

The Landscape of Climate Finance

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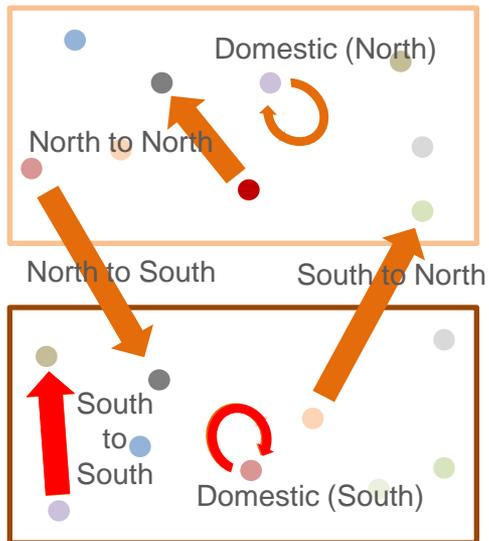
What is climate finance?

Definition

All financial flows covering financial support...

... for mitigation & adaptation...

... for various geographical configurations...



... for public, public-private & private flows...

... for incremental cost & investment capital...

... counted as gross and net flows

Comments

- Including capacity building, R&D, and broader efforts towards transition

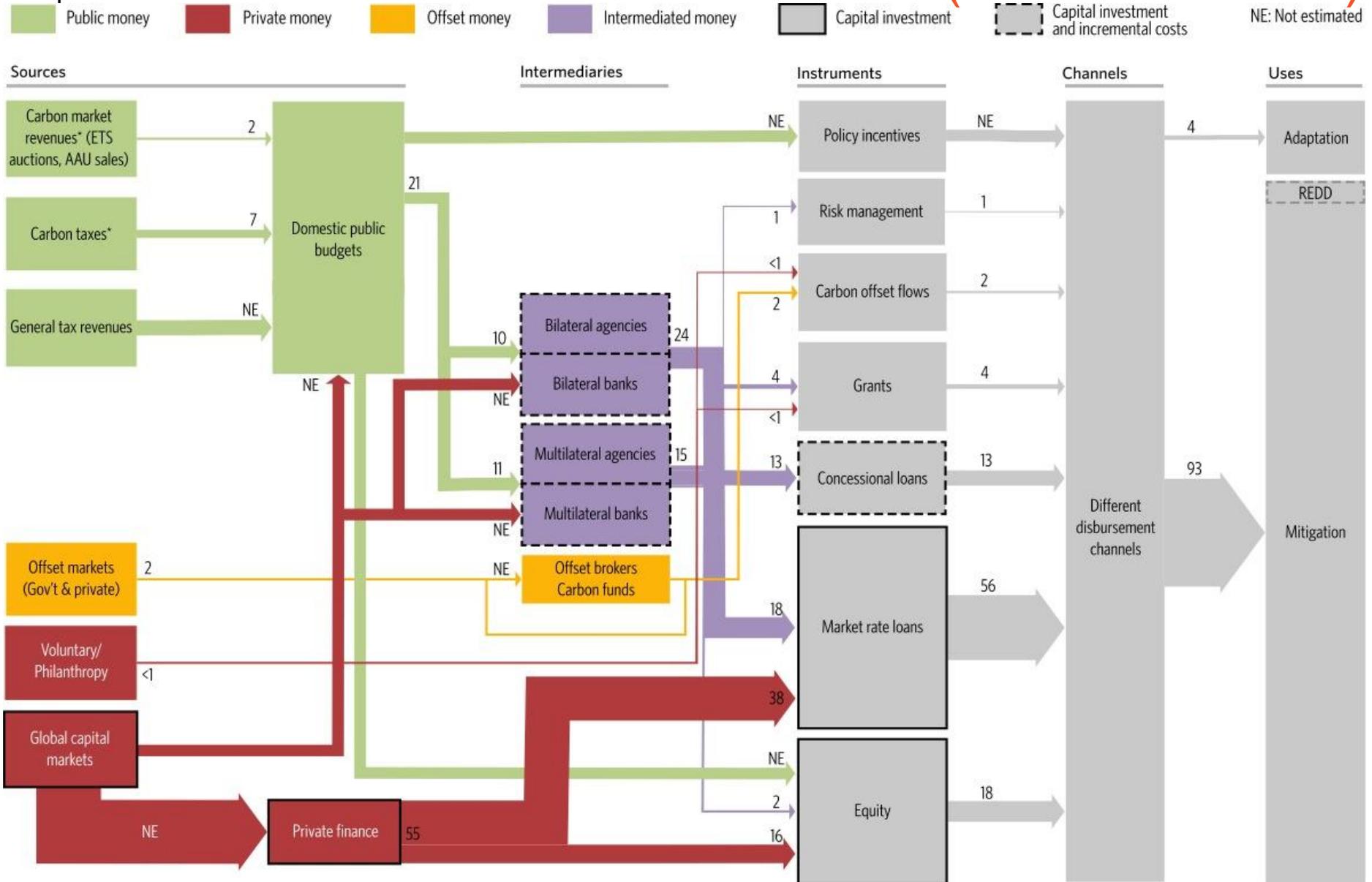
- Data difficulties for domestic and South-South flows

- Public flows for e.g.:
 - *MDB grants*
 - *Most adaptation efforts*

- Private flows for e.g.:
 - *Private MDB co-financing*
 - *Investments in renewables*

- Net flows, an important 'lens' on climate finance

2009-2010 climate finance flows (in USD billions)



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.

Global climate finance flows

Annual global climate finance flows reached approximately **USD 288-356 billion in 2010-2011.**

- **Direct public investments: USD 73-85 bn**
 - A large portion (USD 50 bn) captures governments' direct and indirect shareholdings and lending to private investment structures
- **Private finance: USD 177-231 bn**
 - The inclusion of small-scale renewable energy finance highlights the significant contribution of households and corporate actors (USD 76 bn).

Preliminary insights

**Figures do not only correspond to scale up,
but reflect better data and increased coverage**

- **Money is flowing – but still falls far short of what is needed to finance a low-emissions transition**
 - Important role of domestic & South-South flows (NDBs)
 - Significant contributions of households in developed countries
- **Private capital is essential to achieve a transformation**
 - Incidence of public money standing behind private money
- **Intermediaries' know-how at different stages of the life cycle of climate flows is fundamental to unlock capital.**
- **Better information about finance flows – but gaps and lack of definition continue to hamper the understanding of what is effective climate finance**

...helping nations spend their money wisely



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