



CLIMATE
POLICY
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Global Landscape of Climate Finance 2025: EMDE Spotlight

Webinar

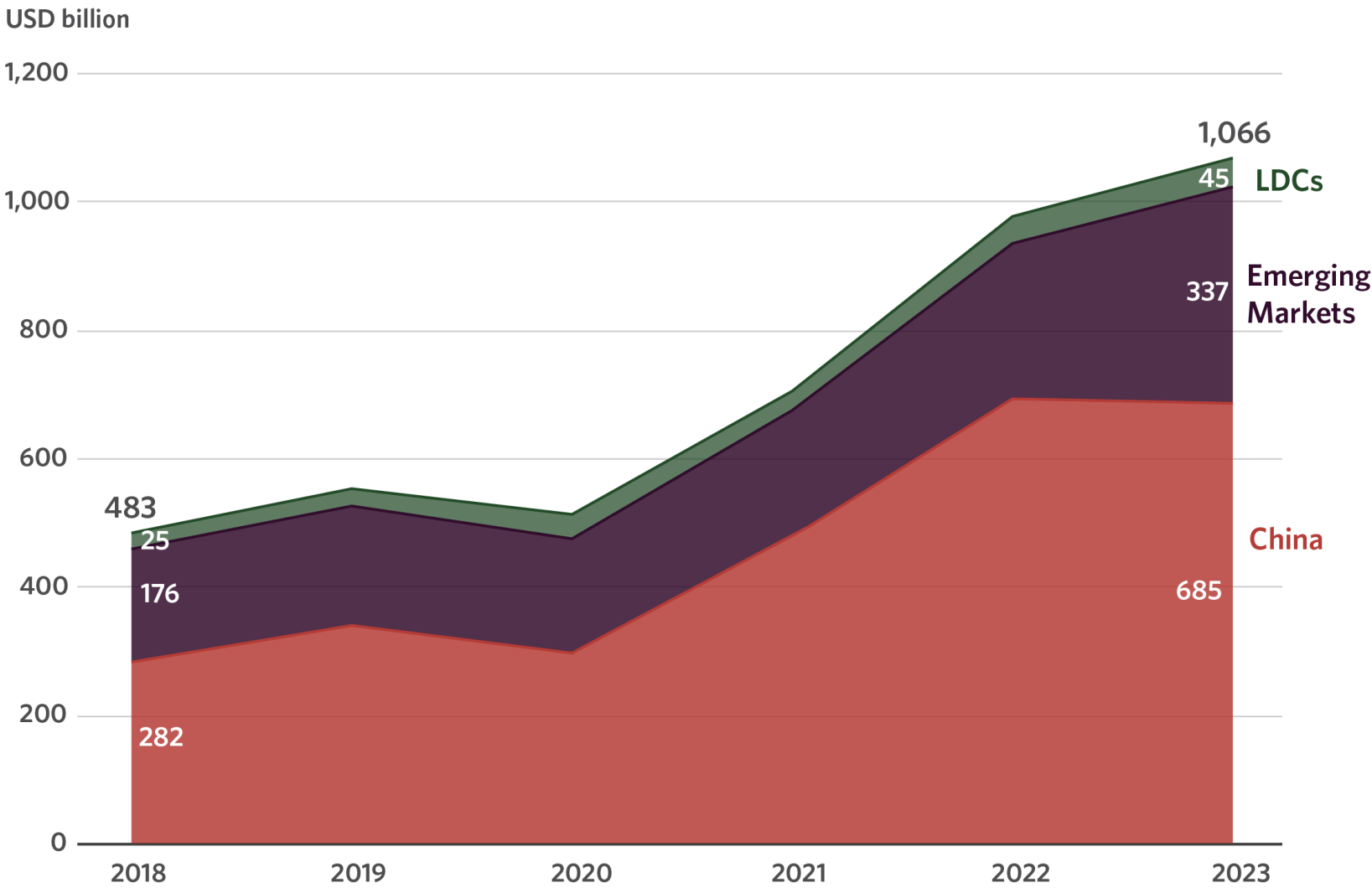
Presentation of the Global Landscape of Climate Finance 2025: EMDE Spotlight

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Climate finance to EMDEs has more than doubled in six years, surpassing USD 1 trillion in 2023

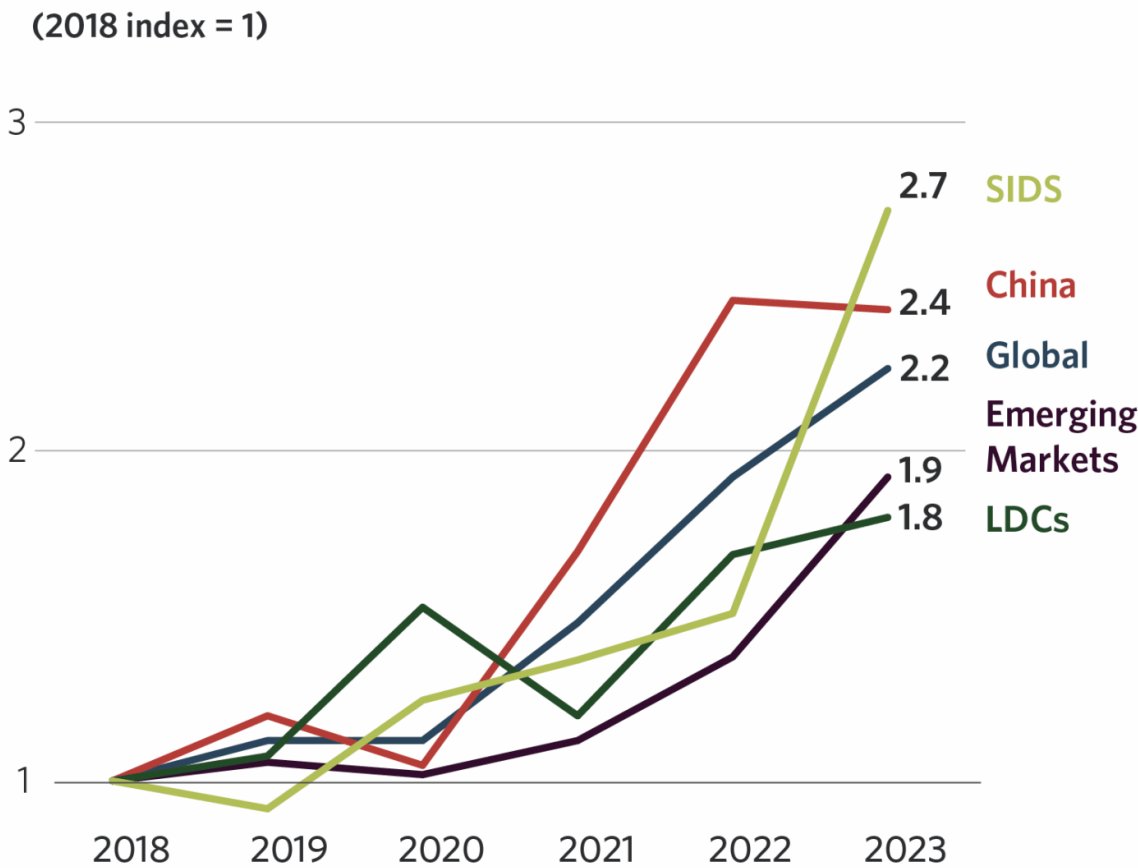
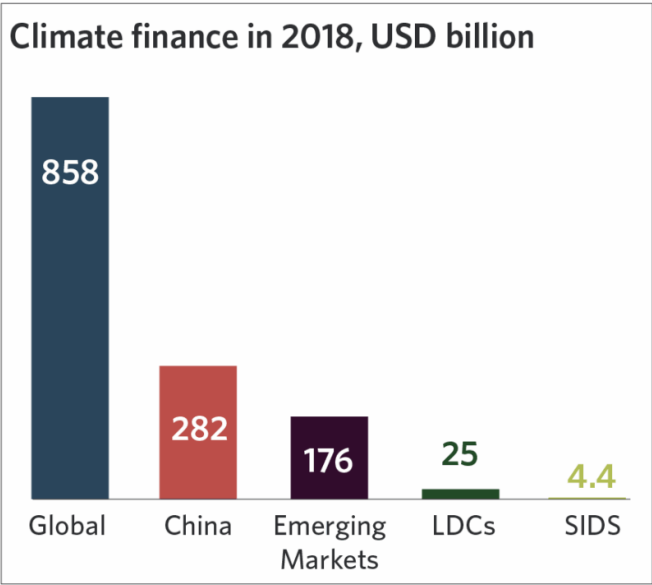
Figure 2: Climate finance to EMDEs by subgroupings



Source: Climate Policy Initiative

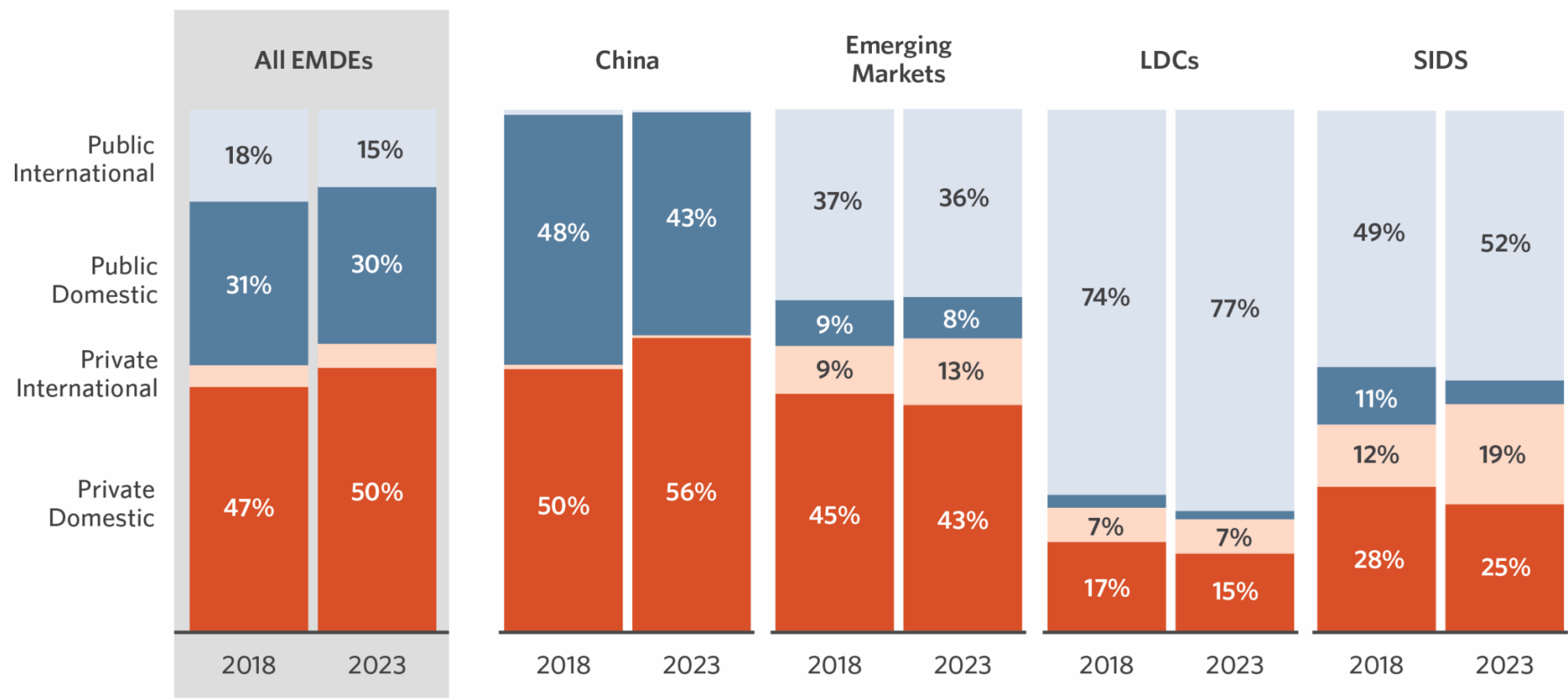
Across All EMDEs,
climate investment
is becoming a
vehicle for
economic
development

Figure 3: Climate finance growth rate in EMDE subgroupings



Sources of climate finance depend on the sub-group of EMDEs studied

Figure 6: Share of climate finance to EMDEs by development status and source of finance, 2018 vs 2023



LANDSCAPE OF CLIMATE FINANCE IN EMDEs IN 2023

Values are in USD billion



1.1 TRILLION
USD IN 2023

SOURCES AND INTERMEDIARIES

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

INSTRUMENTS

What mix of financial instruments is used?

EMDE CLASSIFICATION

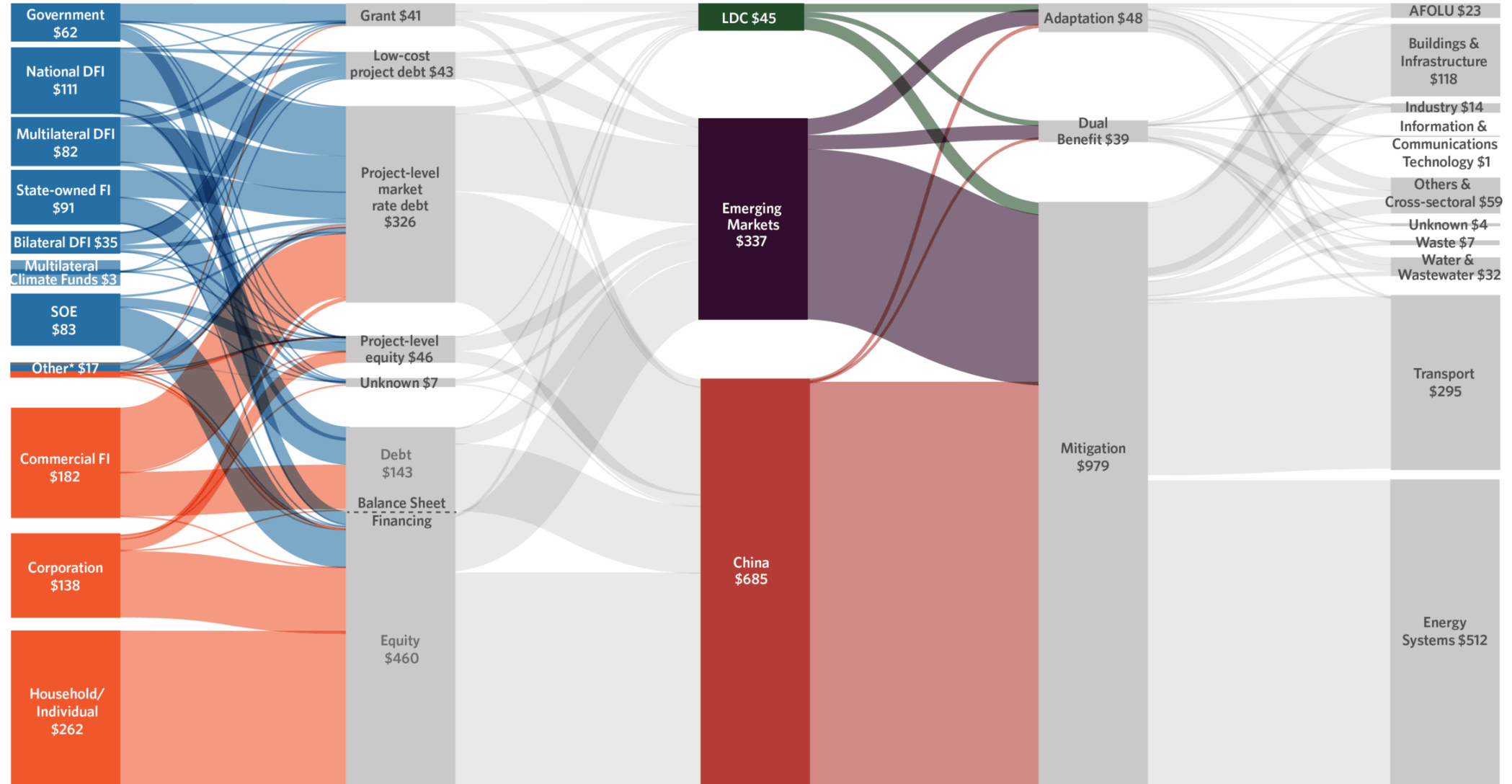
What is the development status of the destination country?

USES

What types of activities are financed?

SECTORS

What is the finance used for?



PRIVATE PUBLIC

*"Other" public sources include export credit agencies and unknown public funds

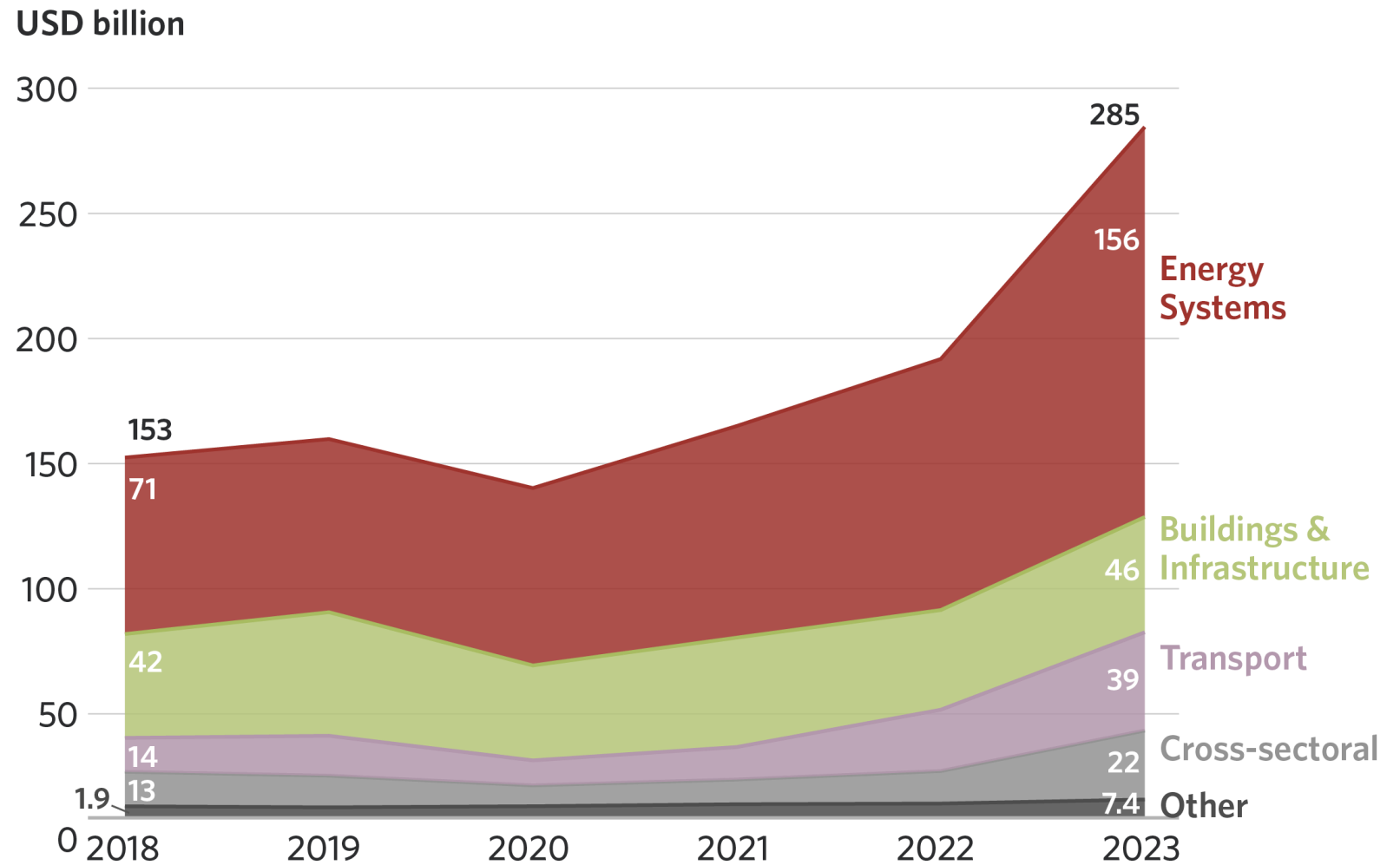
*"Other" private sources include institutional investors, third sector organizations, funds, and unknown

*"AFOLU" stands for agriculture, forestry, other land use, and fisheries.



Mitigation finance 2018-2023

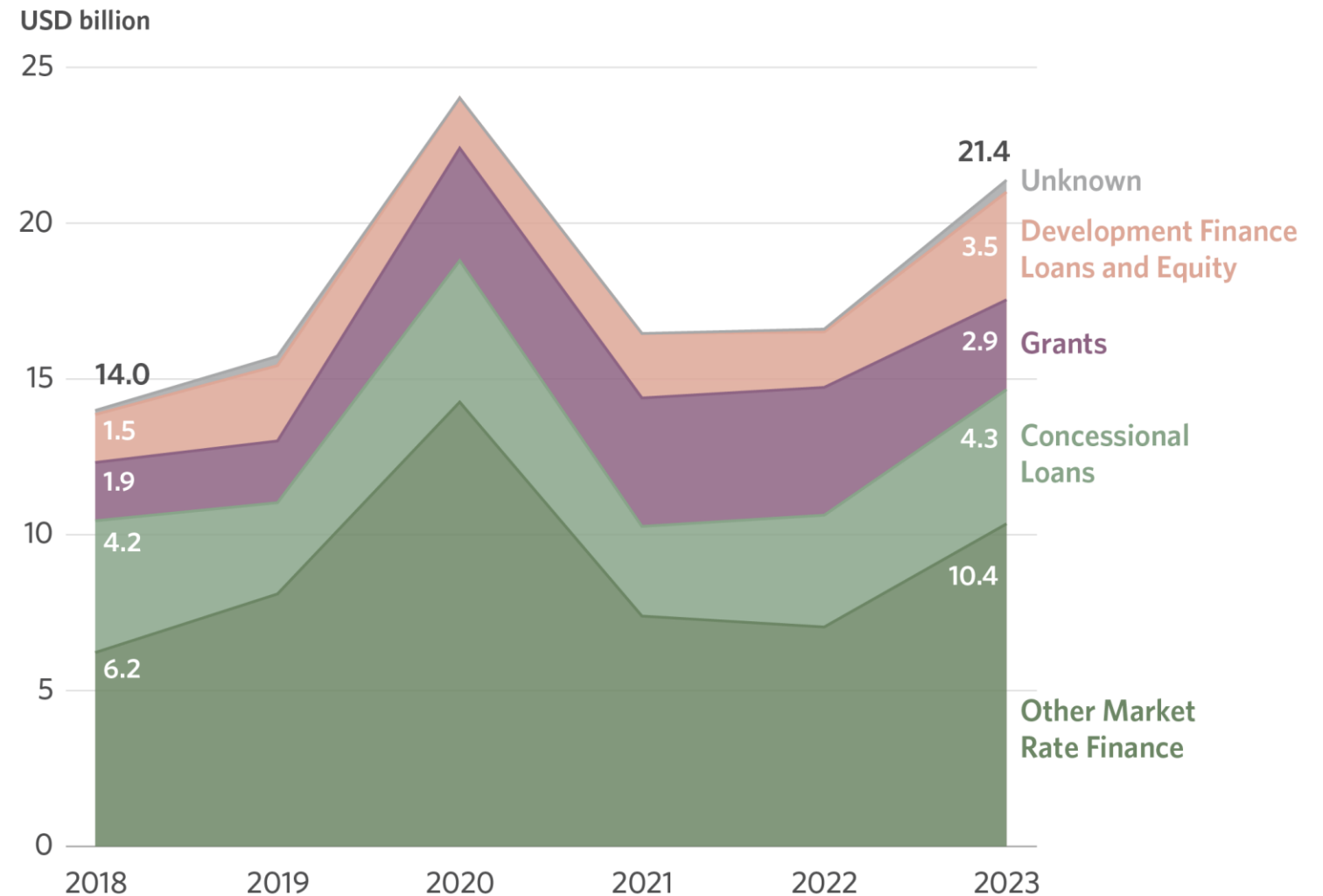
Mitigation finance in Emerging Markets is crucial to avoid entrenching high-carbon systems



Note: "Other" includes Industry, AFOLU, Water and wastewater, Waste, and Information, communication, and technology (ICT), and Unknown.

Mitigation finance in LDCs is less stable, with a higher role for concessional and development finance and grants

Figure 15: Mitigation finance to LDCs, by instrument type



Note: Development finance includes all equity and loans from DFIs and Multilateral Climate/Development Funds that were not tagged under OECD concessionality criteria. In practice, these instruments may be concessional.

Source: Climate Policy Initiative

Despite increased mitigation finance to All EMDEs, investment gaps remain, particularly in sectors with high mitigation potentials

Figure 1: EMDE mitigation finance flows and needs

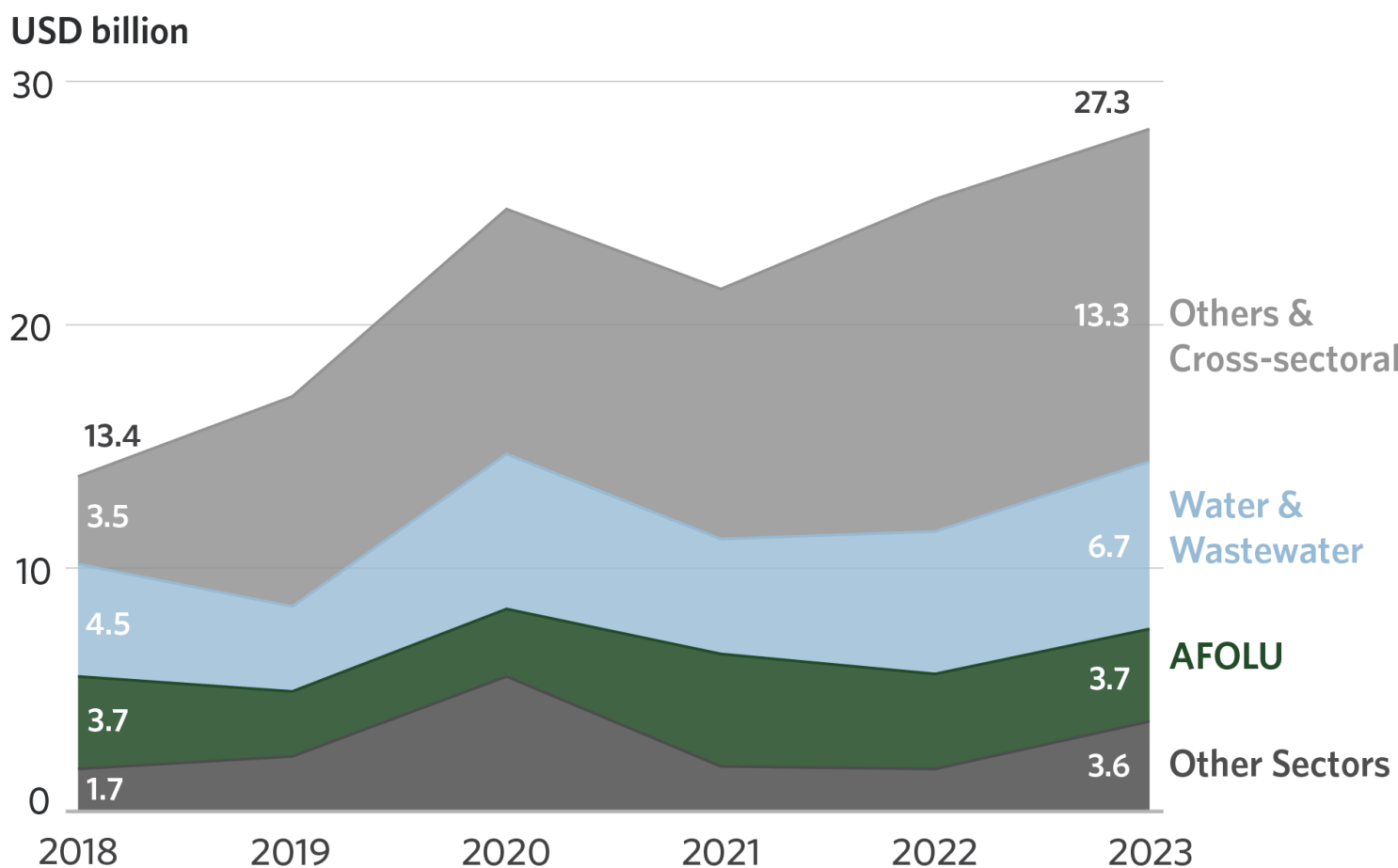


A photograph of a flooded street in a market area. Several people are wading through the dark, murky water. In the foreground, a man in a white t-shirt and a red cap carries two large plastic bags. Next to him, a woman in a blue and white striped shirt also carries a bag. To the right, two women are wading towards the camera, one pushing a cart. The street is lined with shops and stalls, some with awnings. A pink taxi and a white SUV are visible in the background. The text "Adaptation finance 2018-2023" is overlaid in white on the left side of the image.

Adaptation finance 2018-2023

Adaptation finance to Emerging Markets has more than doubled since 2018, but must scale substantially to meet required levels

Figure 17: Adaptation finance to Emerging Markets by sector

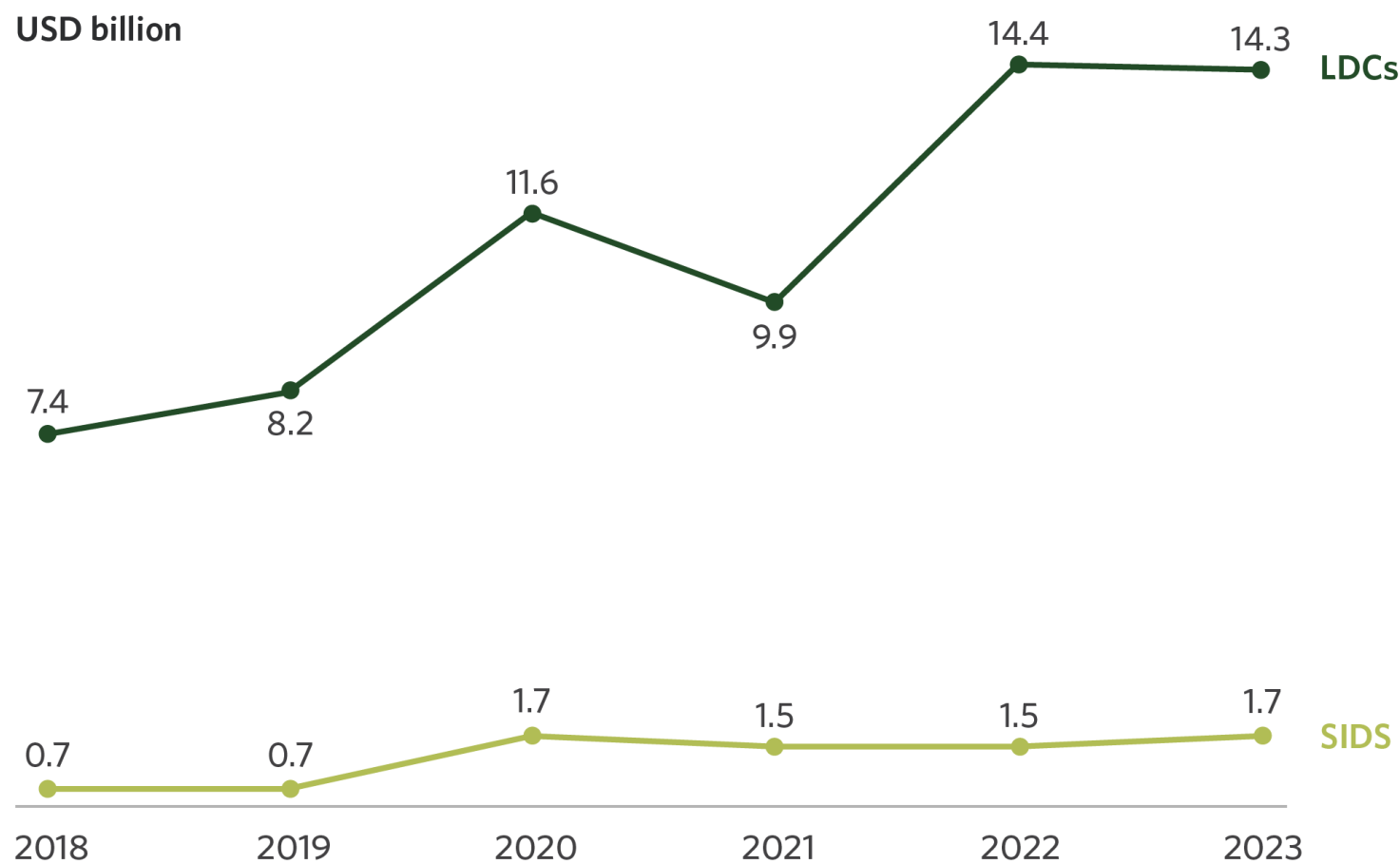


Note: "Other sectors" include Transport, Buildings & Infrastructure, Energy Systems, ICT, Industry and Waste. AFOLU: Agriculture, Forestry, Other land uses and Fisheries.

Source: Climate Policy Initiative

Adaptation finance to LDCs and SIDS experiences higher volatility at the sector level, despite high vulnerabilities

Figure 24: Adaptation finance to LDCs and SIDS

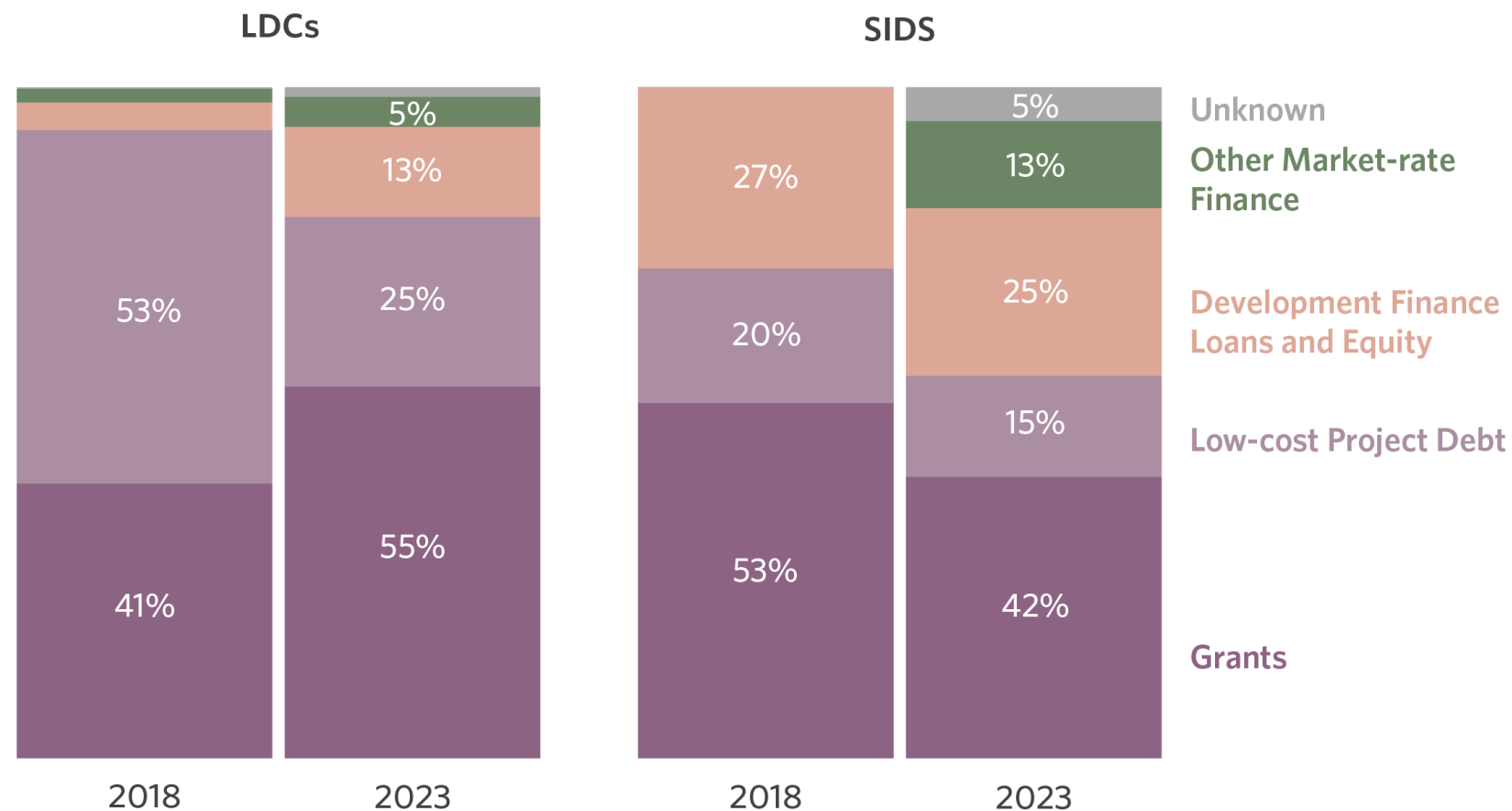


Note: SIDS are cross-cutting, with 8 countries counted in both LDCs and SIDS.

Source: Climate Policy Initiative

Grant financing has increased in share in LDCs but fallen in SIDS

Figure 25: Share of adaptation finance to LDCs and SIDS by instrument type



Note: Development finance includes all equity and loans from DFIs and Multilateral Climate/Development Funds that were not tagged under OECD concessionality criteria. In practice, these instruments may be concessional.

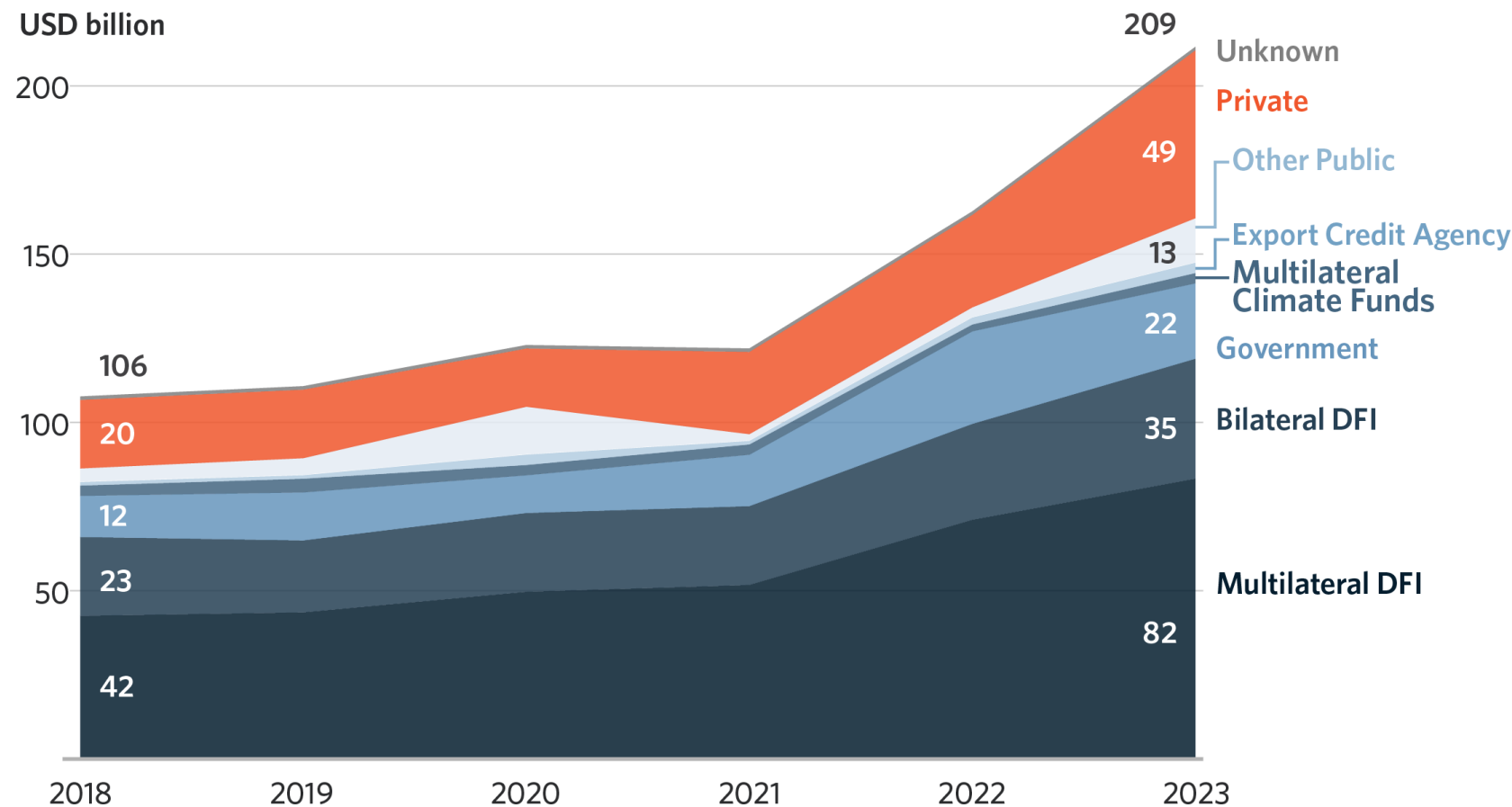
Source: Climate Policy Initiative



International climate finance

**Private finance
constitutes a small
but growing element
of international
flows to All EMDEs**

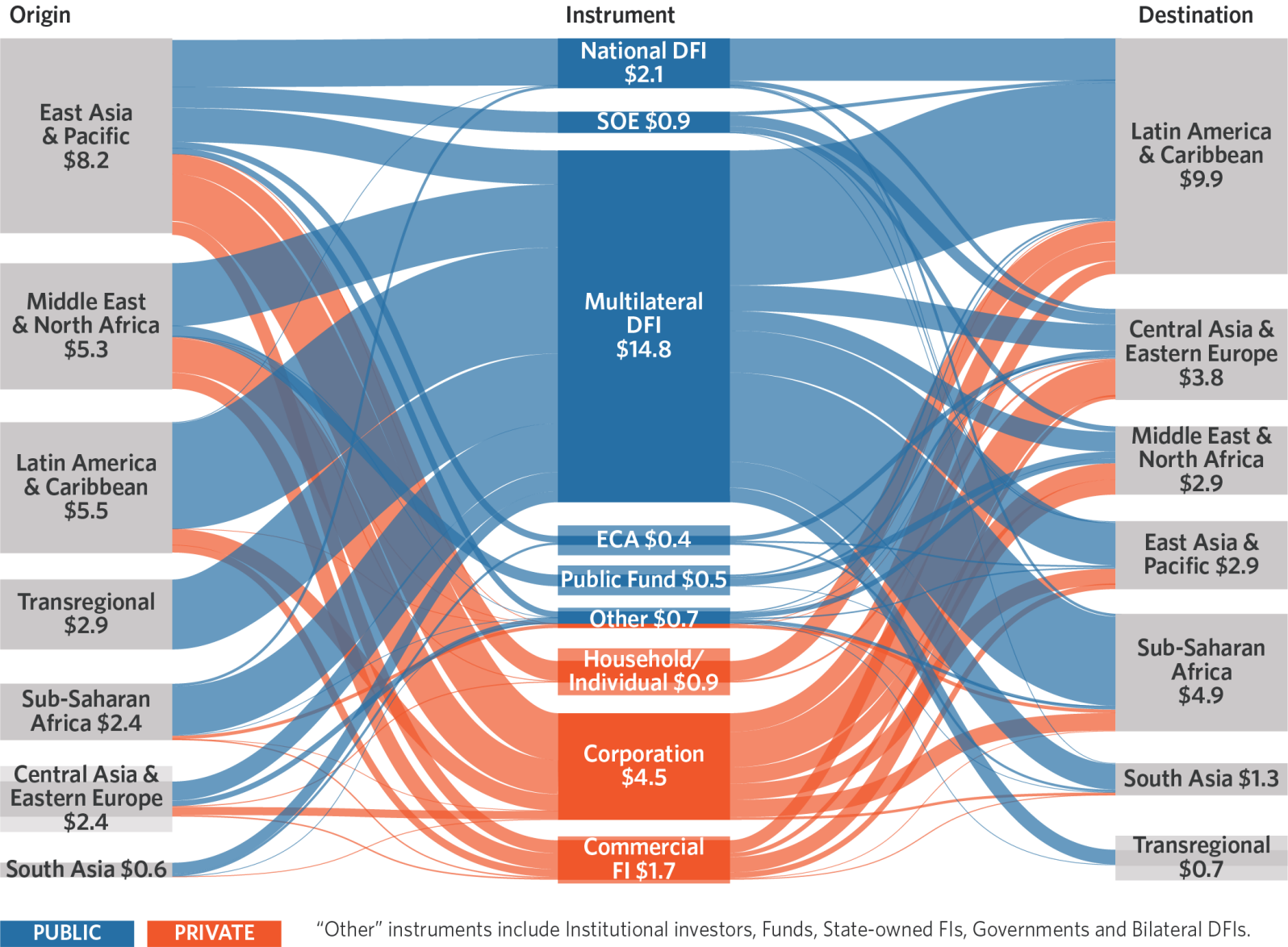
Figure 32: International climate finance to All EMDEs by source



Source: Climate Policy Initiative

South-South climate finance flows have risen from USD 16 billion in 2018 to USD 26 billion in 2023

Figure 35: Tracked South-South climate flows, USD billions



Source: Climate Policy Initiative

Recommendations

- 1. Strengthening domestic enabling environments to mobilize resources**
- 2. Improving the quality of international climate finance**
- 3. Increasing the transparency, accessibility and affordability of climate-related data.**