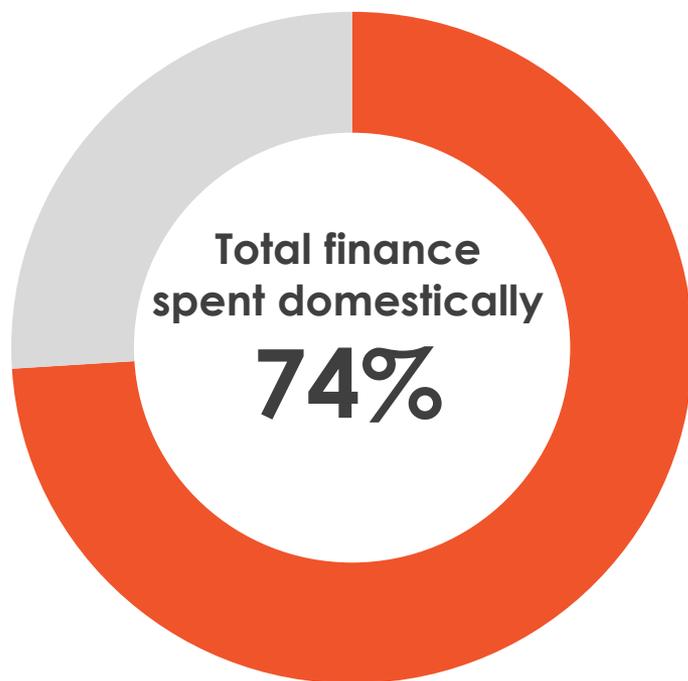
Most **mitigation finance** flowed to East Asia & the Pacific, with China accounting for 22% of the total



in USD billion

The majority of finance was raised and spent in the same country

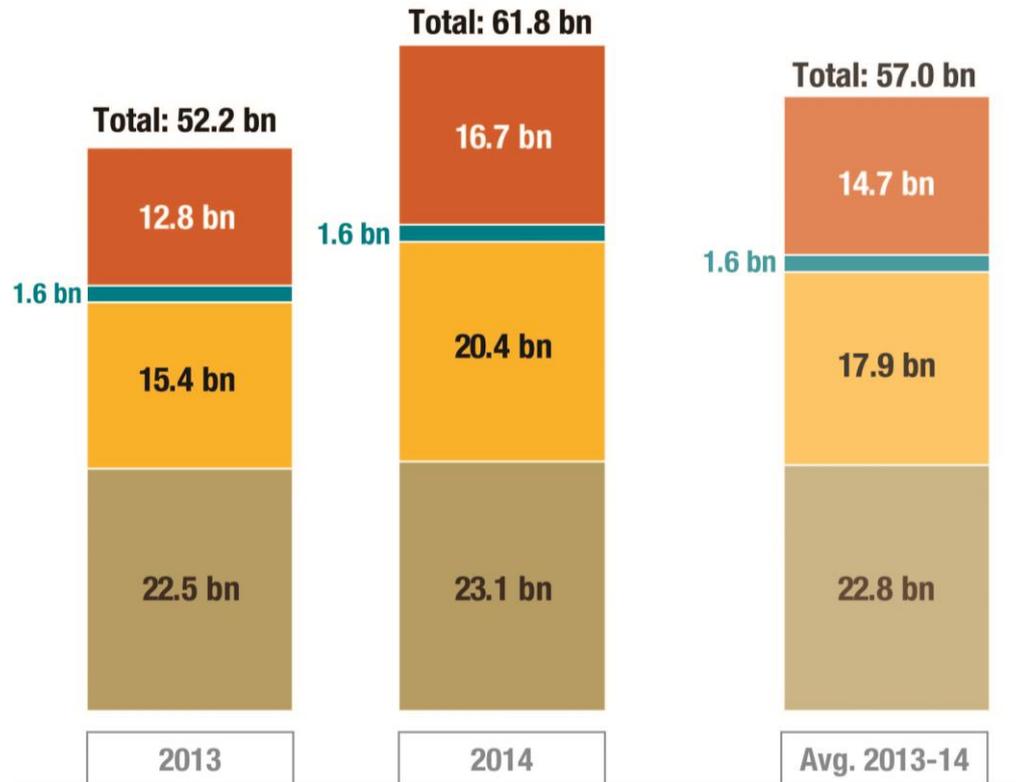
Because domestic investment dominates, it is vital to get national policies right





MOBILISED CLIMATE FINANCE

The aggregate volume of public and private climate finance mobilised by developed countries for developing countries:

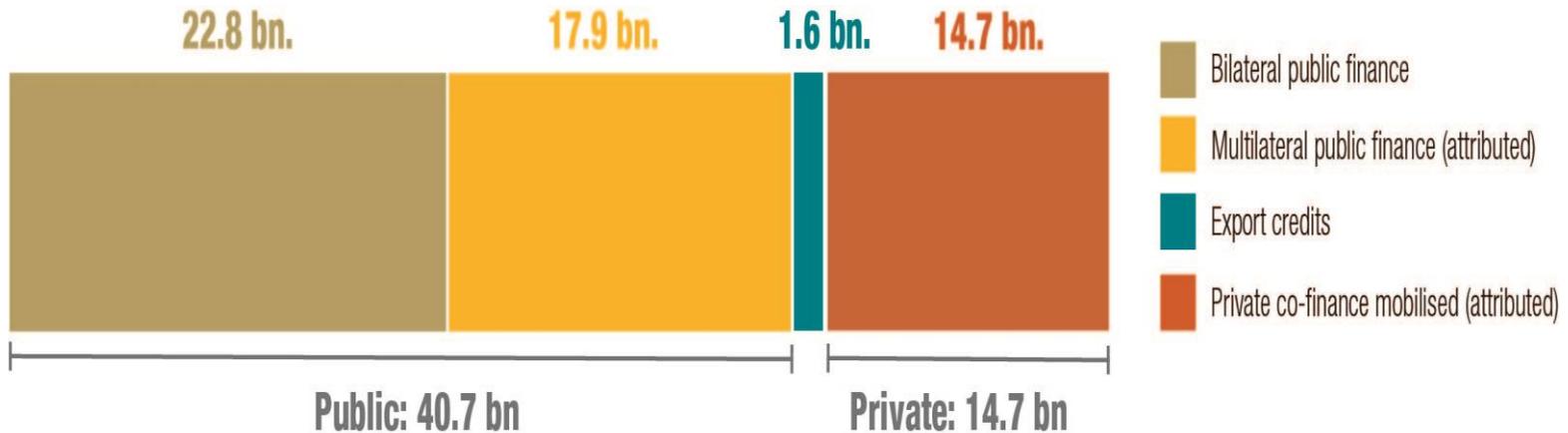


Source: OECD (2015)



COMPOSITION OF FINANCE...

Mobilised climate finance in 2013-14, USD bn per year



Source: OECD (2015)

- Over two-thirds of public climate finance is concessional, i.e. ODA grants and loans, whilst less than a third is non-concessional, i.e. loans at market terms.



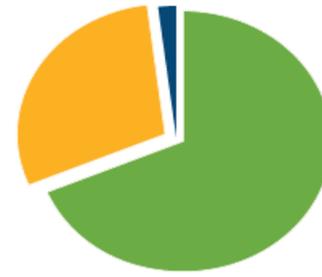
THE ADAPTATION-MITIGATION BALANCE...



Public Bilateral



Public MDB



Climate Funds



Export Credits



Private





ESTIMATES ARE PRELIMINARY AND PARTIAL...

Climate finance mobilised from developed countries for developing countries (USD billion)

Source		Average 2013-14	Coverage of data	Consistency of data
Public	Bilateral	22.8		
	Multilateral	17.9		
Export Credits		1.6		
Mobilised Private		14.7		
Aggregate		57.0		

Complete
Consistent

Comprehensive
Broad
Convergence

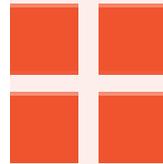
Partial
Partial
convergence

Very partial
Variety of
approaches

Unavailable
Unclear

The way forward

USD 391 billion is not enough....

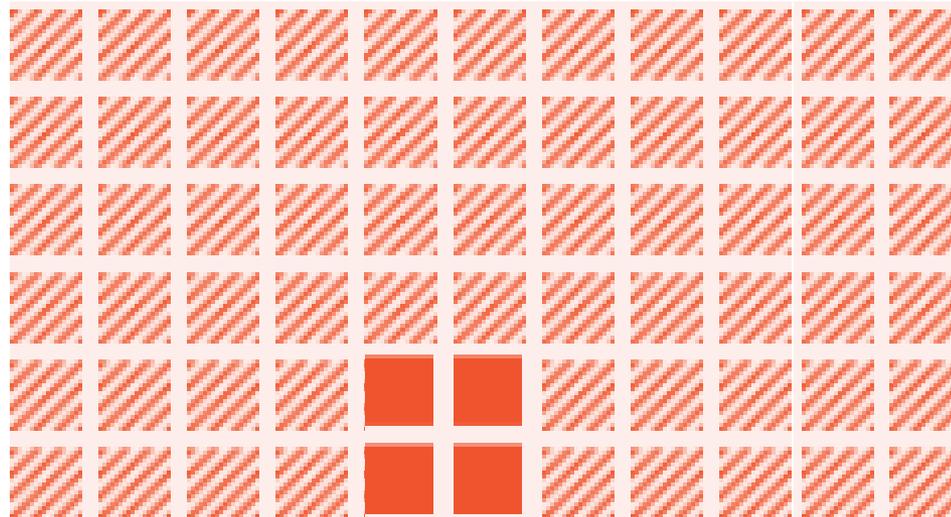


> \$ 1 TRILLION
Invested in 2011 – 2014
in renewable energy and
energy efficiency*

Source: *[IEA](#)

The way forward

USD 391 billion is not enough....



\$ 16,5 TRILLION

**Investment needed 2015 – 2030 to
limit temperature increase to 2°C****

Source: *CPIA

Four opportunities to scale up climate finance

1

Enhance tracking efforts to further improve transparency, comprehensiveness, and consistency in accounting approaches

Get **domestic** investment policy and support frameworks right

2

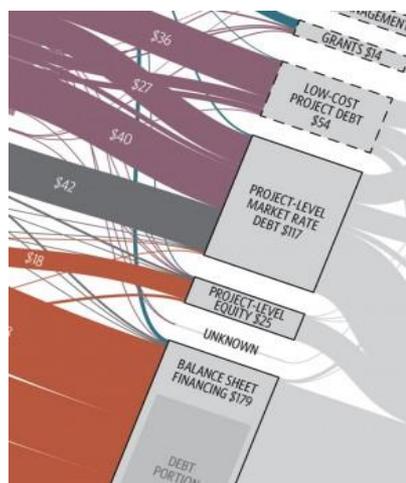
3

Innovate to develop or refine financial instruments that meet **investors' needs**

Further **integrate climate change** considerations **into the financial system**

4

Explore our work further...



DOWNLOAD THE LANDSCAPE 2015 REPORT:

<http://climatepolicyinitiative.org/publications/>



THE LANDSCAPE OF CLIMATE FINANCE

EXPLORE THE INTERACTIVE:

<http://www.climatefinancelandscape.org/>

Climate Finance in 2015
reached the USD 100 billion
report by the OECD
in collaboration with
Climate Policy Initiative

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...helping decision makers spend their money wisely



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