EESI Briefing on International Climate Finance

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What is Climate Finance

Why “international climate finance” matters

Making effective public climate investments

Outline
What is Climate Finance
Climate finance enables activities that mitigate climate change or support adaptation to climate change.
What is Climate Finance

- Private Climate Finance
- Public climate finance
- International public climate finance

Global Climate Finance
In 2019/2020, majority of global climate finance went to mitigation, but adaptation finance is gaining.

Figure 1.5: Biannual average climate finance by mitigation, adaptation and dual objectives (USD bn)
Global climate finance flows reached USD 632 billion in 2019/2020, but with tepid growth rate
Current investment levels are nowhere near enough to limit global warming to 1.5 °C

Figure 1.3: Global tracked climate finance flows and the average estimated annual climate investment need through 2050
Adaptation finance gained momentum in 2019/2020 but remains well short of estimated needs
Why international climate finance matters
Climate change stands to reverse development gains

Developing country action is needed to meet global climate targets

Source: Enerdata scenarios
### Climate finance flows are concentrated in East Asia and Pacific, Western Europe, and North America

Domestic and international climate finance flows by region of destination (USD bn, 2019/2020 annual average)

<table>
<thead>
<tr>
<th>Region</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transregional</td>
<td>$10</td>
<td></td>
</tr>
<tr>
<td>Other Oceania</td>
<td>$9</td>
<td></td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>$11</td>
<td>$19</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>$18</td>
<td>$20</td>
</tr>
<tr>
<td>South Asia</td>
<td>$11</td>
<td>$19</td>
</tr>
<tr>
<td>Central Asia &amp; Eastern Europe</td>
<td>$17</td>
<td>$15</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>$16</td>
<td>$19</td>
</tr>
<tr>
<td>US &amp; Canada</td>
<td>$76</td>
<td>$83</td>
</tr>
<tr>
<td>Western Europe</td>
<td>$74</td>
<td>$31</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
<td>$270</td>
<td>$22</td>
</tr>
</tbody>
</table>

The executive summary highlights the dominant regions for climate finance flows, with a significant concentration in East Asia and Pacific, Western Europe, and North America.
Effective public investments
International climate finance is most needed in 3 areas:

Delivered by a diversity of financing instruments and intermediaries

Mobilizing private investment and supporting the most vulnerable

Financing Vehicles
De-risking
Blended Finance

Project Pipeline
Preparation/Readiness
Standardization
Capacity building

Enabling Environment
Policy reform
Market environment
Komaza and the Smallholder Forestry Vehicle

- **Geographic focus**: Kenya
- **Structure**: ~$55m fund that would securitize tree contracts to restore degraded land
- **U.S. Connections**: Founder and investors. Up for GCF approval
- **Impact**: 25,000 farmers, 200 ha to be planted this year, using advanced technology
Thank You

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