CLIMATE POLICY INITIATIVE

Global Climate Finance:
An Updated View on 2013 & 2014 Flows

October 2016

Under the Paris Agreement achieved as part of the international climate negotiations in December 2015, governments agreed to limit global temperature rise to well below 2°C and pursue efforts to limit it to 1.5 °C. Their national ambitions for limiting emissions and driving greener, more climate-resilient growth were reflected in the (Intended) Nationally Determined Contributions (I/NDCs) put forward by nearly every country, and already ratified by some.

Tracking climate finance at the global, national or local levels allows decision makers to understand what climate-relevant investments are being made, what the gaps, needs and opportunities are, and ultimately helps establish which public and private interventions can deliver climate actions most efficiently.

Tracking finance against the investment levels consistent with delivering I/NDCs and limiting temperature rise will provide the international community with an important measure of progress towards climate and growth goals. The International Energy Agency (IEA) estimates that USD 13.5 trillion is needed by 2030 to implement just the energy efficiency and low-carbon technology components of submitted I/NDCs while noting these overshoot 2 °C by a significant amount (IEA, 2015). A further USD 3.5 trillion is needed over the same period to bring levels of investment in line with the below 2 °C goal. Successive *Global Landscape of Climate Finance* reports have confirmed that, while global climate finance flows are substantial, particularly in some sectors, they consistently fall far short of estimated needs.

In October 2016, the UNFCCC will publish its second Biennial Assessment and Overview of Climate Finance Flows (BA).[1] To inform this important exercise, CPI has reviewed climate finance flows for the years 2013 and 2014, as previously reported in our 2014 and 2015 *Global Landscape of Climate Finance* reports. This exercise has ensured that our findings on how much, where, and to what end climate finance flowed in these years incorporates the most recent and comprehensive data. This report describes which pieces of information we have updated, the results of our review, and provides a reflection on the challenges facing climate finance tracking moving forward.

Improved Data Capture in Global Climate Finance Flows in 2013 & 2014

Since the first edition in 2011, CPI's *Global Landscape of Climate Finance* has become a benchmark for information about how finance is flowing from actors and sources, toward low-carbon and climate-resilient activities.

The BA is the official biennial report produced by the UNFCCC's Standing Committee on Finance (SCF). It collects the most recent climate finance data including from our own *Global Landscape* reports and official reporting on climate finance from developed and developing country Parties to the UNFCCC to support the international climate negotiations.

1 See UNFCCC-SCF (2014) for more information on the BA 2014.

The first BA in 2014 covered the years 2011 and 2012, and this year's edition will consider 2013 and 2014. To inform this exercise, we analyzed data gaps in the last two editions of the *Global Landscape* reports and identified opportunities to improve our annual estimates of global climate finance in 2013 and 2014. **This update focused on two areas of improvement: (1) increasing data coverage through surveys of additional Development Finance Institutions (DFIs), and (2) improving data accuracy and comparability across the years.**

Increased data coverage through surveys of additional DFIs

A key feature of CPI's methodology for tracking climate finance[2] lies in our assessment of primary climate finance data from the major development finance institutions (DFIs). Over the years, our efforts have focused on the group of Multilateral Development Banks (MDBs) that jointly report on climate finance, and some members of the International Development Finance Club (IDFC).[3] While this approach has allowed us to capture the majority of flows from these actors, our ability to capture certain public expenditures, particularly with regard to domestic and "South-South" cooperation, has been limited.[4]

To improve our coverage, we gathered data from 11 additional national, bilateral and multilateral institutions, in both developed and developing countries.[5] This allowed us to capture around USD 8 billion of public climate finance flows in 2013 and 2014 that we had previously not tracked, including domestic expenditures from national development banks and some non-concessional international climate finance. In addition to these institutions, we captured around USD 0.9 billion of additional South-South climate finance committed in 2013 and 2014 by the Islamic Development Bank (IsDB). While such finance can contribute towards achieving global climate change goals in similar ways to "North-South" finance, it is not tracked systematically. The IsDB started voluntary reporting of its climate activities at the project-level to the OECD Development Assistance Committee (OECD-DAC) in 2015.

Improved data accuracy and comparability across the years

The *Global Landscape* reports capture the most recent annual data sets available. For example, while 85% of the data used for the 2014 global climate finance flows presented in *Landscape 2015* was derived from 2014 data, the remaining portion came from 2013 data.[6]

In preparing this update, we were able to harmonize our databases and present much more accurate figures because the data for 2013 and 2014 has been finalized and made fully available. Numbers for 2014 climate finance is now entirely based on 2014 data (calendar or fiscal year), and similarly for 2013. This allows users of our data, such as the UNFCCC, to prepare more accurate reports, such as the BA.

To further improve comparability, we also revised and harmonized our sectoral and geographical categories across years. The *Global Landscape* methodology reflects and has helped to establish best practices for defining and tracking climate finance at the time of each undertaking. Prior to the commencement of each subsequent study, the methodology is reviewed, and some approaches and definitions are updated. Some categories that informed the 2013 climate finance estimate have been refined to ensure the estimates are fully comparable across years.[7]

Updated Global Climate Finance Flows for 2013 & 2014 and Key Findings

Applying the refined approaches outlined above allowed us to identify a further USD 1 billion of climate flows in 2014 and USD 11 billion in 2013, taking annual global climate finance to USD 392 billion and USD 342 respectively, an annual average of USD 367 billion

2 See the Landscape 2015 methodology document, available here.

3 See Global Landscapes 2014 and 2015 for a full list of organizations surveyed over these years.

4 For more information on the data gaps and limitations see the Global Landscape 2015.

5 Based in OECD countries: Belgian Investment Company for Developing Countries, UK CDC Group, UK Green Investment Bank, Korean Development Bank, Nordic Investment Bank, the Norwegian Investment Fund for Developing Countries (Norfund), Development Bank of Austria (OeEB), Swiss Investment Fund for Emerging Markets, and Società Italiana per le Imprese all'Estero. Based in non-OECD countries: Development Bank of the Philippines, and Indian Renewable Energy Development Agency.

6 Specifically, the 15% of the global climate finance data that was not from 2014 came from bilateral climate-related development finance data from government members of the OECD's Development Assistance Committee (retrieved from the OECD's Creditor Reporting System Aid Activities database), the commitments of a group of DFI members of the International Development Finance Club (IDFC, 2015) and solar heating systems deployment data used for estimating related investment value (derived from Mauthner et al. 2015 and 2016).

7 For example, adaptation finance that in 2013 was captured under "resilient infrastructure and coastal protection" is now captured under "different categories of investment".

over 2013 and 2014.[8] Annex A provides details on the updated 2013 and 2014 flows, with average values also visualized in Annex B.

Of the additional USD 12 billion of climate finance captured for the two years, around USD 8 billion was invested in mitigation and USD 4 billion in adaptation activities. Data gathered from the additional DFIs surveyed made up the majority of new finance flows tracked, while another USD 5 billion was added from the application of the revised methodology and integration of newly released data on investments in solar water heating systems in 2014. As a result of a number of adjustments needed to harmonize the databases and avoid double-counting, all of our previously published numbers were revised to a small degree.

Table 1 provides an overview of selected dimensions of climate finance and compares them with the *Landscape 2012* numbers to shed some light on how climate finance flows have evolved.

Table 1: Selected breakdowns of climate finance in 2012, 2013 and 2014* (USD billion)

	2012	UPDATED 2013	UPDATED 2014	AVERAGE 2013 & 2014
GLOBAL TOTAL	359	342	392	367
DOMESTIC	275	253	290	272
INTERNATIONAL	84	90	102	96
TOTAL INVESTMENT IN RENEWABLE ENERGY	265	244	284	264
PUBLIC INVESTMENT IN ENERGY EFFICIENCY	32	31	26	29
PUBLIC INVESTMENT IN ADAPTATION	22	27	27	27
PRIVATE COMMERCIAL FINANCE	22	24	49	37
GRANTS AND LOW-COST DEBT	80	87	61	74
MARKET RATE DEBT	70	74	125	100

* Figures elaborated for the Global Landscape of Climate Finance 2013.

8 In our previous Global Landscape reports, the figures were USD 331bn for 2013 and USD 391bn for 2014.

Key Findings

Total global climate finance was 9% higher in 2014 than in 2012 thanks to a steady increase in public finance and record levels of private investment in renewable energy.

This update confirms the major findings of our *Global Landscapes* in 2014 and 2015 and reveals new insights. We describe the most important ones below.

Overall climate finance flows in 2013 decreased by 5% compared with 2012, followed by an increase of 15% in 2014 when more money than ever was spent on climate action. Total global climate finance was 9% higher in 2014 than in 2012 thanks to a steady increase in public finance and record levels of private investment in renewable energy.

Renewable energy has been the dominant sector, representing more than 70% of climate finance in the *Global Landscape* reports every year from 2012 to 2014. Over the same period, there was a steep decrease in technology costs per unit of renewable energy installed. In 2014, 10 GW more solar PV and onshore wind were deployed with the same level of investment as in 2012.[9]

Public investment in adaptation increased by 23% from USD 22 billion in 2012 to USD 27 billion in 2013 and remained constant in 2014. On average, 52% of adaptation finance in 2013 and 2014 was invested internationally and 48% domestically by national DFIs. The adaptation flows tracked in this update are USD 2 billion higher than our previous estimates in both 2013 and 2014 thanks mainly to expanding our coverage to additional DFIs. However, data gaps and different accounting approaches continue to frustrate accurate tracking of adaptation finance with reliable figures for private investment and domestic public budgets, particularly scarce.

Similar issues apply to **public investment in energy efficiency.** This update allowed us to capture roughly USD 1 billion more of investment in energy efficiency from public sector institutions, but due to limited data availability our figure still represents only a fraction of the estimated global amount of public and private

9 See the private investment, deployment and LCOE analysis in the Global Landscape of Climate Finance 2015.

energy efficiency investment in buildings, industry, and transport, ranging between USD 90 and 365 billion a year (HSBC, 2014; IEA, 2015). **The energy efficiency finance we capture dropped to USD 26 billion in 2014 from USD 32 billion in 2012 and USD 31 billion in 2013.**

While developed countries received around 2% more investment than developing in 2013, developing countries took over 11% more investment than developed countries in 2014.

Private commercial finance captured by this update[10] **increased from USD 22 billion in 2012 to an annual average of USD 37 billion over 2013 and 2014.** This increase reflects mainstream commercial investors growing comfort with investing in increasingly mature renewable energy technologies.

The remarkable 78% increase from 2012 to 2014 in project-level market rate debt from public and private institutions further supports this finding, although a significant portion of this increase may be due to improved reporting from our data sources.[11]

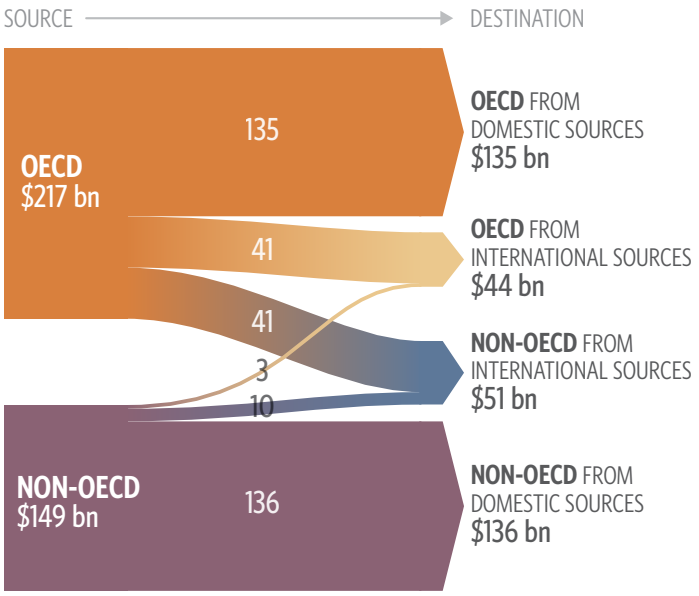
A decrease in the provision of low-cost debt in 2013 and 2014 compared to 2012 warrants further investigation given that access to low-cost debt is critical for driving investment in more challenging markets and novel technologies (Trabacchi et al., 2016). Part of this fall may also be attributable to improved reporting from our data sources.

Developing countries are overtaking developed countries to take a larger share of global climate-relevant investment. While developed countries received around 2% more investment than developing in 2013 (USD 172 billion to USD 169 billion), the latter took over 11% more investment in 2014 (USD 206 billion to USD 185 billion) and USD 29 billion more than developed countries in 2012 (USD 177 billion).

10 This includes commercial financial institutions, institutional investors, private equity, venture capital and infrastructure funds.

11 The share of non-concessional loans of total green finance provided by IDFC members increased from 17% in 2013 to 51% in 2014. We suspect that part of the apparent increase could be due to improved reporting from IDFC members as USD 32 billion of finance was uncategorised by instrument type in 2013.

Figure 2. Origin and destination of climate finance in 2013 and 2014 (USD billion, average)



Note: USD 1 billion on average has a trans-regional destination which was not possible to allocate in the table, but is counted against international investments.

This update to the Global Landscape reports once again highlights the clear dominance of domestic over international investment. Domestic investment made up 74% of all global climate finance tracked in 2013 and 2014. An annual average of USD 136 billion in private and public finance tracked in developing countries[12] in 2013 and 2014 originated and was invested in the same location. Almost the same amount, USD 135 billion, originated and was deployed domestically in developed countries (see Figure 2).

Domestic investment made up 74% of all global climate finance tracked in 2013 and 2014, clearly predominating over international investment. An annual average of USD 136 billion in private and public finance tracked in developing countries in 2013 and 2014 originated and was invested in the same location. USD 135 billion originated and was deployed domestically in developed countries.

12 In the Global Landscape reports and this update, we classify OECD member countries as developed and non-OECD members as developing. See Landscape 2015 methodology document, for more.

Table 2. Estimated North-South climate finance in 2013 and 2014 using the Landscape methodology (USD billion)

	UPDATED 2013 NUMBERS	UPDATED 2014 NUMBERS	AVERAGE
MULTILATERAL DFIS*	10.5	16	13.2
BILATERAL DFIS	12.3	17.5	14.9
CLIMATE FUNDS	1.9	1.5	1.7
GOVERNMENTS & AID AGENCIES	8.2	7.5	7.9
EXPORT CREDITS	0.5	0.3	0.4
PRIVATE CLIMATE FINANCE**	2.2 to 24.8	3.6 to 21.2	2.9 to 23
TOTAL	35.4 to 58	46.4 to 64	41 to 61.1

Notes:

* Multilateral DFIs tracked include the group of Multilateral Development Banks (MDBs), the Development Bank of Latin America (CAF), the Islamic Development Bank (IsDB) and the Nordic Investment Bank (NIB). Understanding these institutions' ownership structure is an important part of calculating how finance flows can be counted. For MDBs only, we estimate that 76% and 69% of their investment in non-OECD countries is attributed to OECD countries' shareholders, in 2014 and 2013 respectively. Our approach incorporates the ownership differences in MDBs' concessional and non-concessional arms but does not differentiate by type of capital contributed (i.e. "paid-in", "callable"), as other approaches do (see OECD-CPI, 2015). There are also different concepts of what developed countries are. MDBs climate finance attributed to, for example, Annex II countries, would be around 65% (UNFCCC-SCF, forthcoming).

** This lower bound figure is included in this update and includes figures for private investment in large-scale renewables in developing countries that originate in developed countries. It is consistent with the *Global Landscape* methodology and based on data from the BNEF database. The higher bound is obtained by also including the North-South FDI flows for greenfield investment in alternative and renewable energy (FT, 2014; FT, 2015). FDI flows are not counted in *Global Landscape* reports in order to avoid double-counting with primary investments into renewable energy projects. Since the estimate is limited to investment flows for large-scale renewables, it is obviously only a partial estimate of the total private climate finance flows from developed to developing countries.

Overall, more than 90% of all private finance was invested domestically. In fact, as shown in Figure 2 and Table 8, around three quarters of the domestic climate finance we track comes from the private sector. However, as we do not capture domestic budgetary spending beyond a limited number of data sources,[13] it is likely that public finance provides a larger share of domestic finance than our numbers suggest. For this reason, the domestic bias of climate-related investment may be understated in this report.

13 Data on some national DFIs comes from direct CPI surveys, or the BNEF database and the IDFC Green Mapping report. Data on domestic public budget for selected developing countries is available in the Climate Public Expenditures and Institutional Reviews (CPEIR) database.

International finance increased by 14% compared from 2014 to 2012, due to expanded coverage and increasing support from several international institutions for climate activities.[14]

In 2013 and 2014, we estimated that, excluding potential mobilized flows, USD 41 billion on average flowed annually from developed to developing countries (also referred to as "North-South flows"). As Table 2 highlights, the majority of these flows came from public sector institutions (DFIs, international aid agencies, and export credit agencies). Private investors made up only a small portion of all direct North-South finance measured in the *Global Landscape* reports (7% or USD 2.9 billion on average across 2013 and 2014[15]). However, data gaps hinder a proper understanding of international private investment. Table 2 includes an upper bound based on North-South foreign direct investment (FDI) in renewable energy. We include these numbers as an indication of possible totals but we do not include them in the numbers of this update (see notes below Table 2 for more).

International climate finance flowing from one developed country to another amounted to USD 41 billion on average, while USD 10 billion could be identified as South-South investment.

Climate Finance Tracking: Open Questions

Global climate finance tracking has improved over the last 5 years in large part due to significant efforts made by key finance providers to improve and harmonize their tracking and reporting of climate finance commitments.[16]

14 Prior to the Paris COP of December 2015, the whole group of Multilateral Development Banks (MDBs) announced ambitious targets to further expand their climate finance activities. Read more here.

15 This figure does not include mobilized private finance.

16 In particular 1) the joint reporting on climate finance from the group of MDBs and on green finance from the IDFC; 2) the Common Principles for Climate Mitigation and Adaptation Finance Tracking jointly agreed by the MDBs and the IDFC; 3) the work of the OECD to better align the Rio Markers and the MDBs methodology for tracking adaptation; 4) the modernisation of the OECD's DAC statistical framework and its development of a measure for "total official support for sustainable development (TOSSD)". While the TOSSD measurement framework is still being developed, it is expected that it will capture broader officially-supported resource flows beyond ODA i.e. all resource flows going to developing countries in support of sustainable development, regardless of the types of instruments used and associated terms (OECD, 2016).

Nonetheless, there remain many open questions: definitional and methodological questions on what should count towards developed countries' commitment to mobilize USD 100 billion a year in climate finance in developing countries by 2020 and any subsequent increases, tracking and data questions on how to harmonize approaches and capture investment flows, evaluation questions on what constitutes finance for climate change mitigation and adaptation, and other underlying accounting issues. The following sections highlight where further tracking improvements are needed to respond to the needs of the different users of climate finance data.

Define which climate finance flows count towards the USD 100 billion goal

Although the understanding of climate finance is improving, the lack of an agreed definition continues to impede efforts to track flows that could be counted. Developed countries' goal made under the UNFCCC to mobilize USD 100 billion per year by 2020 to address the needs of developing countries will not meet the climate investment challenge by itself. However, the goal is the primary political benchmark for assessing progress on climate finance in the multilateral context.

In the lead up to Paris, CPI and partners published a report and series of charts (Brown et al. 2015) that distilled the debate around what should count toward the USD 100 billion climate finance target into five key variables that warrant further consideration by Parties: motivation, concessionality / source, causality, geographic origin, and recipient. The authors recognized that because definitions will impact the politics of climate finance negotiations, (and vice versa), methodological work that takes into account these five key points of discussion is crucial to creating a fact base upon which political alignment can then be sought.

Taking one example, several initiatives and studies have explored different methodological approaches to produce estimates of 'causality' or the extent to which public climate finance, support or policy can be said to have mobilized private climate-related investments. These include the co-financing approach of the MDBs,[17] the Technical Working Group composed of donors from the OECD member countries that informed the work of the OECD and CPI on the *"Climate Finance in 2013-14 and the USD 100 billion goal"* report (OECD-CPI, 2015), and CPI's report on mobilized private finance for adaptation (Brown and Wang, 2015) where we explored the legitimacy and feasibility of measuring the more "indirect" impacts of the public sector on mobilizing finance. The accounting methods and data provided in these reports make it easier for all parties to understand the implications of different definitions.

Improve coverage and quality of climate finance flow data

Further harmonization of accounting methodologies, enhanced reporting, and improved tools at the international, national and local levels could help track those sectors and sources of climate finance that are not currently captured systematically. Gaps in the coverage of sectors and sources of climate finance remain significant. Coverage of sectors such as renewable energy is extensive but remains patchy in others. These data gaps can be significant and include private investments in energy efficiency, sustainable transport, land use and adaptation; as well as domestic public budgets dedicated to climate action.

Climate finance data aggregators should continue to engage and build the capacity of other actors to track and report climate finance. Our engagement with DFIs for this update, in particular, national development banks in developing countries, demonstrated that climate investments are being mainstreamed across development agendas. However, we have identified a multitude of national development banks that are likely to have provided climate relevant finance but have not been included in our estimates due to their lack of measurement and reporting. It will be important to find ways to systematically incorporate the portfolios of these DFIs and other actors still at the margins of climate action into tracking initiatives to build a more complete picture.

The role played by capital markets in raising and channeling climate finance is currently not captured in our tracking. New approaches are needed to better represent this part of the climate finance landscape. The green bonds market[18] provides a good example of some of the complexities in capturing the value of climate finance flowing from capital market instruments. In 2014, green-labelled bonds worth USD 36 billion were issued – over three times more

17 The latest MDB report on climate finance (AfDB et al, 2016) includes figures on climate co-financing for the first time. On top of the total MDB climate finance of USD 25 billion in 2015 (own and external resources), they report more than USD 56 billion of co-financing from public and private institutions. In a previous preliminary study, MDBs estimated USD 64 billion of public and private co-financing in 2014, on top of almost USD 28 billion committed (EIB et al., 2015).

18 The market consists of bonds labeled green, climate, sustainability and other related terms.

than in 2013 – and a further USD 44 billion in 2015 (CBI, 2015). Most green bonds issued to date utilize a 'use of proceeds' format where the funds raised are earmarked either to refinance green projects that already exist on an issuer's balance sheet or to finance new projects. We adopt a project-level focus through the *Global Landscape* reports in order to be sure that we are tracking new annual climate finance flowing to climate actions. This means that, although we do not track the funds raised by green bonds, we may already have captured the end-use investment they are linked to. Such funds are either already linked to existing projects and thus may be captured in previous *Global Landscape* reports through loan or equity finance data, or the funds have yet to be invested in projects and thus have not yet resulted in an end-use investment. Both kinds of green bond are important. The former enables project developers to refinance their investments and reinvest the capital released. The latter directly supports the construction of new projects. As the green bond market continues to grow, incorporating this dimension will help increase our understanding of the finance landscape.

Link climate finance flows to development impacts

Linking climate finance more closely to climate and development impacts could help improve the design and uptake of projects. To date, significant focus has been placed on the volume flowing, and the associated emissions reductions (such as the *International Financial Institution Framework for a Harmonized Approach to Greenhouse Gas Accounting* (WB, 2015)). In an ideal setting, the volume and impacts of climate would be integrated with tracking of progress towards the Sustainable Development Goals (SDGs). While challenging, this would allow a better understanding of the impact and ultimately the effectiveness of climate finance on improving resilience, creating jobs and enhancing energy access, amongst other metrics. This could make it easier for developing countries, whose primary motivations are poverty alleviation and economic development, to take action domestically, and for donors to expand international aid.

Looking forward

This update to our *Global Landscape* numbers for 2013 and 2014 captures some flows that were not previously included, refines our previous estimates of global climate finance flows and will be a central reference for the UNFCCC BA 2016.

It provides another example of how CPI's *Landscape of Climate Finance* series has improved clarity and understanding of global and national climate finance flows since 2011. The challenge of implementing countries' I/NDCs makes applying the insights and lessons drawn from these tracking exercises more urgent than ever.

The update's insights confirm some important observations from our previous *Global Landscape* reports. For example, we again see the prevalence of domestic sources of finance, especially private finance, in total climate finance flows, highlighting how central robust enabling environments are.

In addition, the update has highlighted some important emerging trends such as a reduction in the level of low-cost debt, which warrants further investigation. Finally, it reemphasizes key open issues facing efforts to track climate finance, including defining what counts as climate finance, improving coverage and quality of data, and linking climate finance to development impacts.

Resolving such tracking issues can achieve two goals. Firstly, help governments and business to better track progress against investment goals and needs and, secondly, improve understanding of how financing is most effectively sourced and spent in order to meet development goals and drive climate-relevant investment.

CPI is committed to exploring ways to provide comprehensive and meaningful information to support decision makers' efforts to implement I/NDCs and to move beyond them.

Annex A: Detailed Estimates of Global Climate Finance Flows

Figures represent annual flows, rounded to produce whole numbers and, as a result, the figures may not add up exactly. The mid-point is presented where ranges of estimates are available. For the categories descriptions, see the Landscape 2015 methodology document, available here.

Table 3. Breakdown of 2013 and 2014 climate finance by public and private actors (USD billion)

	2013	2014	AVERAGE
PRIVATE	**199**	**241**	**220**
PROJECT DEVELOPERS	88	92	90
CORPORATE ACTORS	47	59	53
HOUSEHOLDS	40	41	41
COMMERCIAL FINANCIAL INSTITUTIONS	21	46	33
PRIVATE EQUITY, VENTURE CAPITAL, INFRASTRUCTURE FUNDS	2	2	2
INSTITUTIONAL INVESTORS	1	1	1
PUBLIC	**143**	**151**	**147**
NATIONAL DFIS	70	64	67
MULTILATERAL DFIS	44	48	46
BILATERAL DFIS	15	22	18
GOVERNMENTS & AID AGENCIES	12	14	13
CLIMATE FUNDS	2	2	2
TOTAL	**342**	**392**	**367**

Notes: Total global climate finance in 2013 ranged from USD 339 to 346 billion; in 2014 it ranged USD 387 to 397 billion.

Table 4. Breakdown of 2013 and 2014 climate finance by sectors (USD billion)

	2013	2014	AVERAGE
ADAPTATION	**27**	**27**	**27**
WATER & WASTEWATER MANAGEMENT	15	15	15
AGRICULTURE, FORESTRY & LAND-USE	2	4	3
INFRASTRUCTURE, ENERGY & OTHER BUILT ENVIRONMENT	3	2	3
OTHER / CROSS-SECTORAL	2	2	2
DISASTER RISK MANAGEMENT	2	2	2
POLICY, NATIONAL BUDGET SUPPORT & CAPACITY BUILDING	0.7	0.9	0.8
COASTAL PROTECTION	0.5	1	0.7
INDUSTRY, MANUFACTURING & TRADE	0.5	0.3	0.4
MITIGATION	**311**	**360**	**336**
RENEWABLE ENERGY GENERATION	244	284	264
ENERGY EFFICIENCY	31	26	28
SUSTAINABLE TRANSPORT	17	22	19
OTHER / CROSS-SECTORAL	4	16	10
AGRICULTURE, FORESTRY & LAND-USE	6	4	5
NON-ENERGY GHG REDUCTIONS	7	0.2	3
LOW-CARBON TECHNOLOGIES	0.3	4	2
TRANSMISSION & DISTRIBUTION SYSTEMS	1	3	2
WASTE & WASTEWATER MANAGEMENT	1	1	1
POLICY, NATIONAL BUDGET SUPPORT & CAPACITY BUILDING	0.4	0.1	0.3
DUAL BENEFITS	**4**	**4**	**4**
TOTAL	**342**	**392**	**367**

Table 5. Climate finance breakdown by instrument type (USD billion)

	2013	2014	AVERAGE
BALANCE SHEET FINANCING	164	177	171
PROJECT LEVEL MARKET RATE DEBT	74	125	99
LOW-COST DEBT	74	48	61
PROJECT LEVEL EQUITY	17	27	22
GRANTS	13	13	13
TOTAL	**342**	**392**	**367**

Note: This table does not include equity instruments with concessional characteristics (USD 0.2 billion on average), risk mitigation instruments (USD 1.7 billion on average) and other instruments that were not possible to identify (USD 0.8 billion on average).

Table 6. Public climate finance breakdown by type of recipient (USD billion)

	2013	2014	AVERAGE
PUBLIC	47	52	50
PRIVATE	32	35	33
PUBLIC-PRIVATE	3	5	4
PRIVATE: NGO & FOUNDATIONS	1	1	1
UNKNOWN	61	57	59
TOTAL	**143**	**151**	**147**

Table 7. Breakdown of 2013 and 2014 climate finance by geographical destinations (USD billion)

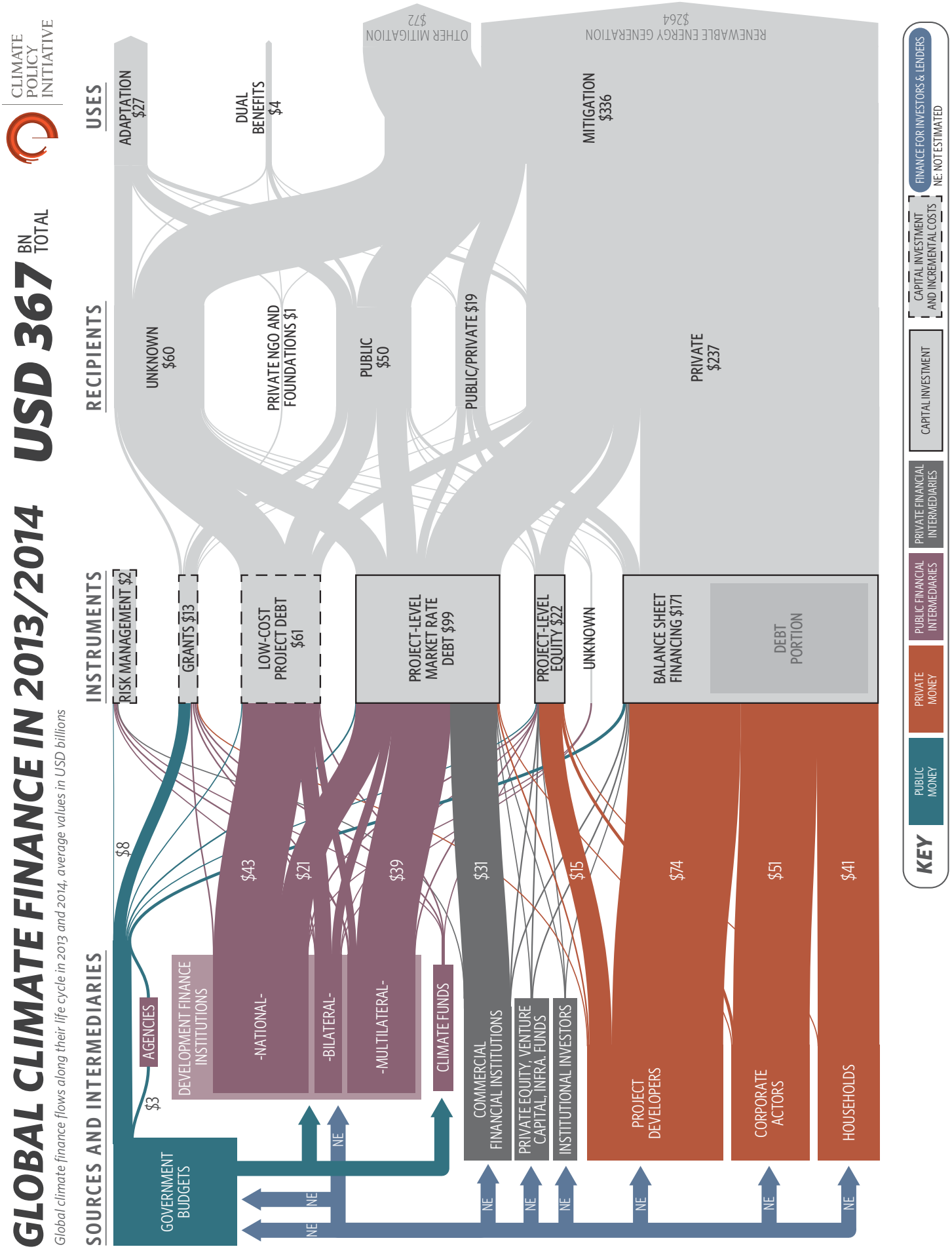
	2013	2014	AVERAGE
EAST ASIA & PACIFIC	95	118	106
WESTERN EUROPE	94	98	96
AMERICAS	38	44	41
JAPAN, KOREA & ISRAEL	35	40	37
LATIN AMERICA & THE CARIBBEAN	24	27	26
SOUTH ASIA	13	17	15
CENTRAL ASIA & EASTERN EUROPE	11	12	12
SUB-SAHARAN AFRICA	13	10	11
TRANSREGIONAL	10	13	11
MIDDLE EAST & NORTH AFRICA	5	9	7
OTHER OCEANIA	5	3	4
TOTAL INVESTED IN OECD COUNTRIES	**172**	**185**	**178**
TOTAL INVESTED IN NON-OECD COUNTRIES	**169**	**206**	**188**
TOTAL	**342**	**392**	**367**

Table 8. International/domestic climate finance flows in 2013 and 2014 (USD billion)

	2013	2014	AVERAGE
DOMESTIC	**253**	**290**	**271**
ORIGINATED IN A NON-OECD COUNTRY AND INVESTED IN THE SAME COUNTRY	123	150	136
ORIGINATED IN AN OECD COUNTRY AND INVESTED IN THE SAME COUNTRY	130	140	135
INTERNATIONAL	**90**	**102**	**96**
ORIGINATED IN AN OECD COUNTRY AND INVESTED IN A DIFFERENT OECD COUNTRY	40	43	41
ORIGINATED IN AN OECD COUNTRY AND INVESTED IN A NON-OECD COUNTRY	36	47	41
ORIGINATED IN A NON-OECD COUNTRY AND INVESTED IN A DIFFERENT NON-OECD COUNTRY	11	10	10
ORIGINATED IN A NON-OECD COUNTRY AND INVESTED IN AN OECD COUNTRY	3	2	3
TOTAL	**342**	**392**	**367**

Note: USD 1 billion on average has a trans-regional destination which was not possible to allocate in the table, but is counted against international investments.

Annex B: Average Annual Global Climate Finance Over 2013 & 2014



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Keywords	Climate Finance; Tracking; Global Landscape
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Climate Policy Initiative works to improve the most important energy and land use policies around the world, with a particular focus on finance. An independent organization supported in part by a grant from the Open Society Foundations, CPI works in places that provide the most potential for policy impact including Brazil, China, Europe, India, Indonesia, and the United States.

Our work helps nations grow while addressing increasingly scarce resources and climate risk. This is a complex challenge in which policy plays a crucial role.