

CLIMATE
POLICY
INITIATIVE

EESI Briefing on International Climate Finance

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Outline

What is Climate Finance

Why “international climate finance” matters

Making effective public climate investments

What is Climate Finance

Climate finance enables activities that mitigate climate change or support adaptation to climate change



CLEAN ENERGY



LAND USE



DISASTER RISK MGMT



CITIES

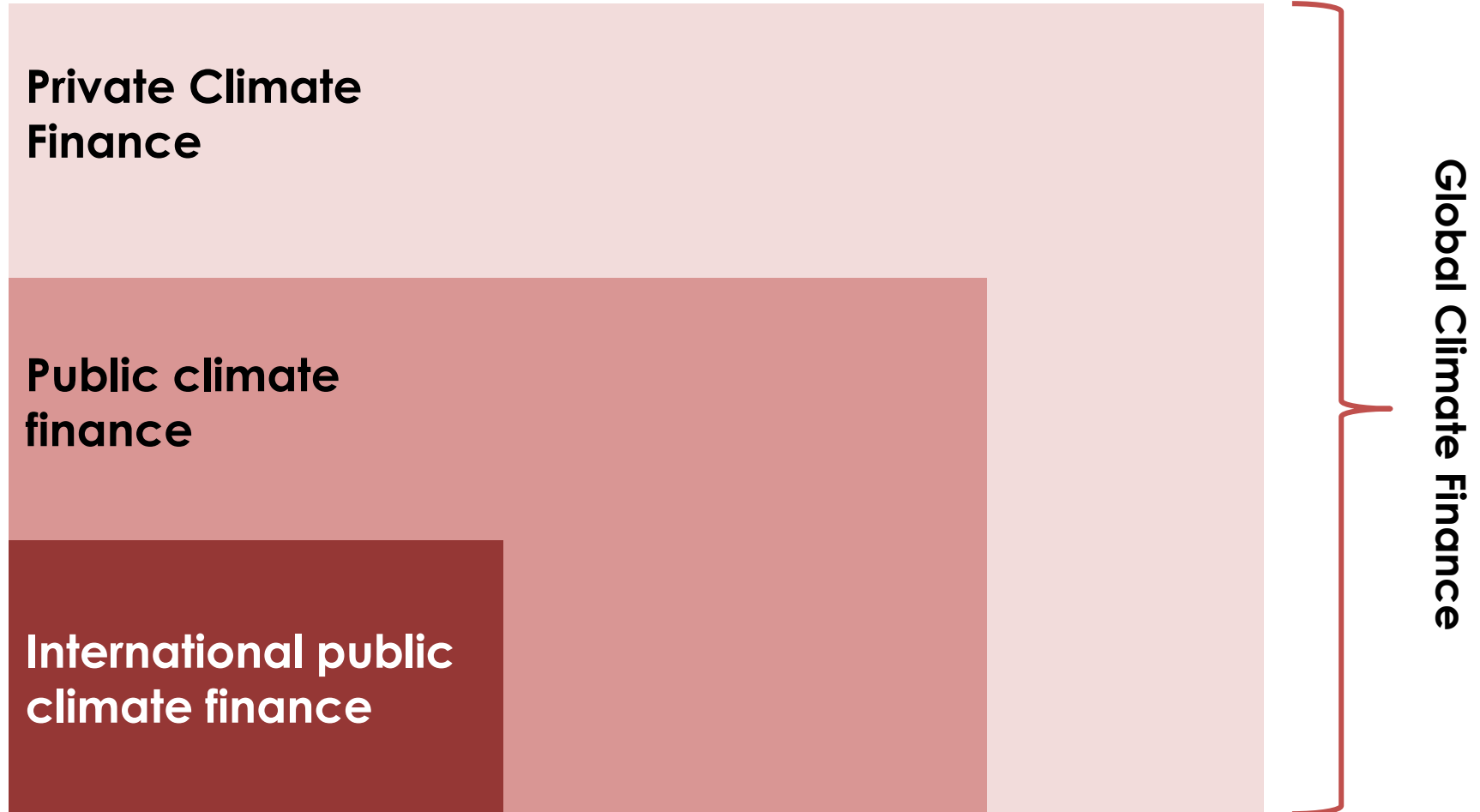


RESILIENT INFRASTRUCTURE



ENERGY ACCESS

What is Climate Finance



LANDSCAPE OF CLIMATE FINANCE IN 2019/2020

Global climate finance flows along their life cycle in 2019 and 2020. Values are average of two years' data, in USD billions.

632 BN USD ANNUAL AVERAGE



CLIMATE POLICY INITIATIVE

SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

INSTRUMENTS

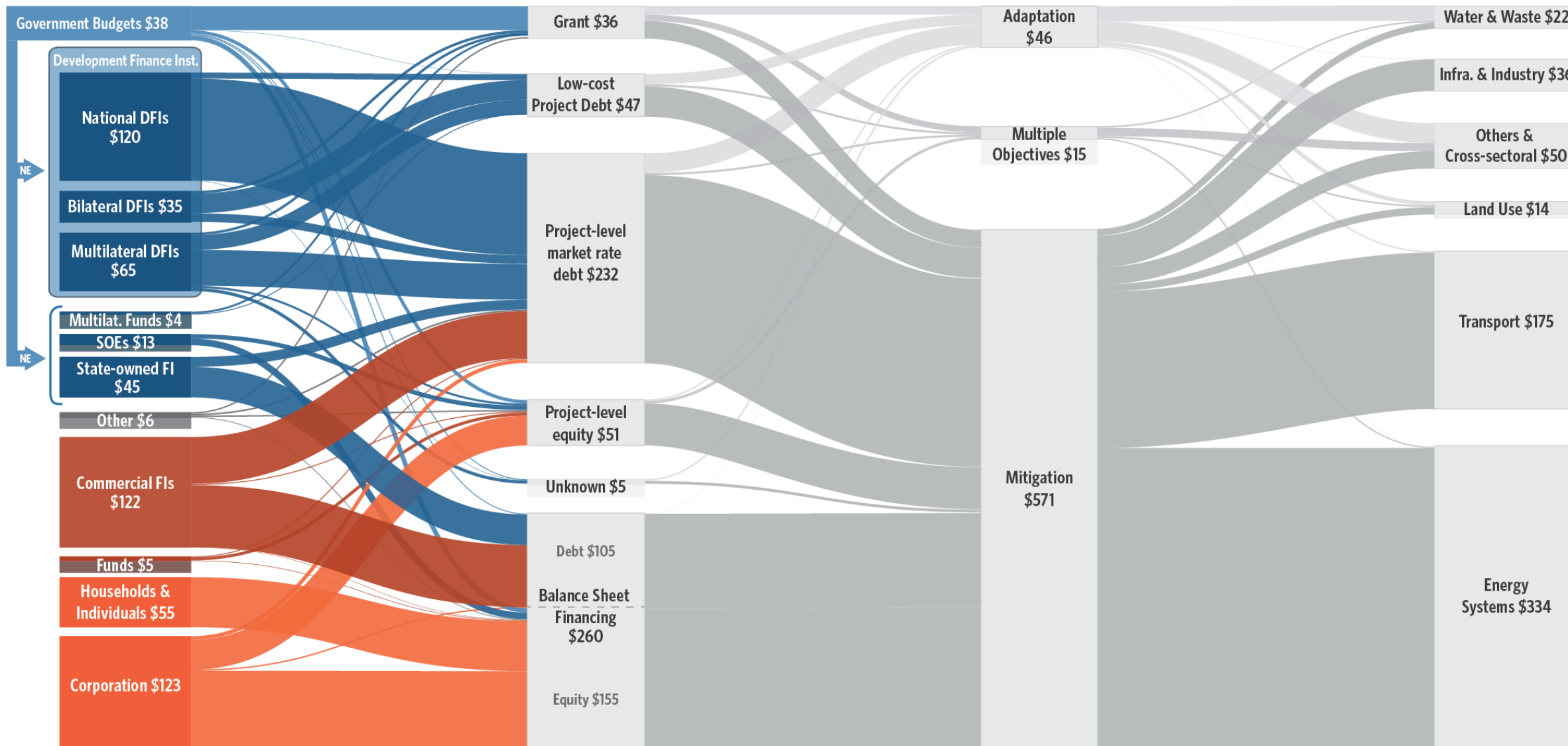
What mix of financial instruments are used?

USES

What types of activities are financed?

SECTORS

What is the finance used for?



KEY

PUBLIC MONEY

PRIVATE MONEY

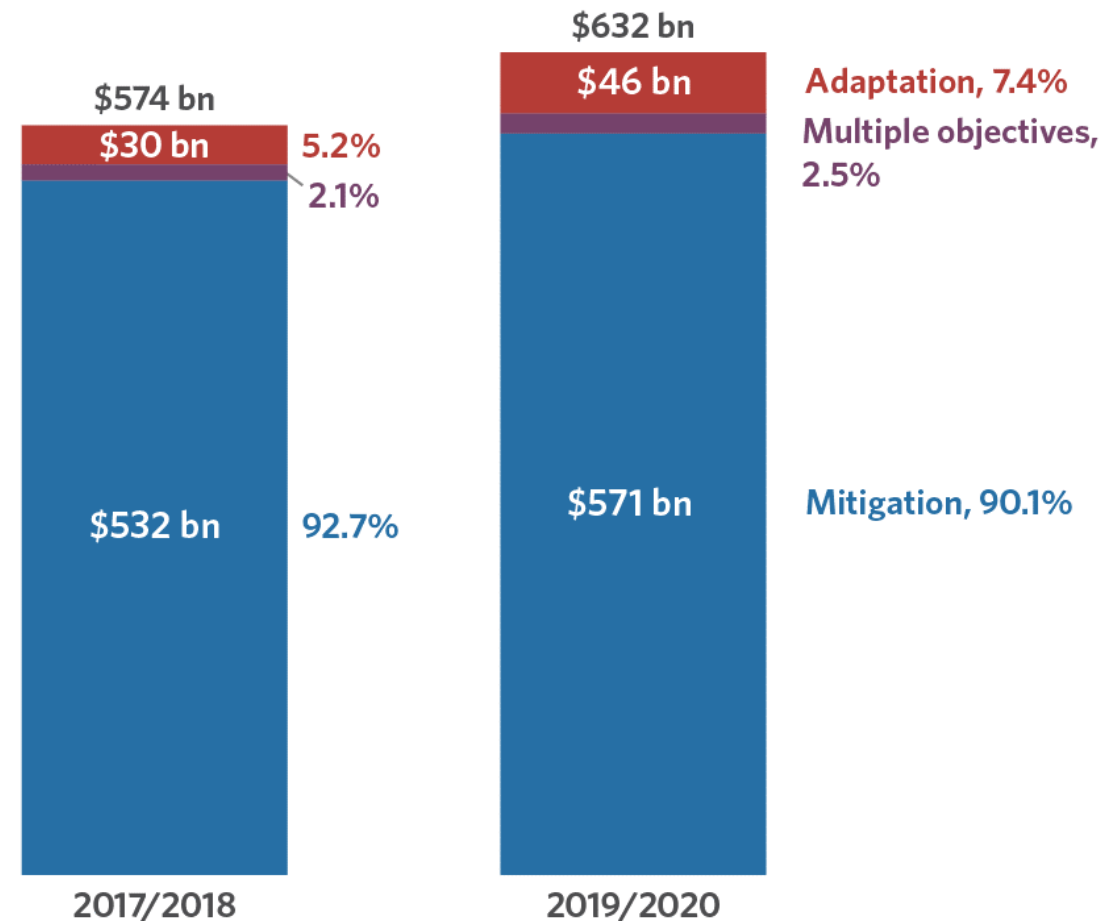
PUBLIC FINANCIAL INTERMEDIARIES

PRIVATE FINANCIAL INTERMEDIARIES

NE NOT ESTIMATED

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

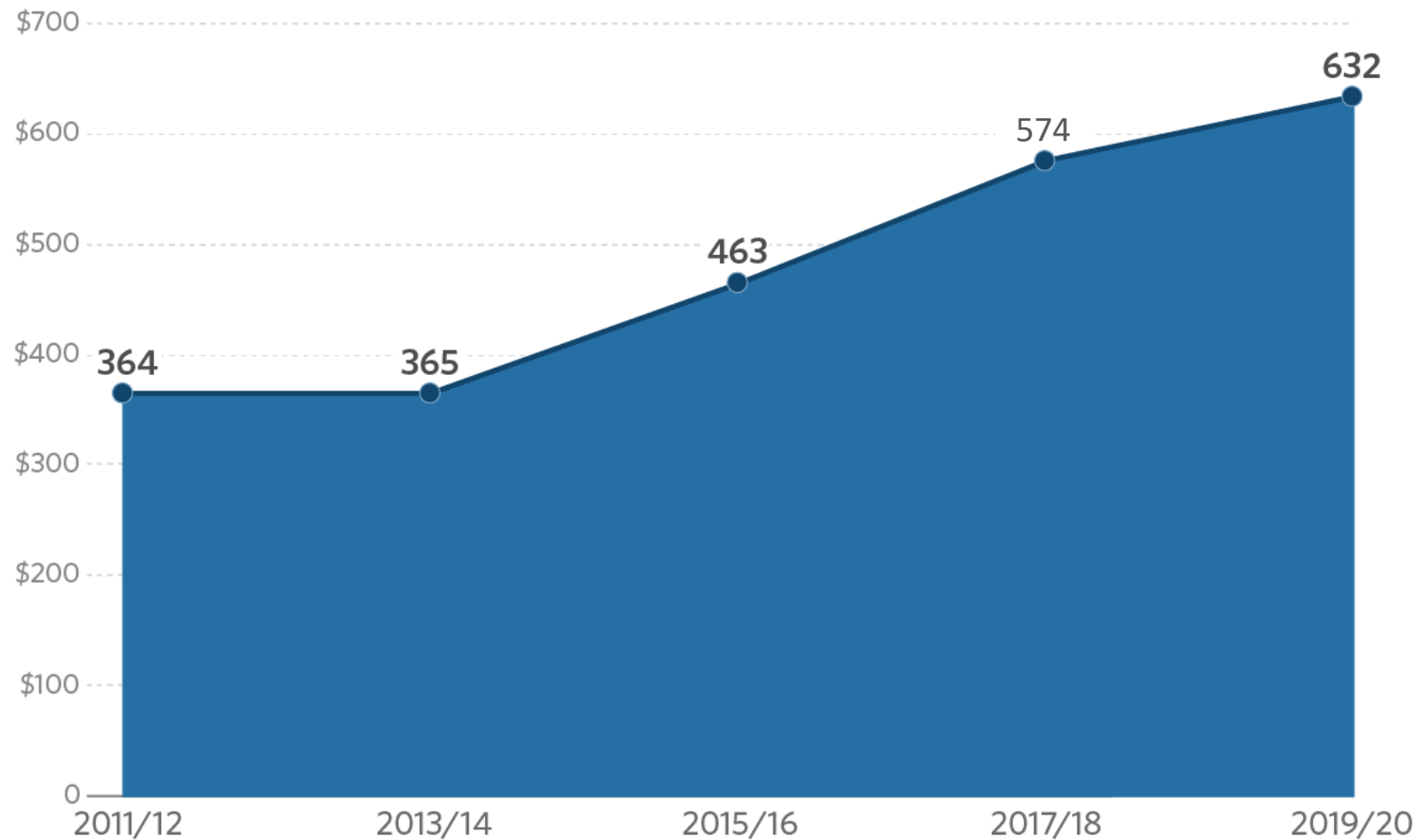
Figure 1.5: Biannual average climate finance by mitigation, adaptation and dual objectives (USD bn)



Global climate finance flows reached USD 632 billion in 2019/2020, but with tepid growth rate

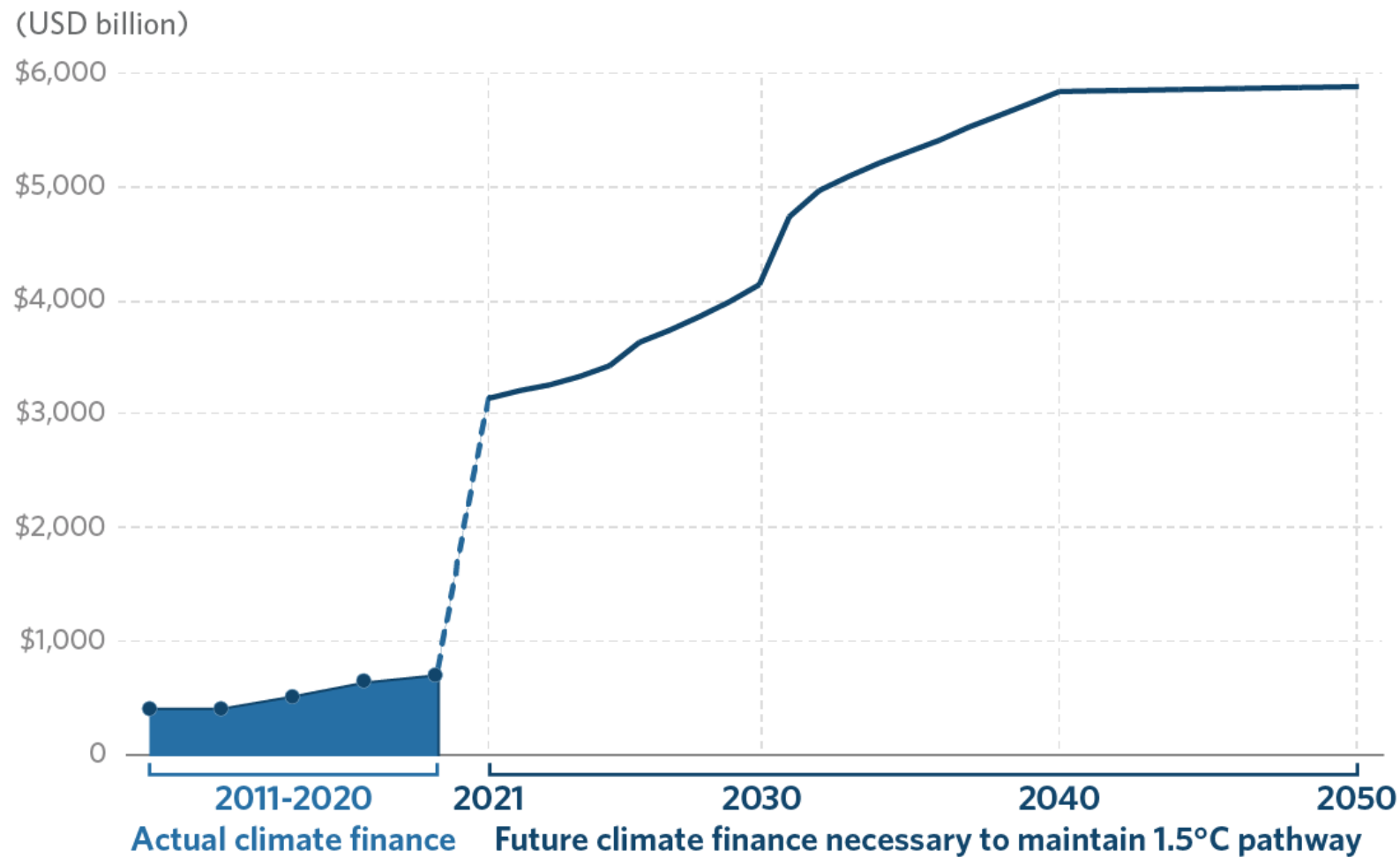
Figure 1.2: Global climate finance flows between 2011 – 2020, biannual averages

(USD billion)



Current investment levels are nowhere near enough to limit global warming to 1.5 °C

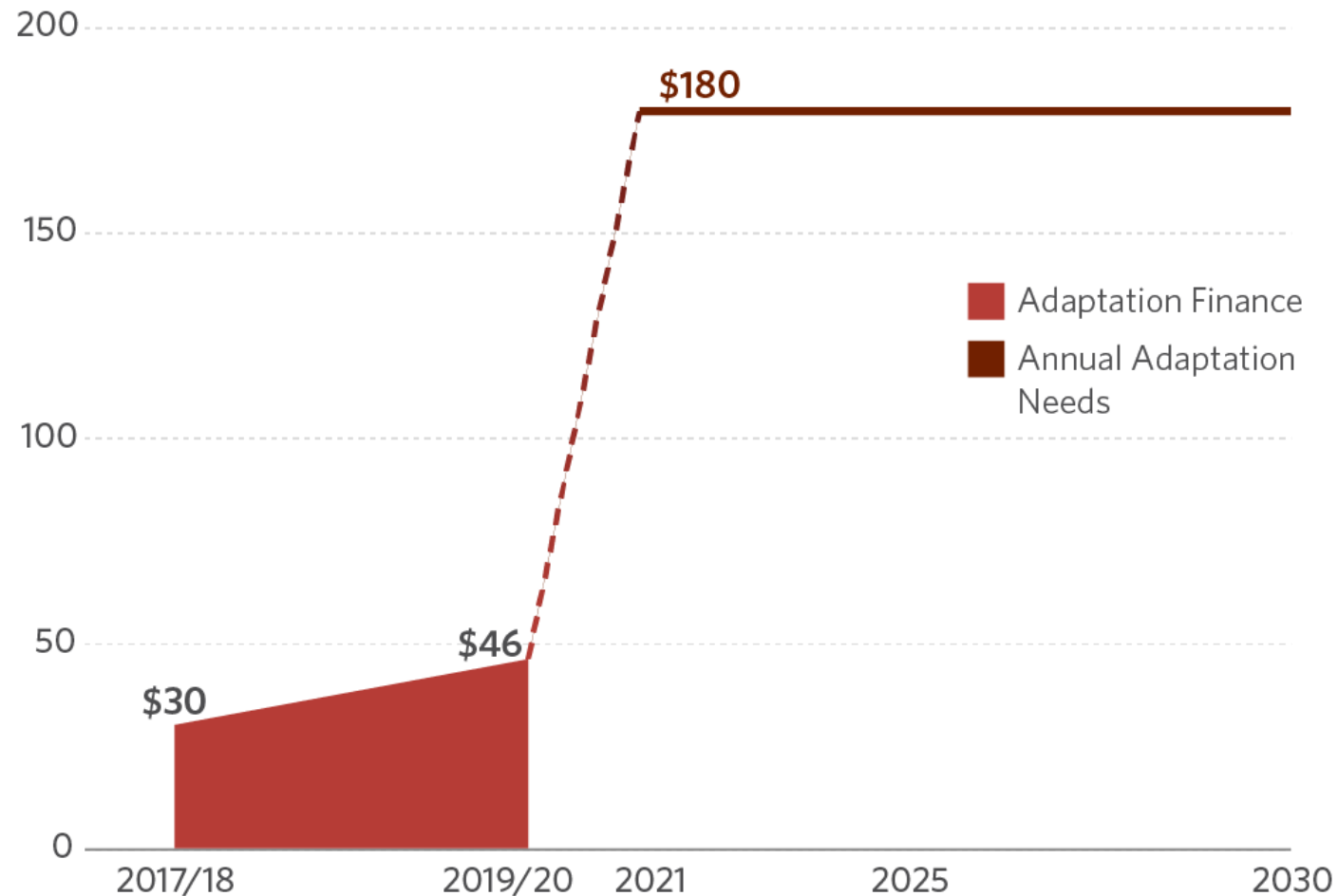
Figure 1.3: Global tracked climate finance flows and the average estimated annual climate investment need through 2050



Adaptation finance gained momentum in 2019/2020 but remains well short of estimated needs

Adaptation finance and needs

(USD billion)

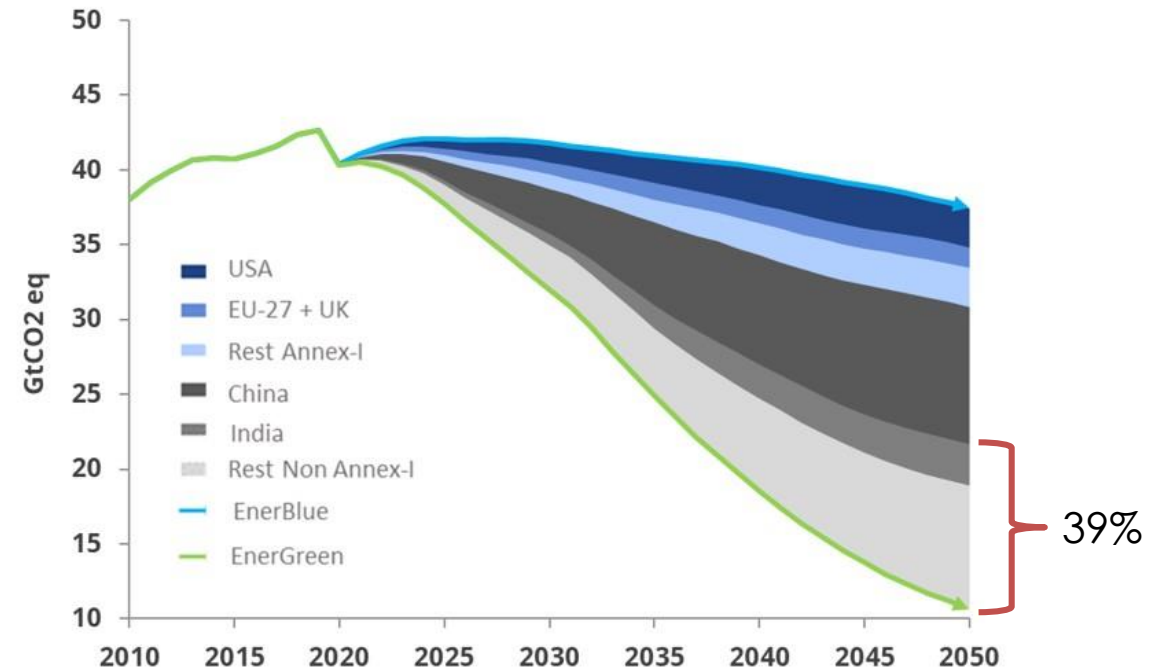


Why international climate finance matters

Climate change stands to reverse development gains



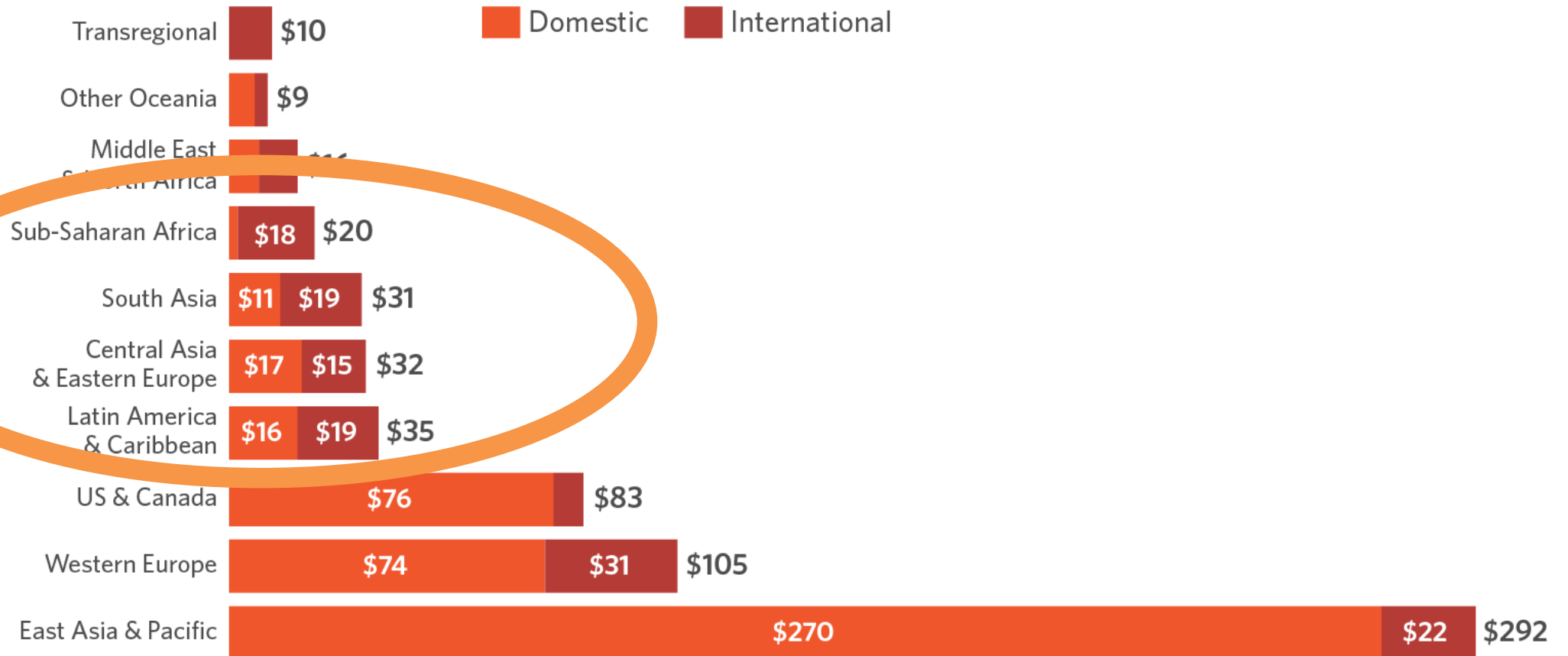
Developing country action is needed to meet global climate targets



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)

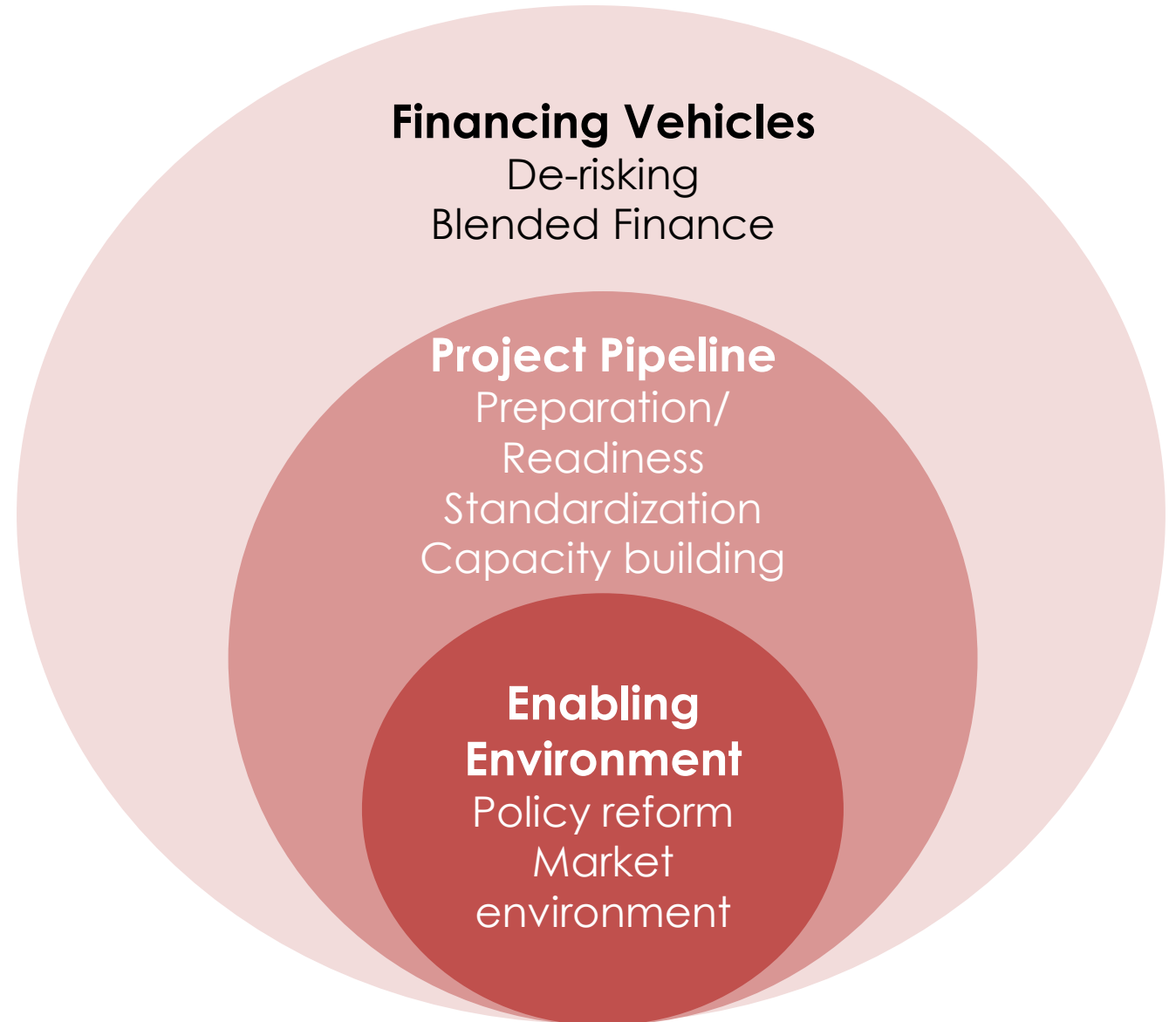


Effective public investments

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*





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

Contact –

CPI: climatepolicyinitiative.org

The Lab: climatefinancelab.org

USICEF: usicef.org

Global Landscape of Climate Finance:
climatefinancelandscape.org

 [@climatepolicy](https://twitter.com/climatepolicy)

 [@climatepolicyinitiative](https://www.linkedin.com/company/climatepolicyinitiative)



Thank You