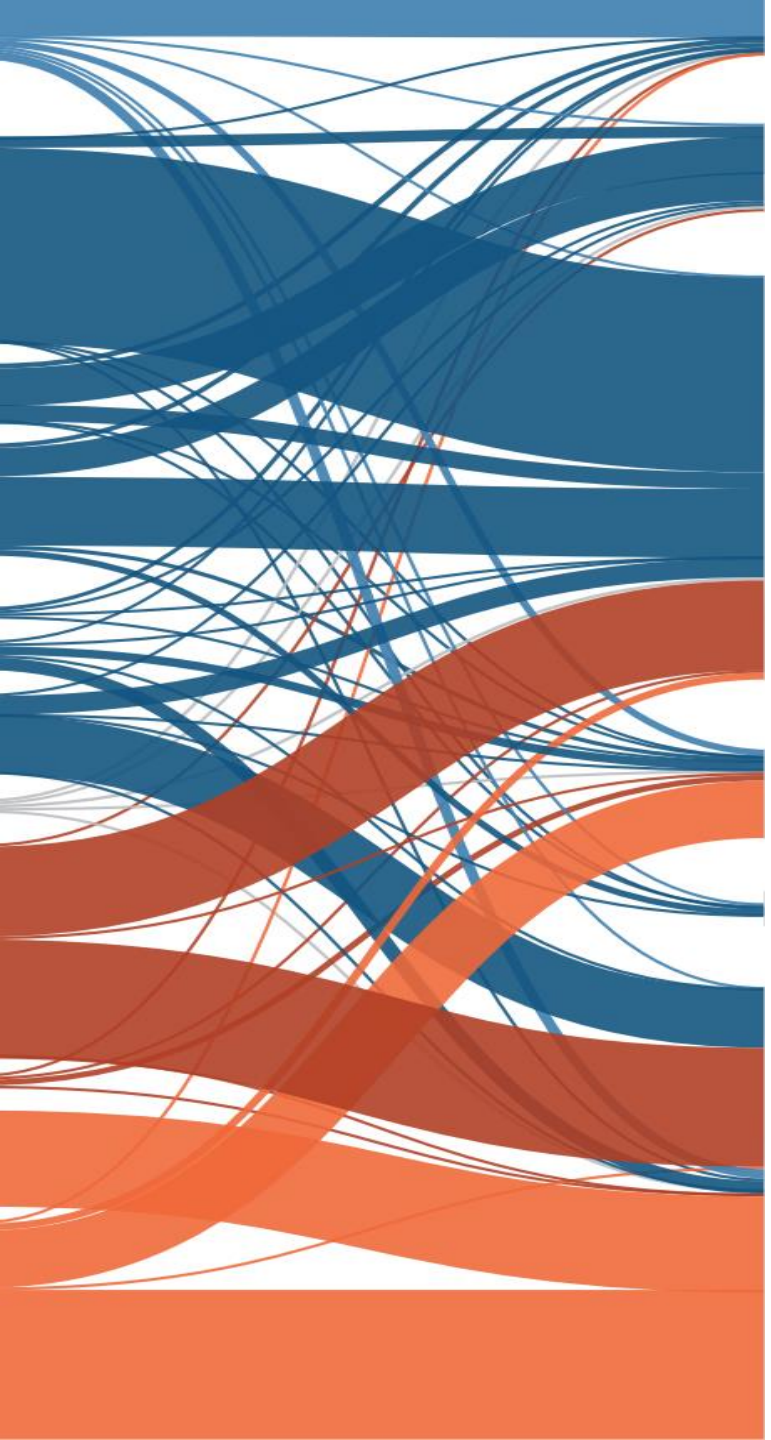

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Global Landscape of Climate Finance: A Decade of Data

Supported by:

Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

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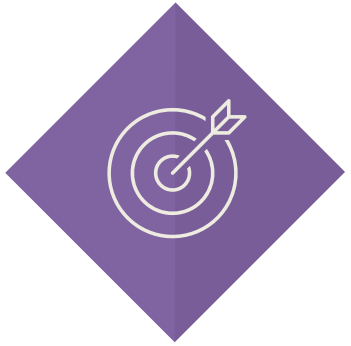
Global Climate Finance Tracking Program drives evidence-based and informed discussion on climate finance

Comprehensive analysis of finance flows

What is the current state of global climate finance flows?

Clear data on progress against needs



How far are we from closing the climate investment gap?

Concrete and actionable recommendations

What should be prioritized to redirect finance and close the investment gap?

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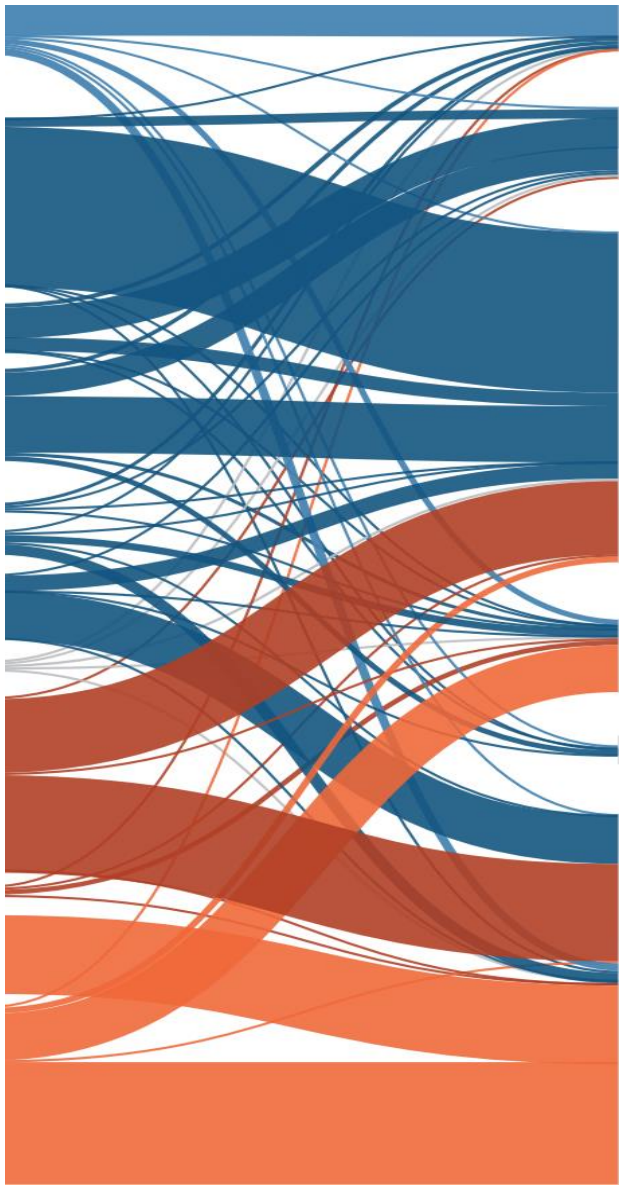


Agenda

Key findings

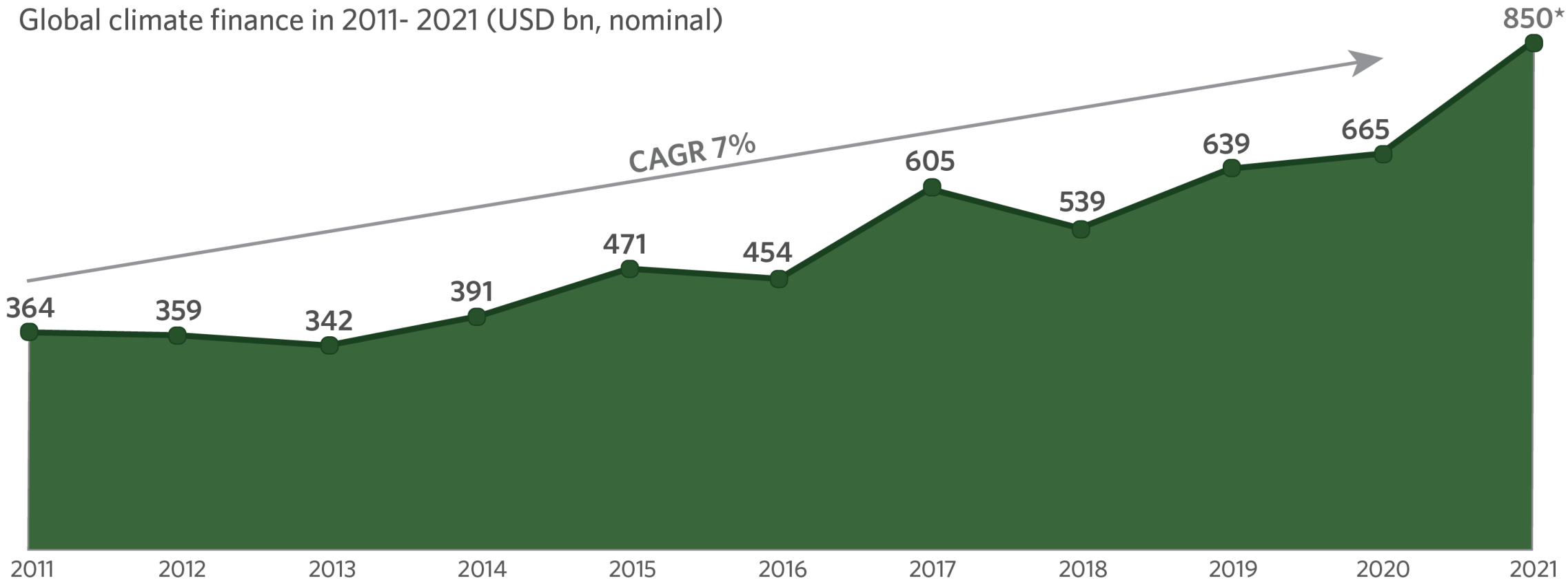
A closer look at

- Sectors and geographies
- Sources and instruments

4 Key Actions to scale climate finance

Key Findings

Global climate finance almost doubled in the last decade, with a cumulative USD 4.8 trillion in climate finance committed between 2011-2020



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Climate Finance Definition

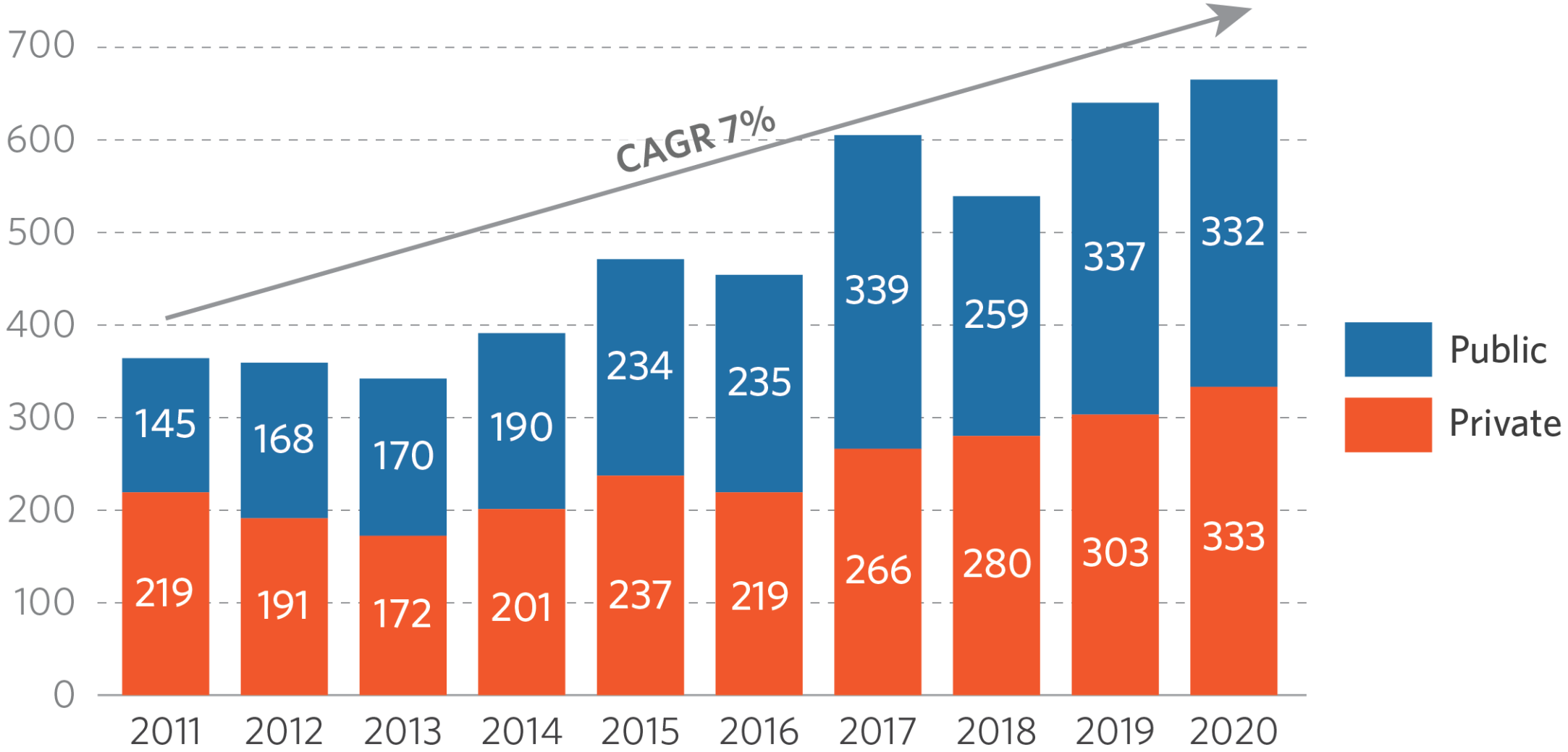
Aligned with Operational definition of the UNFCCC Standing Committee on Finance:

"Climate finance aims at:

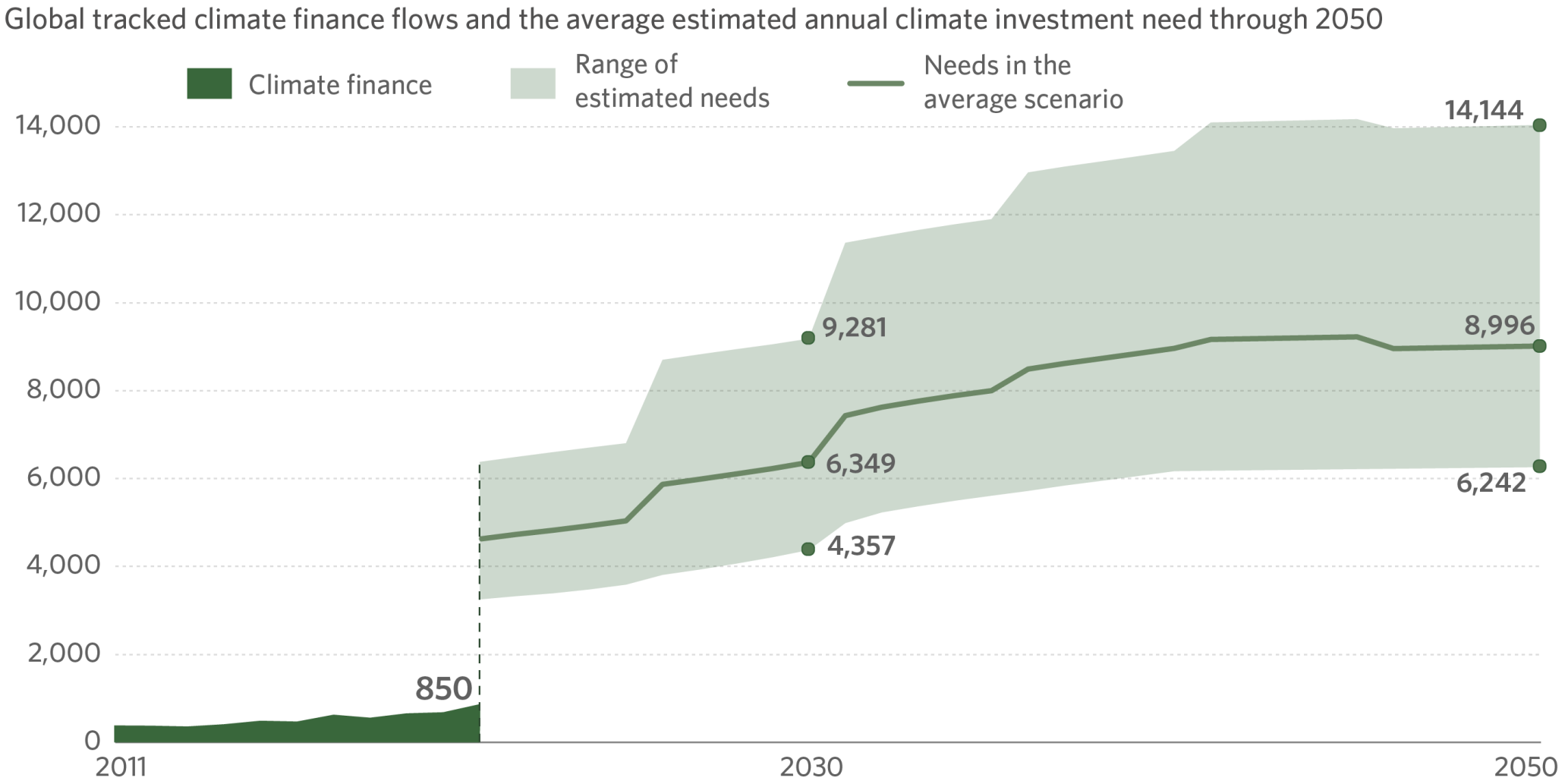
- reducing emissions, and enhancing sinks of greenhouse gases and
- aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts."

Global Landscape of Climate Finance Methodology

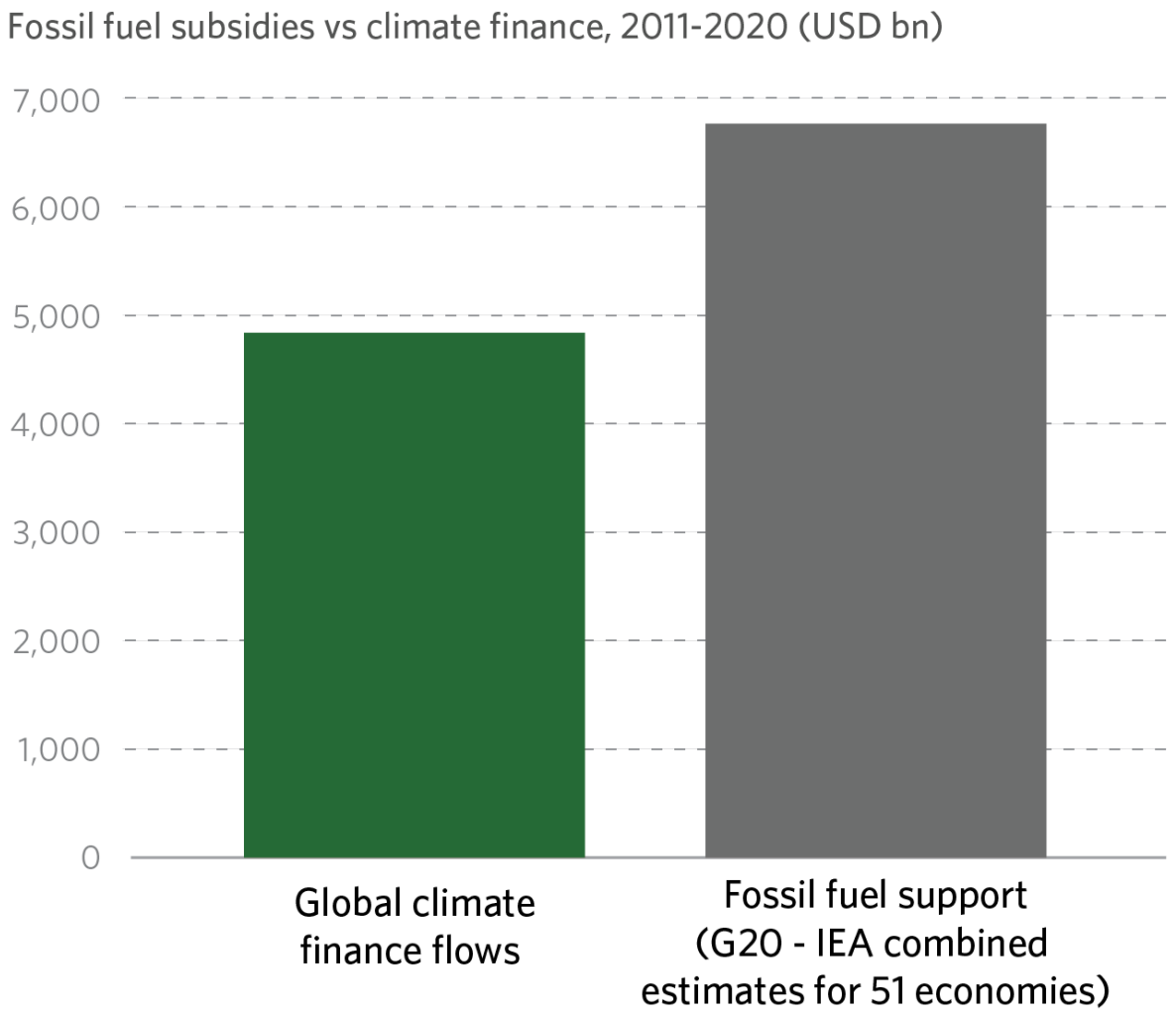
Private sector climate finance is increasing, but more scale and speed are necessary



We need at least USD 4.3 trillion in annual finance flows by 2030 a 20% year-on-year increase by 2030 is required



Continued fossil fuel support remains a barrier to achieving global climate goals



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.

653 BN USD ANNUAL AVERAGE

Government funds to other public sources are not estimated

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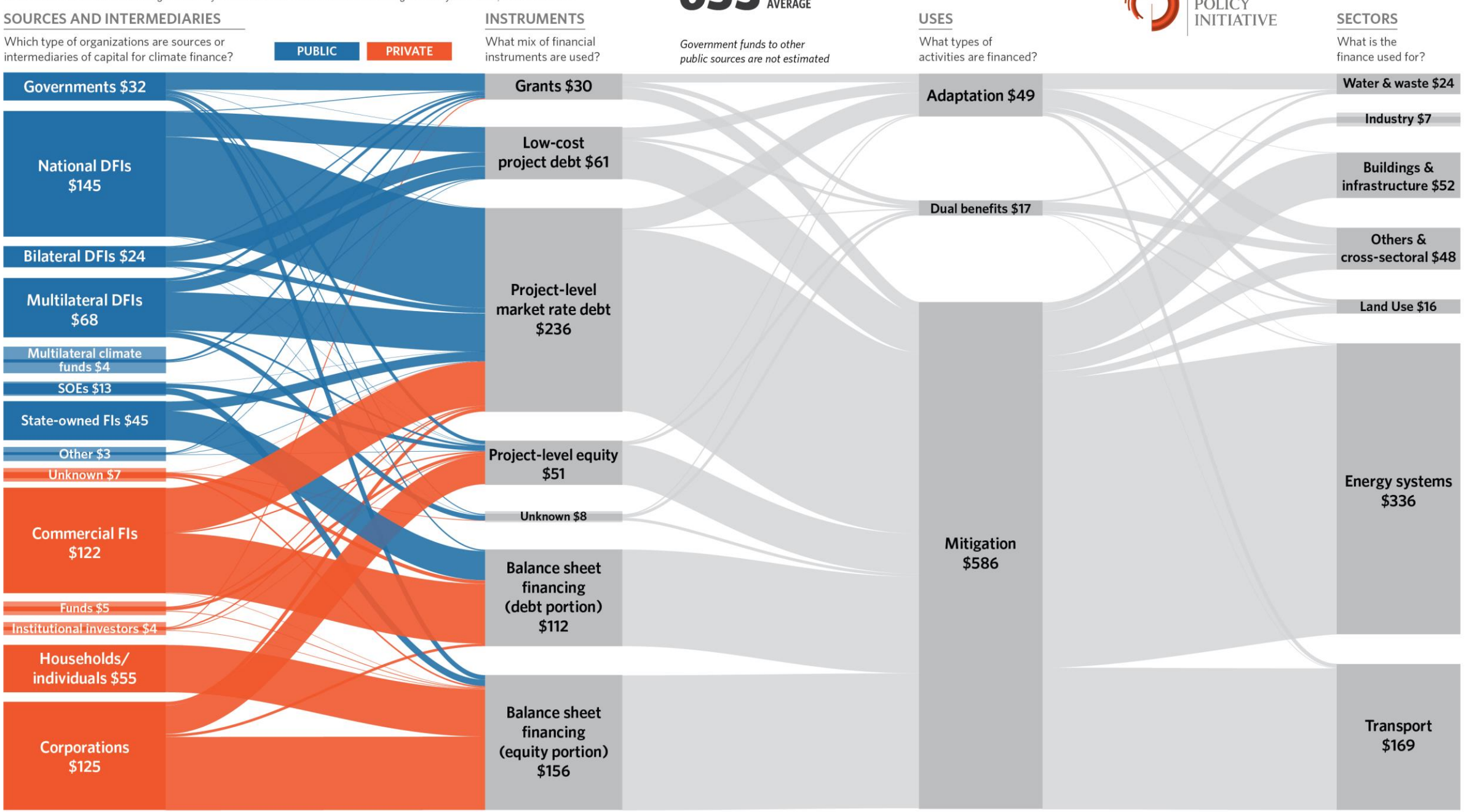

What climate solutions are being implemented and where?

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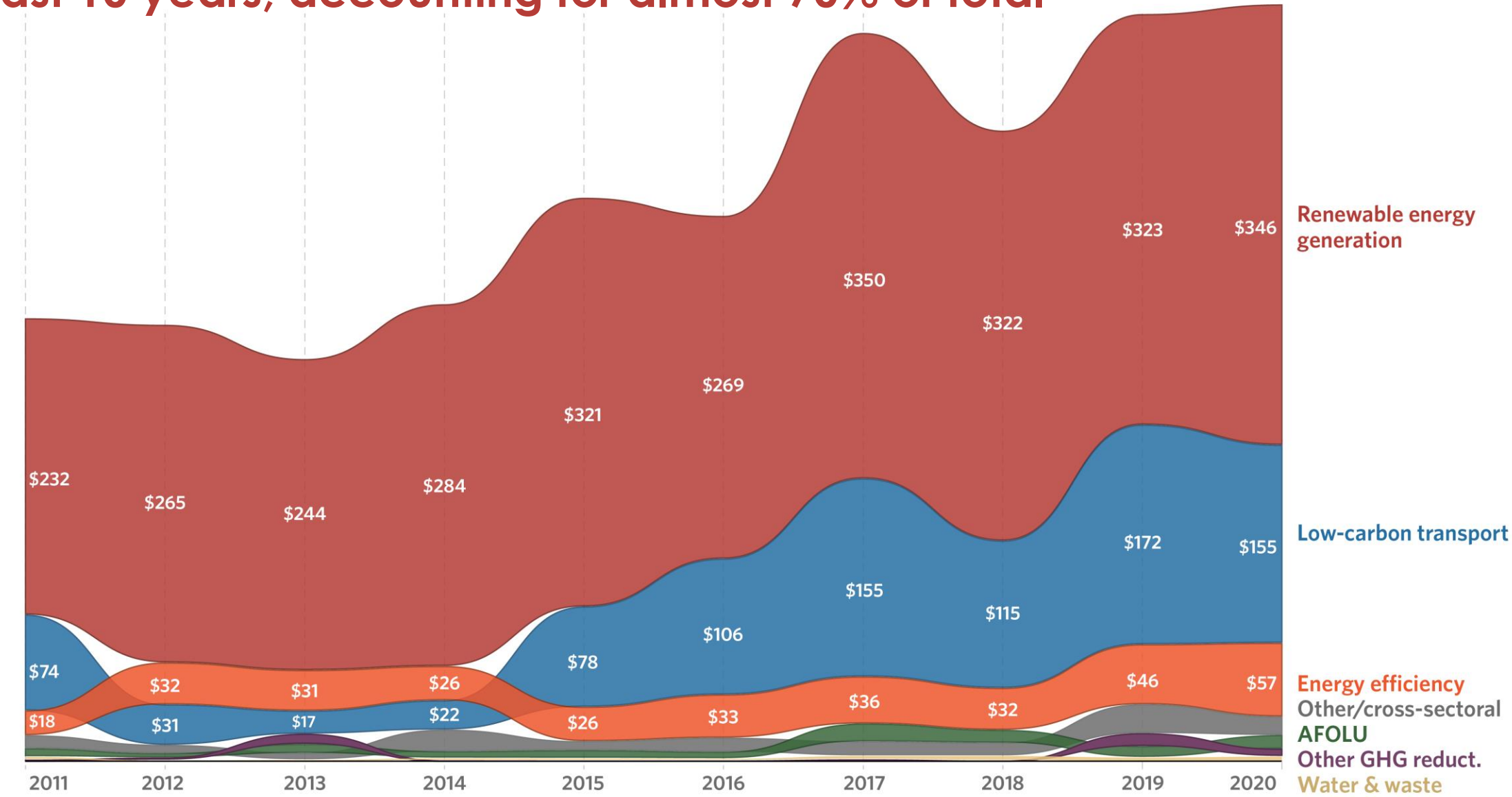
Mitigation finance was dominated by renewable energy in the last 10 years, accounting for almost 70% of total



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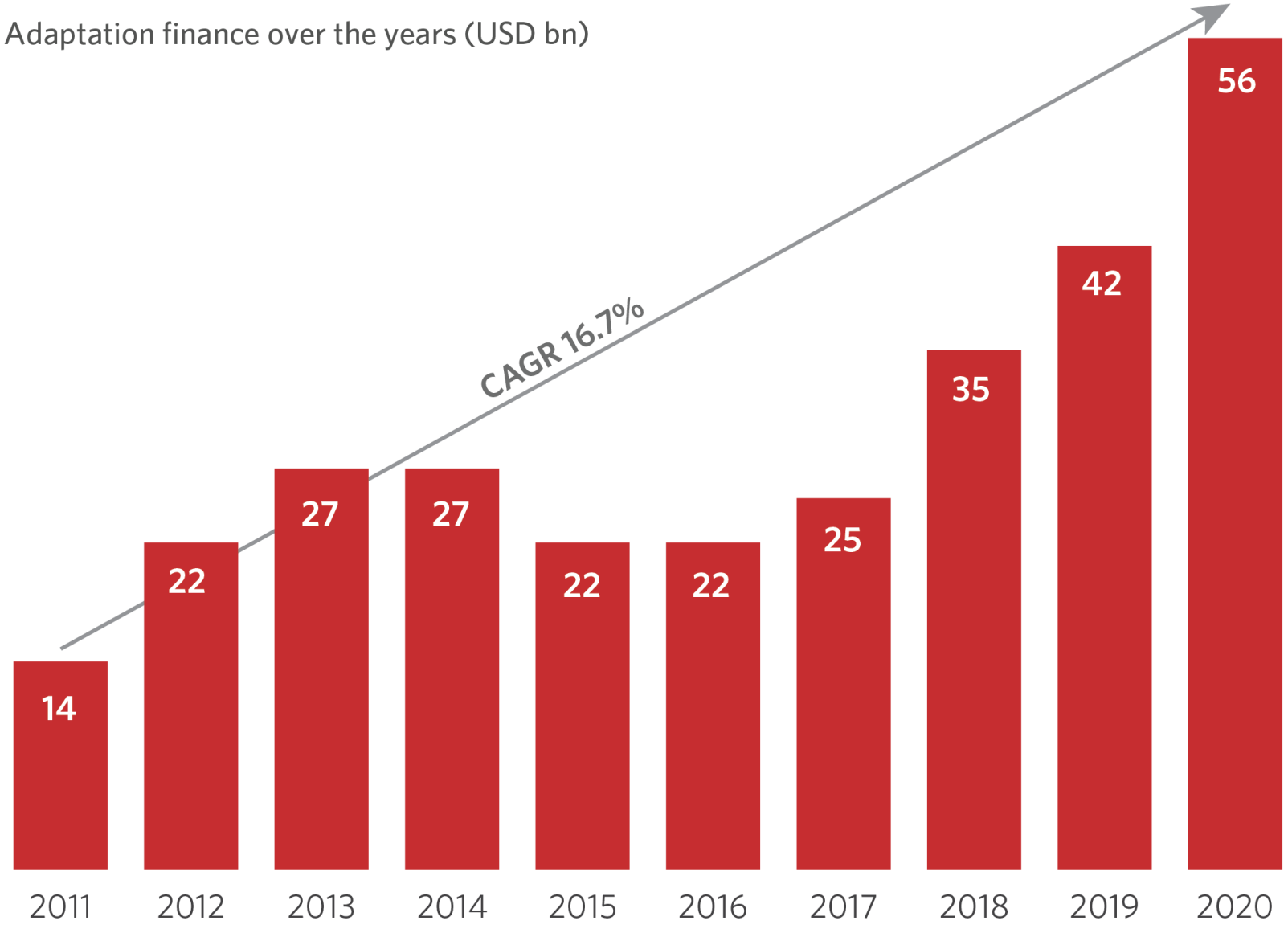
Adaptation finance is increasing, but is starkly underfunded



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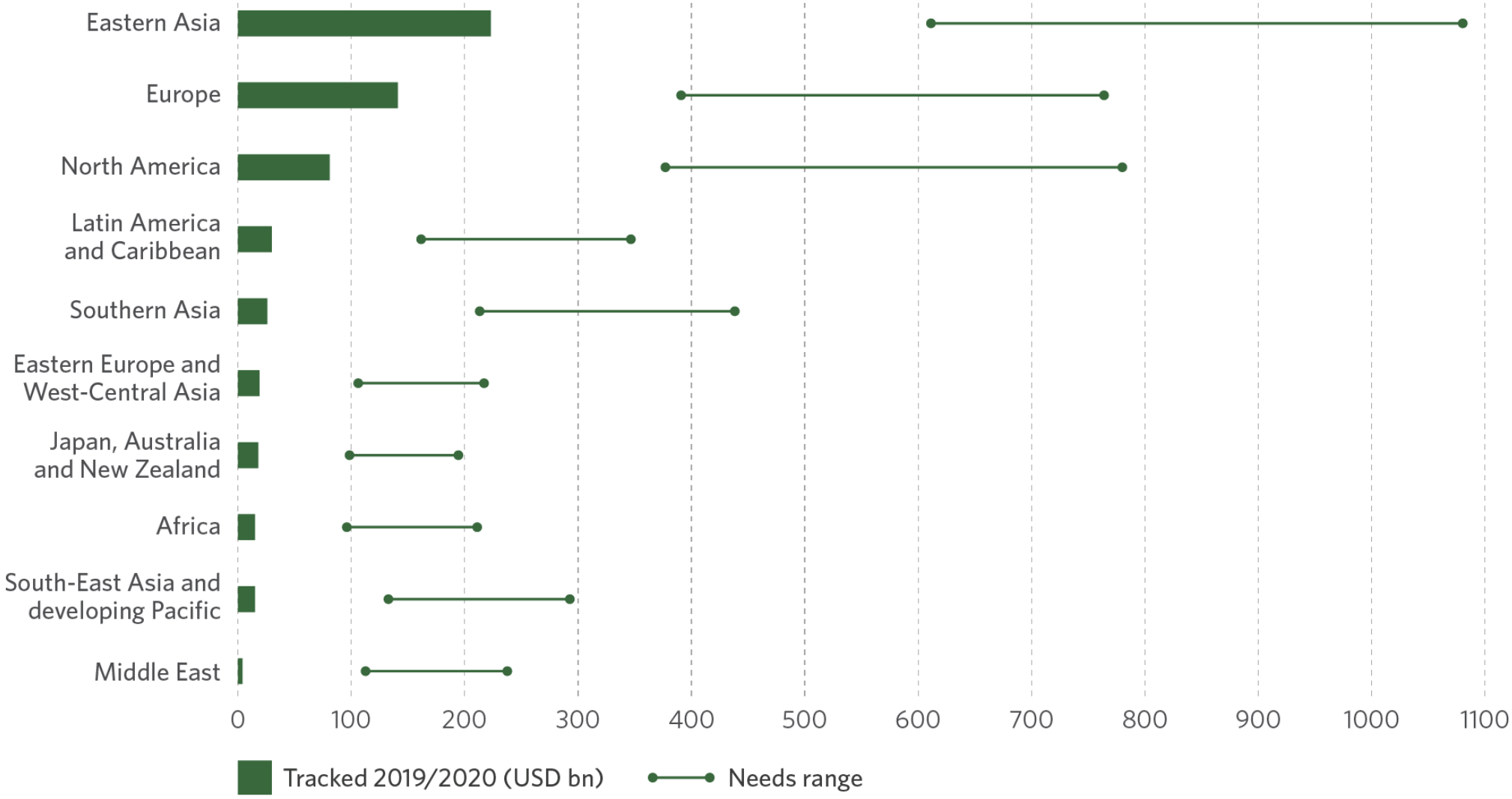
Most finance is concentrated in only a few regions.



Needs source: Kreibiehl, Silvie; König, Michael; Moon, Jongwoo (2022): Data for Figure TS.25 - Technical Summary of the Working Group III Contribution to the IPCC Sixth Assessment Report. MetadataWorks, 04 April 2022. DOI: 10.48490/dw6j-ef56

How are projects financed?

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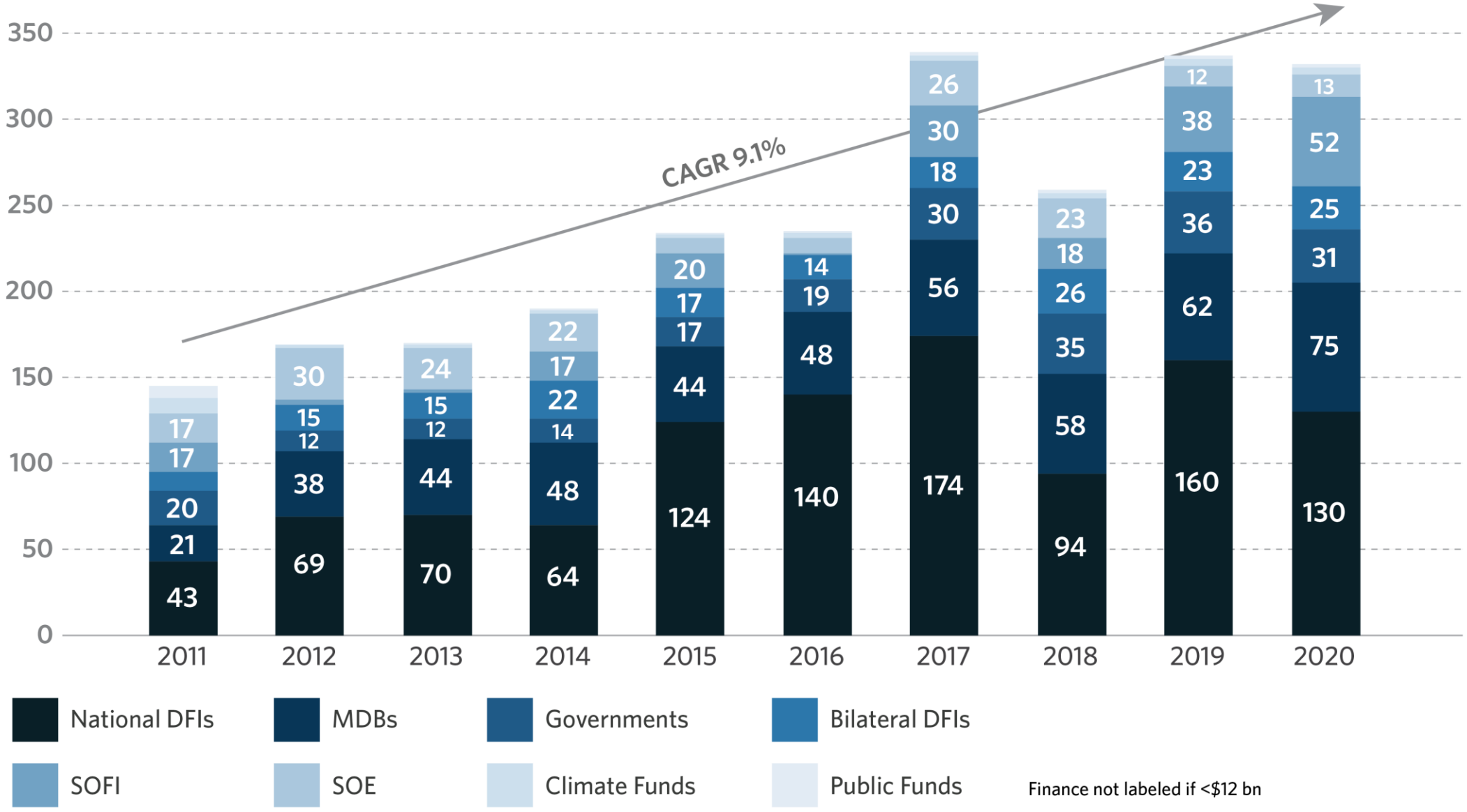
All public sources are increasing finance, but their roles are evolving



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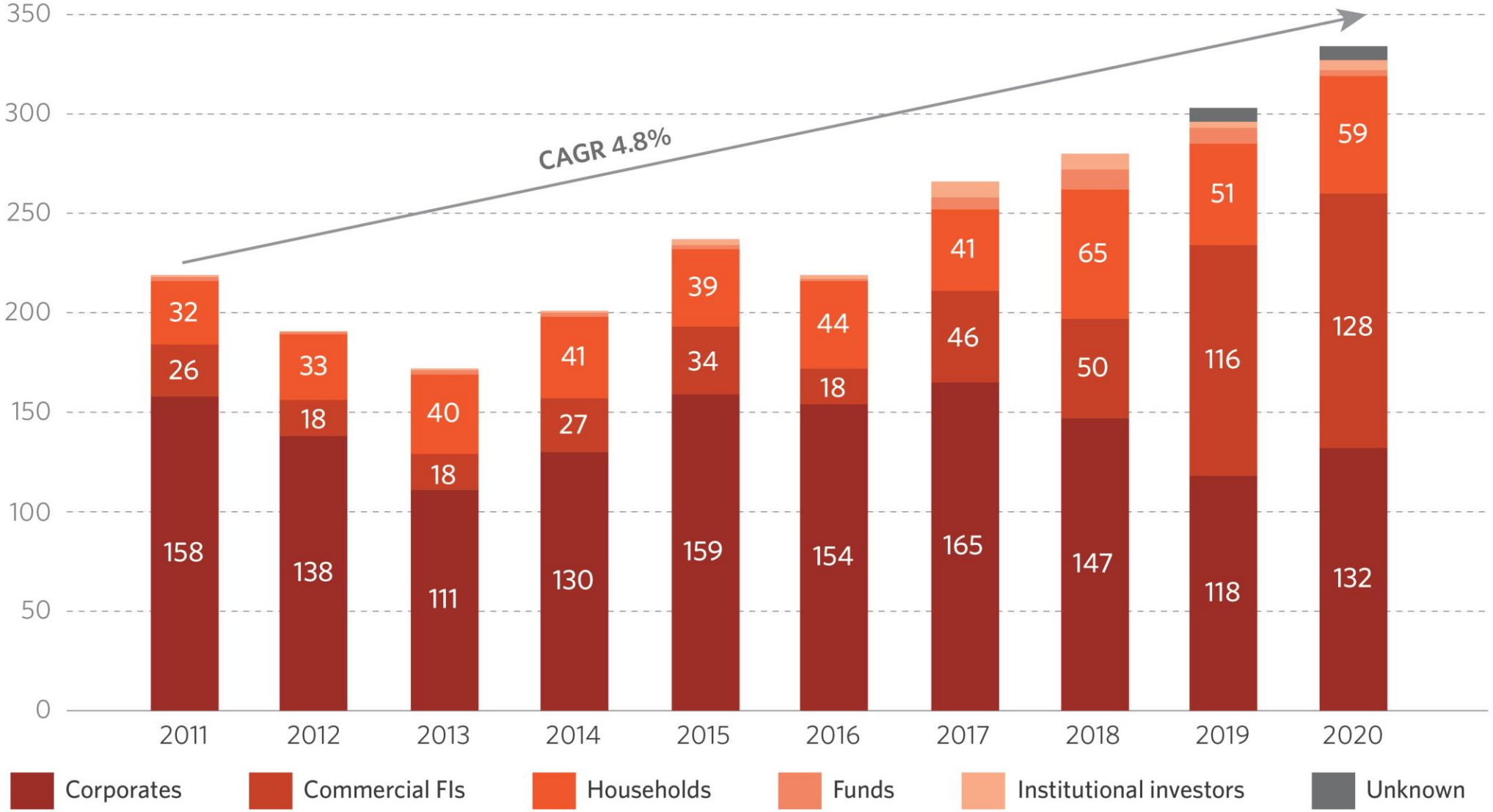
Private actors' contributions are increasing, but not at the pace necessary considering public sector capacity constraints



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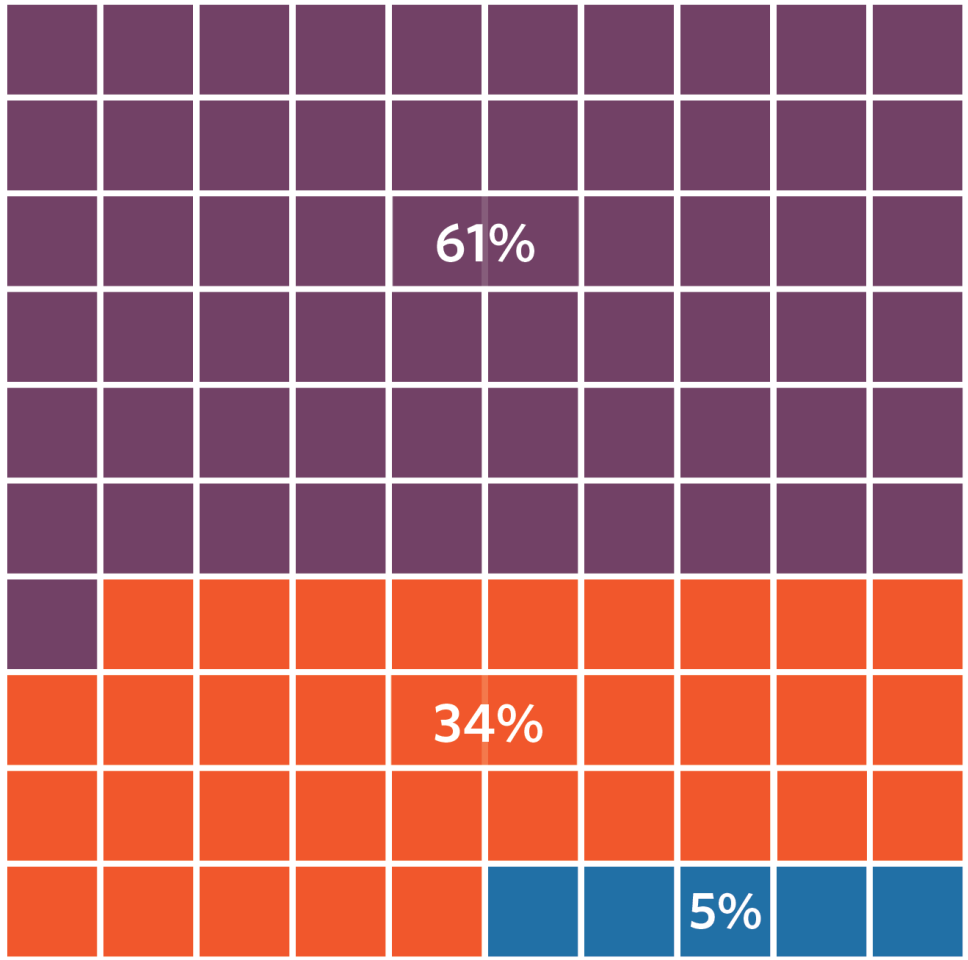
Most Financing over the last decade was provided as market rate debt

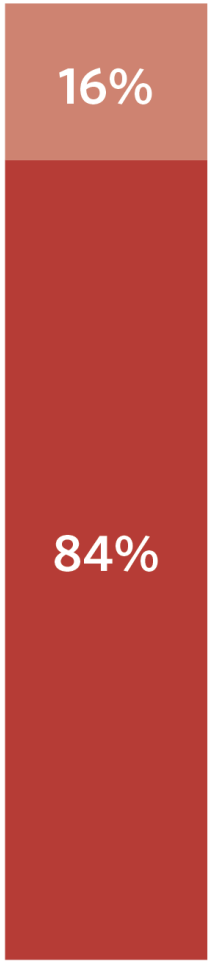


Debt

Equity

Grants

<1% Other/Unknown



Concessional

Market Rate

Limitations and road ahead

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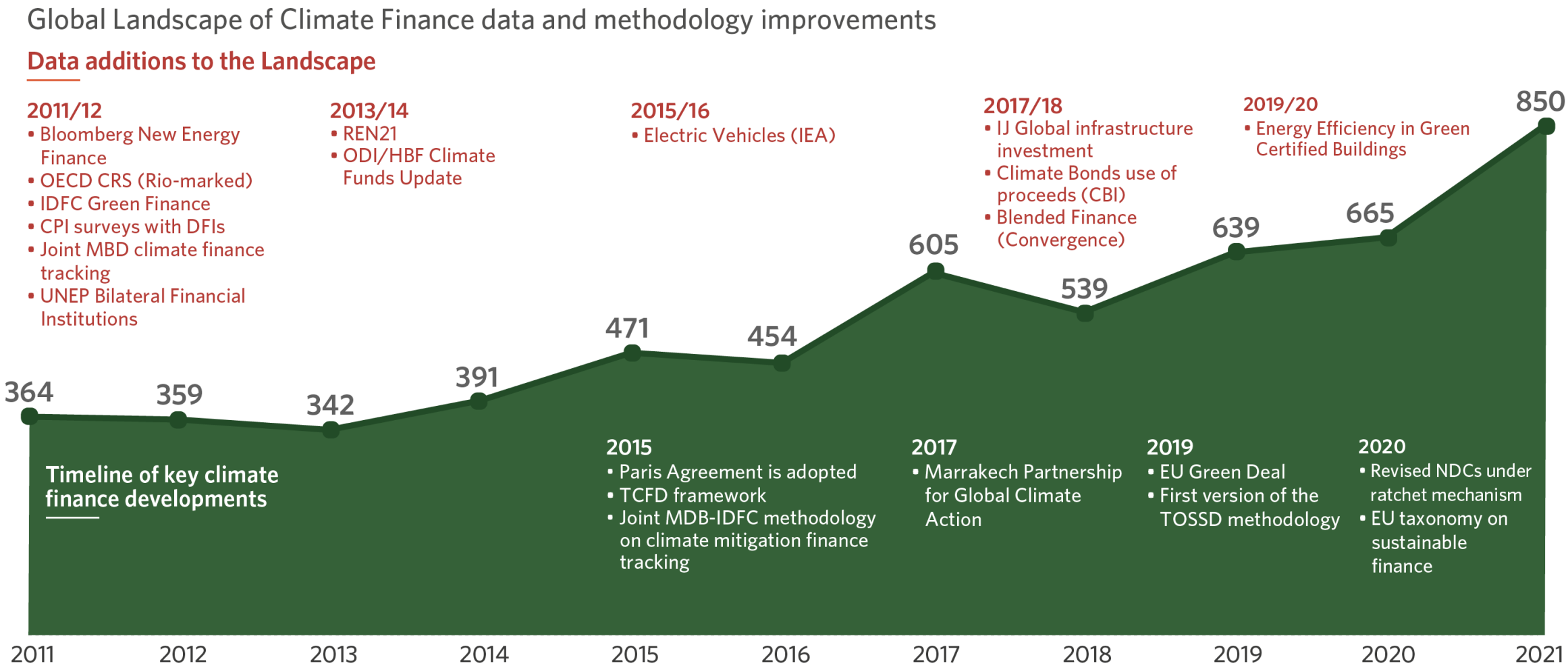
Climate finance flows data are improving, but standardized information on its outcome and impact remain scarce



4 key climate finance actions for this decade

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1. Adopt holistic sectoral strategies
2. Shift to a new finance paradigm
3. Expand enabling environments through policies that mobilize private finance
4. Make decision-critical data on climate finance flows available

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Climate finance trends to reflect on in 2023

More sophisticated discussions:

- Global Goal on Adaptation: doubling adaptation finance by 2025
- Global Shield Against Climate Crisis: funds and subsidies for insurance to help at-risk societies
- Global Stocktake 2023 and NCQG technical discussions
- Loss and Damage: what is it, who will fund it and how?
- Just Transition packages, Bridgetown agenda, Reforming MDBs
- There is COP28, but there is also COP16 – Biodiversity

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Related Projects

- Net Zero Finance Tracker
- Framework for Sustainable Finance Integrity
- Landscape of Climate Finance in Africa
- Landscape of Green Finance in India
- Landscape of Methane Abatement Finance

Questions?

Contact –

CPI: climatepolicyinitiative.org

The Lab: climatefinancelab.org

USICEF: usicef.org

Global Landscape of Climate Finance: climatefinancelandscape.org

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Thank You

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Annex

Segment	2019/2020 Investment ($bn/yr)	Implementation cost of Paris-aligned scenarios through 2050 ($bn/yr)			Progress against avg. scenario (%)
	Tracked	Lower bound	Average scenario	Upper bound	Tracked (%)
Climate Finance	**653**	**5,209**	**7,604**	**11,513**	9%
Mitigation & Dual Benefits	**603**	**5,034**	**7,350**	**11,181**	8%
Energy Systems	333	1,526	3,319	6,625	10%
inc. Renewable Energy	323	662	1,142	1,983	28%
Buildings & Infrastructure	51	480	800	1,119	6%
Industry, Waste & Water	10	280	369	458	3%
Transport	163	2,449	2,565	2,681	6%
AFOLU	10	298	298	298	3%
Adaptation	**49**	**175**	**254**	**332**	19%