

The Global Landscape of Climate Finance 2013

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Agenda

- **Presentation**

- Definitions
- “Spaghetti” diagram
- Increased scope
- Investment gap
- Climate finance breakdown
 - Important actors
 - Geographical breakdown
 - Final uses
- How can the public sector incentivize investment?
- Conclusions

- **Q&A Session**

Key findings

- **Money is flowing but still falls far short** of what is needed to finance system transformation.
- Four **action points for the public sector** to mobilize private climate finance:
 - Develop **domestic enabling environments**
 - Invest in **international public resources**
 - **Address risks**
 - Improve **capacity and knowledge**
- Important **tracking gaps** continue to hamper the understanding of climate finance.

What is climate finance?

Landscape focus

- Capital flows targeting **low-carbon and climate-resilient development**
- Direct or indirect **mitigation or adaptation objectives/outcomes**
- Upfront **capital investment costs and grants**
- For **various geographical configurations**
- Focus on **project level** data
- Captured on a **gross rather than net basis**

Climate-specific
finance

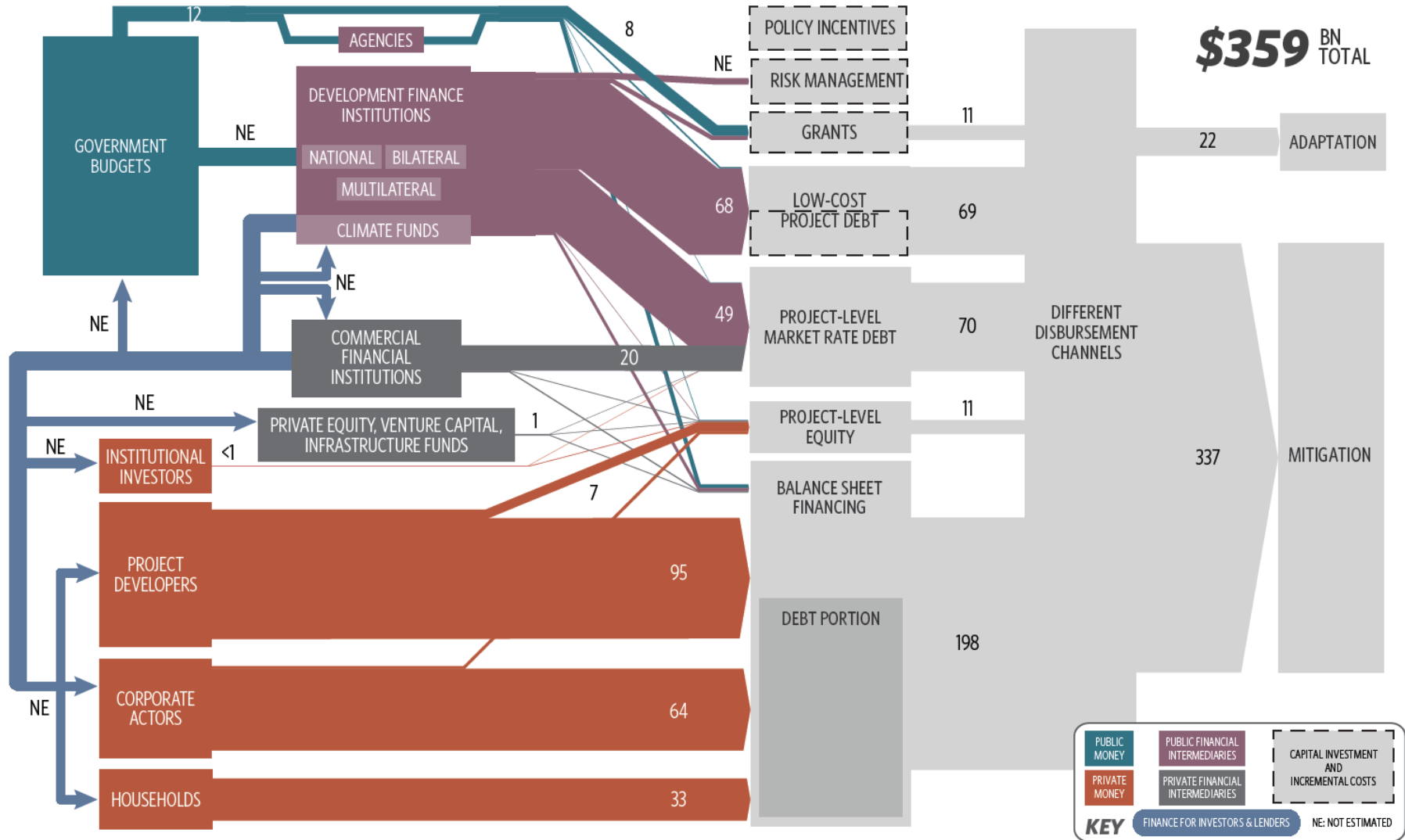
The Global Landscape of Climate Finance in 2011/2012 (USD billion)

SOURCES AND INTERMEDIARIES

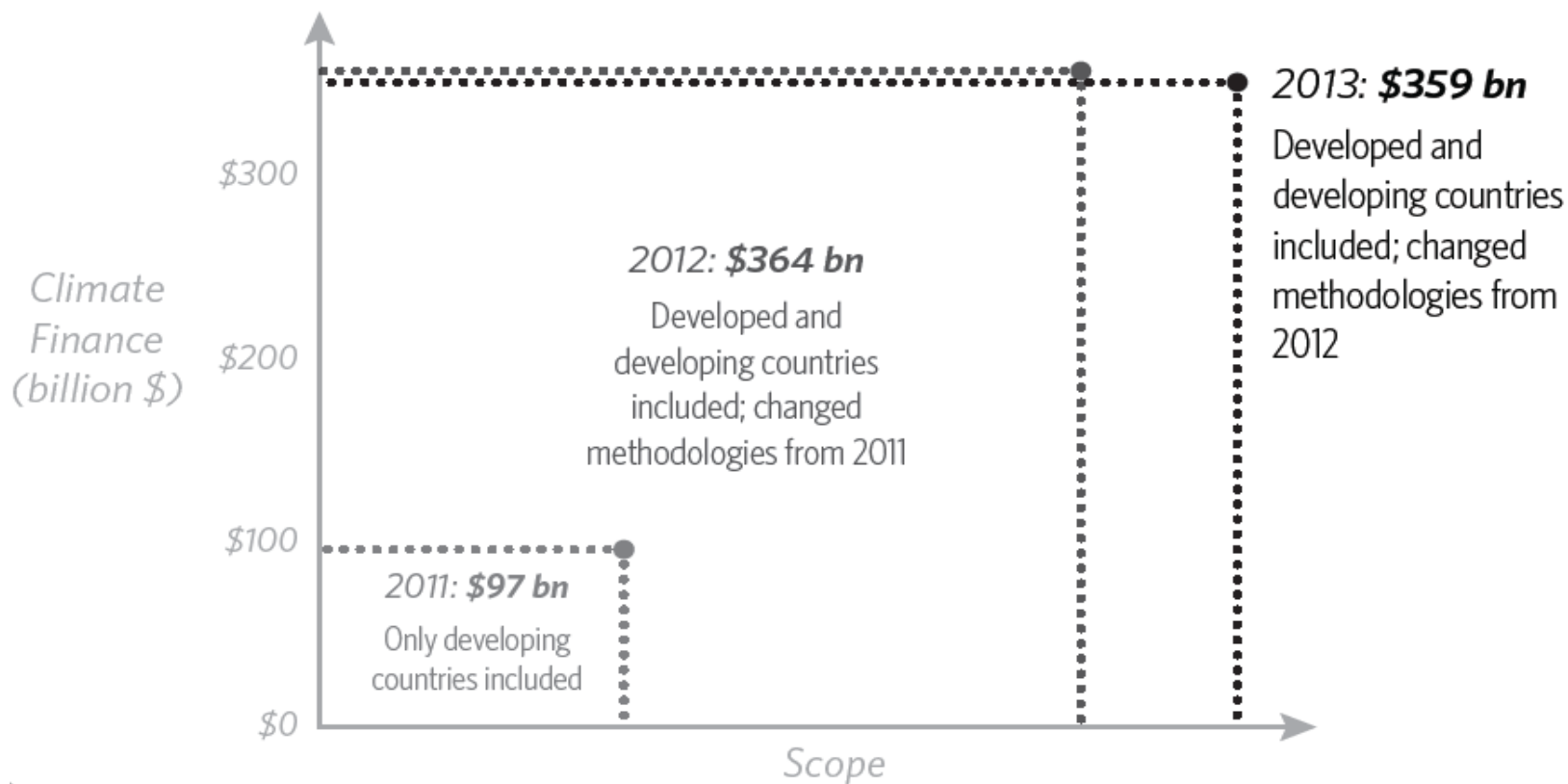
INSTRUMENTS

CHANNELS

USES



Landscape 2013: increased coverage



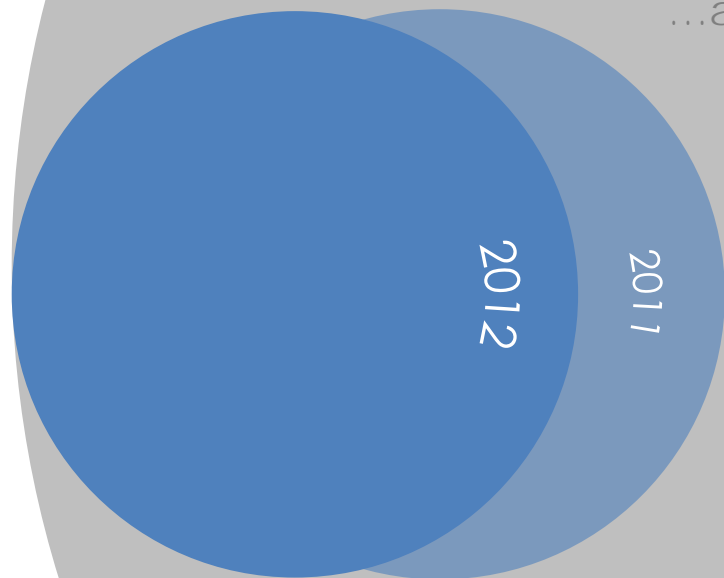
- Landscape 2013 updated last year's estimates.
- It provides a **deeper breakdown of geographic flows** and sheds light on the **latest trends**.
- We increased the coverage but **total flows decreased**.

The investment gap

Total climate investment equaled **\$359 billion** in 2012...

That's roughly the same as the year before.

...and **not nearly enough.**



\$5 trillion
needed
through 2020

We're falling further and further behind globally agreed upon goals for safe emissions levels.

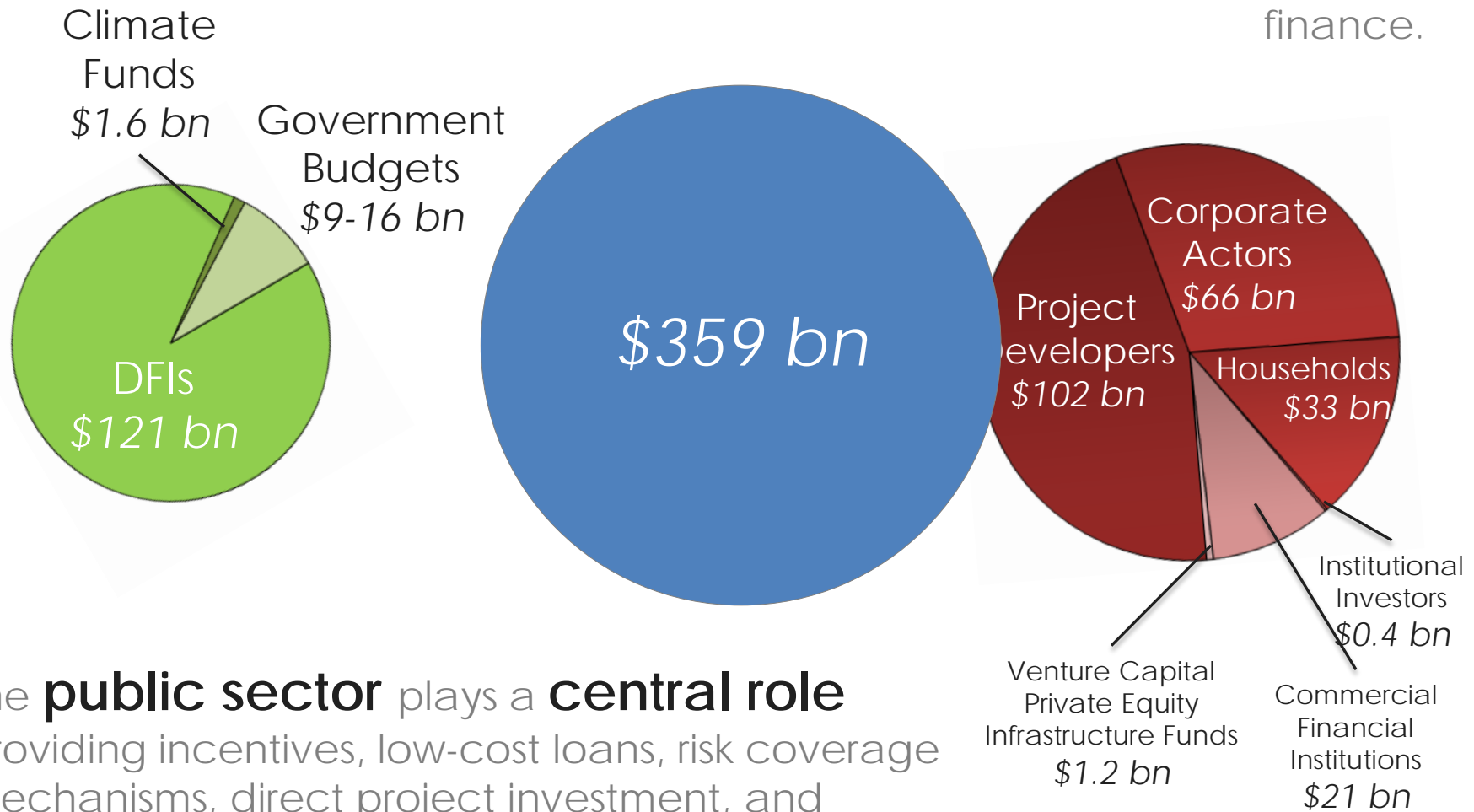
Closing the gap

If we are going to **close the gap**, we have got to know **how finance is flowing, now:**

- Who are the **important actors** in the market?
- **Where** is climate finance going?
- What are the appropriate **incentives** to scale up finance?

Who are the important actors?

The **private sector** provides the **lion's share** of finance.



The **public sector** plays a **central role** providing incentives, low-cost loans, risk coverage mechanisms, direct project investment, and technical support.

Who are the important actors?

These public measures for climate change are significant...



...but remain **dwarfed** by government support to fossil fuel consumption.

Where is climate finance going?

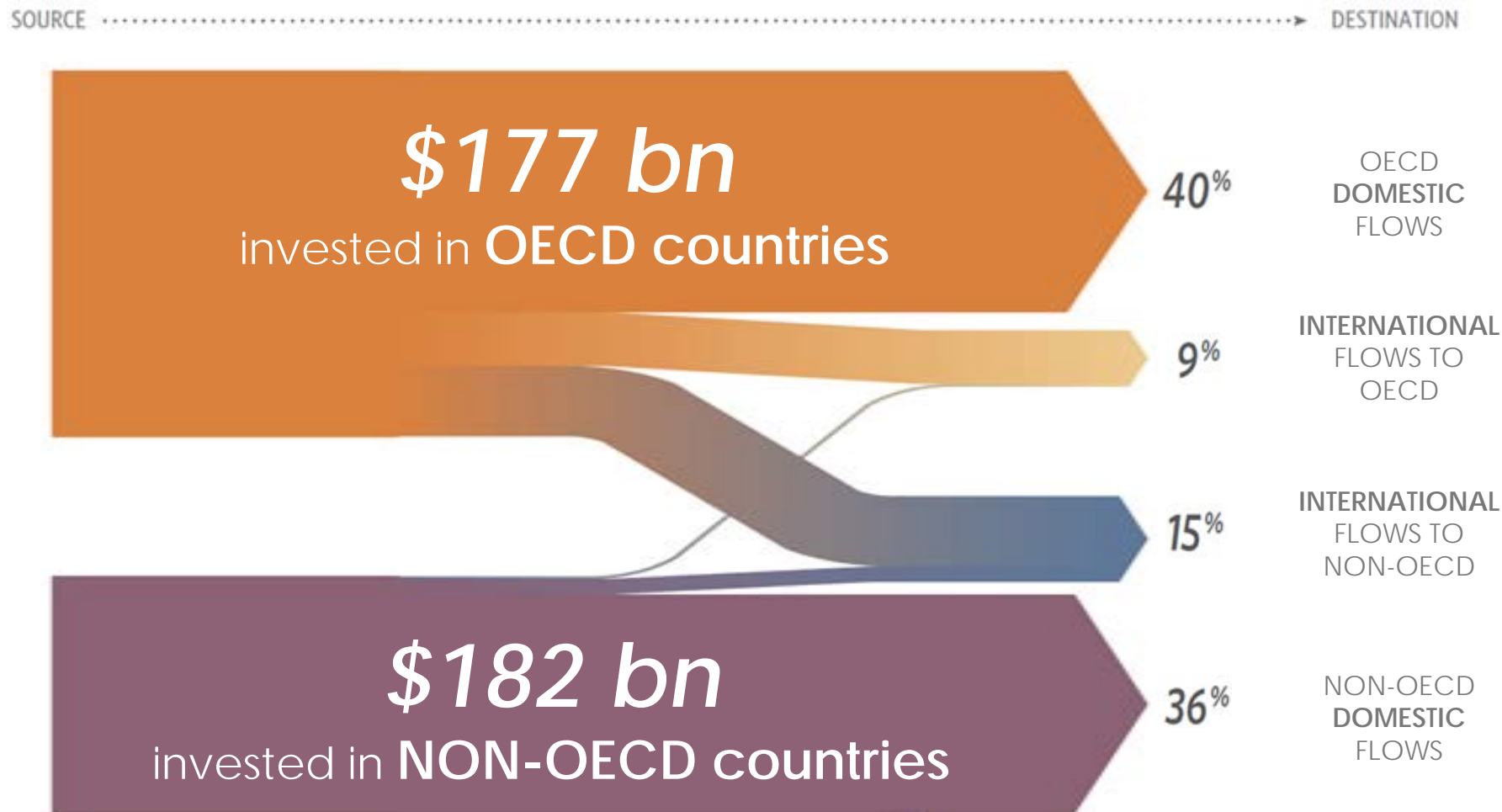
Of total climate finance:



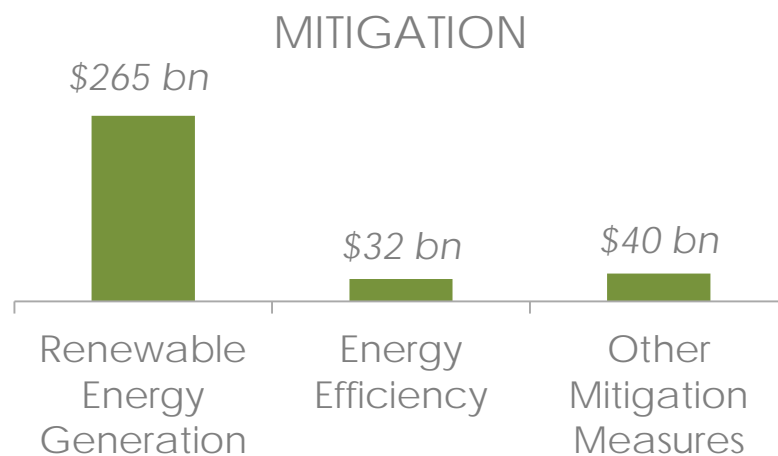
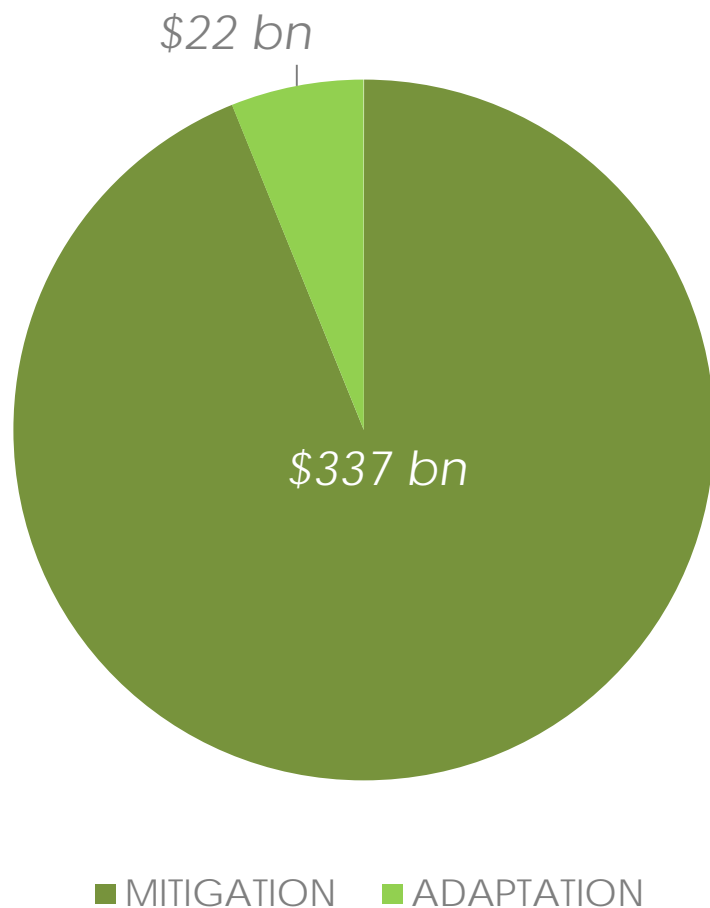
76% is spent domestically...

...only **24%** flows between countries

Where is climate finance going?



What are the final uses of climate finance?



How can the public sector incentivize investment?

1. Develop well-articulated **domestic enabling environments** to encourage further private investment.
2. Continue to invest in, and ensure effective use of, **international public resources**.
3. **Address risk**, which lies at the heart of private investment decisions.
4. Improve **capacity and knowledge** on financing, policies and clean technologies.

Key findings

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Additional information



www.ClimateFinanceLandscape.org

www.ClimatePolicyInitiative.org

Thank you!

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