

# The Global Landscape of Climate Finance 2013

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# What is climate finance?

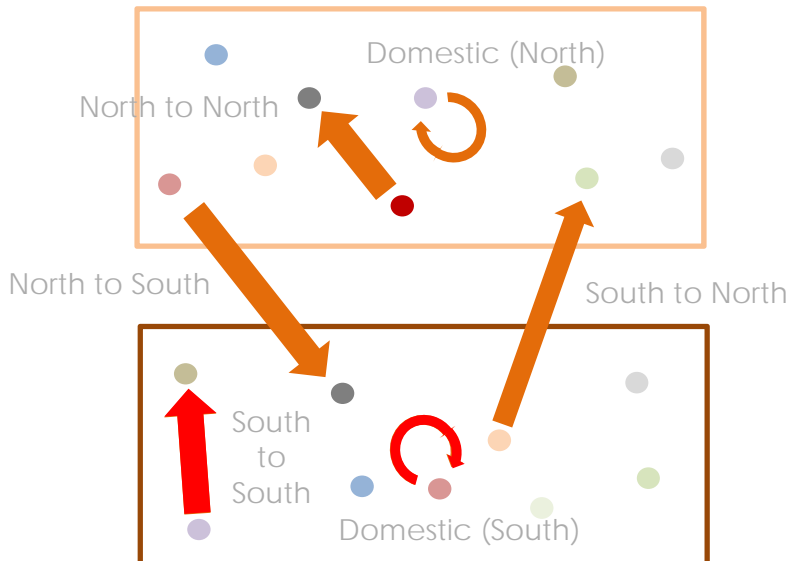
## Definition

- MISSING

## Landscape focus

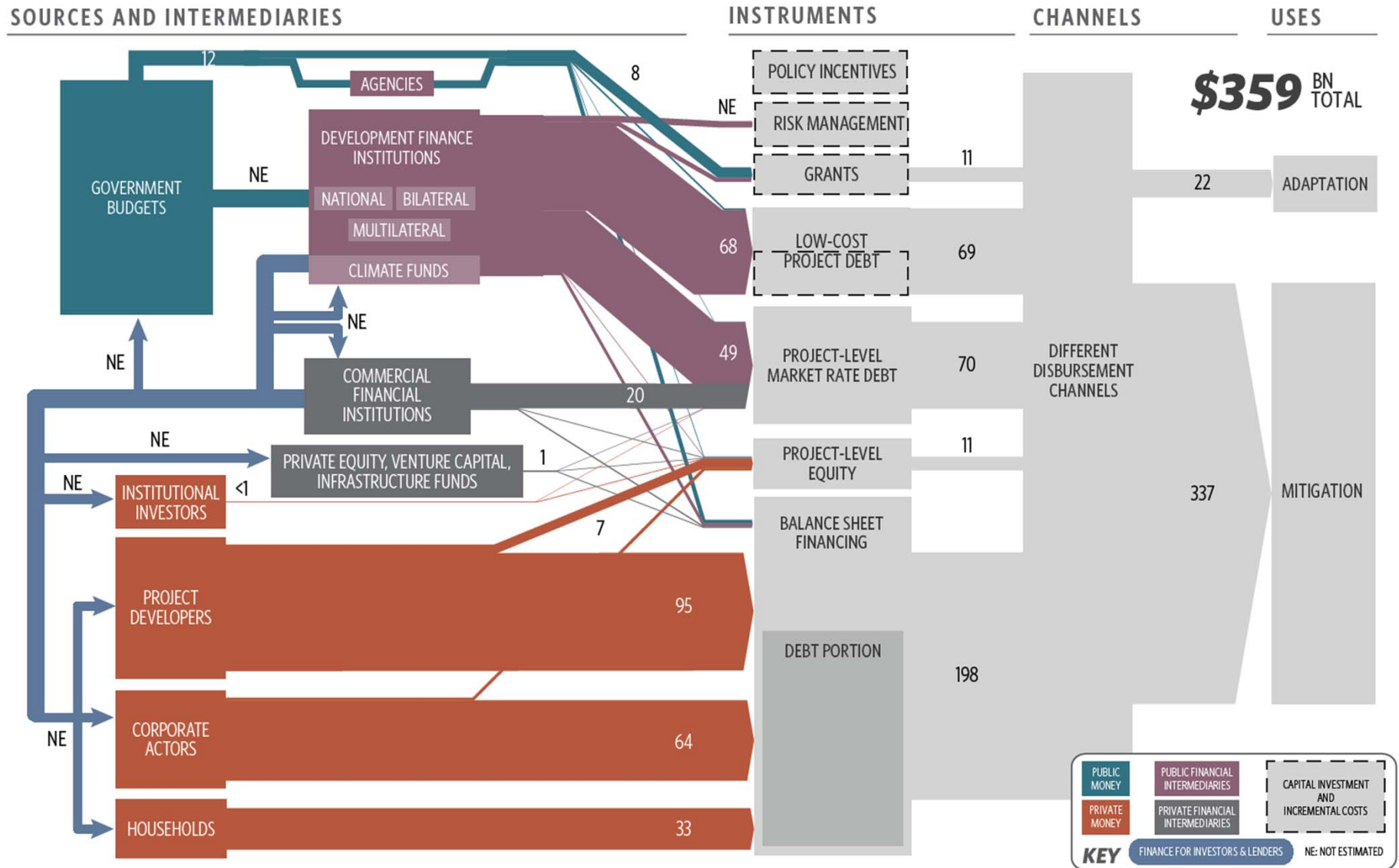
- capital flows targeting **low-carbon and climate-resilient development**
- direct or indirect **mitigation or adaptation objectives/outcomes**
- for **various geographical configurations**:

Climate-specific finance

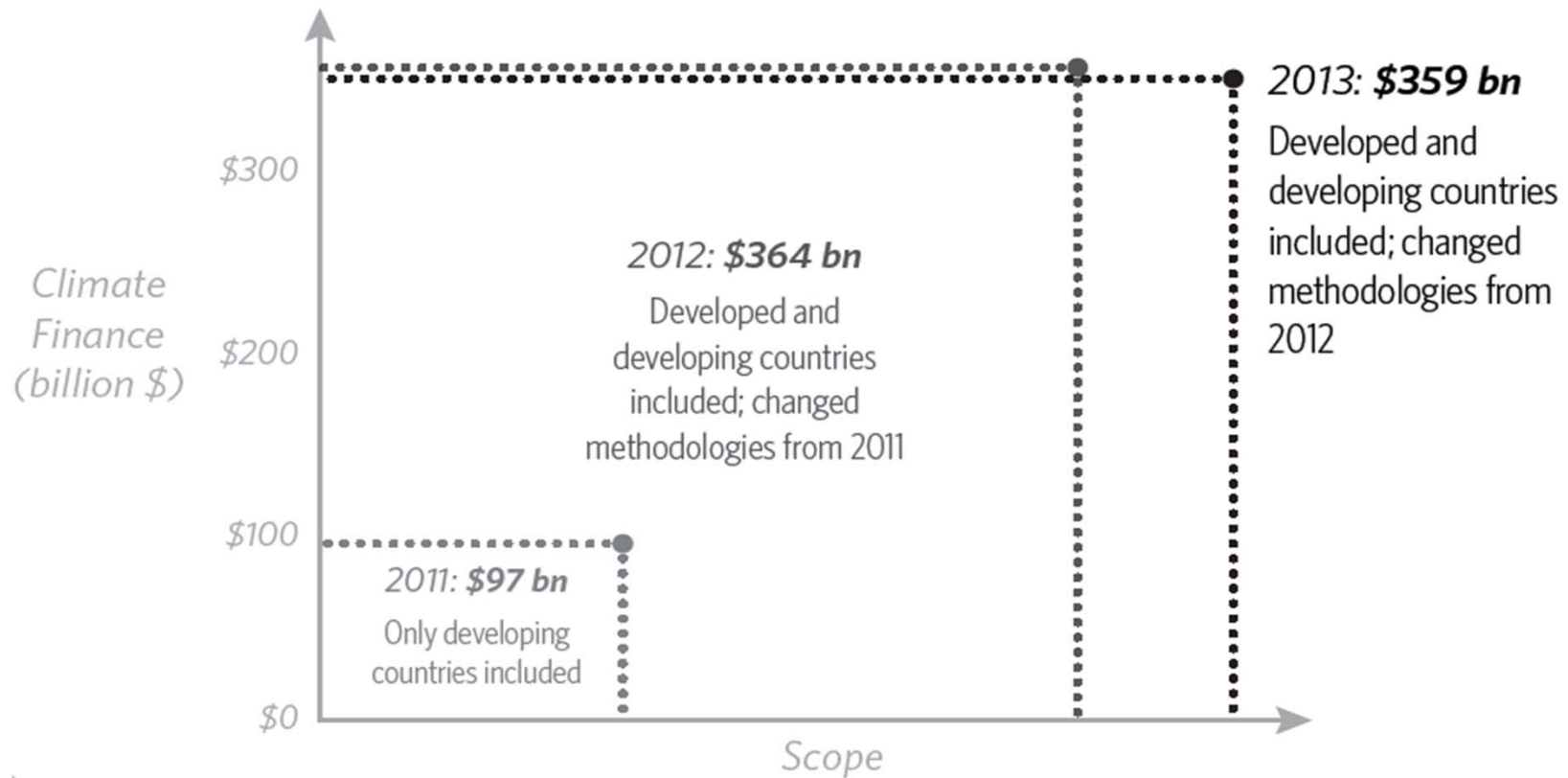


- upfront **capital investment costs and grants**
- captured on a **gross rather than net basis**
- focus on **project-level data**
- 2012 and 2011 data

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



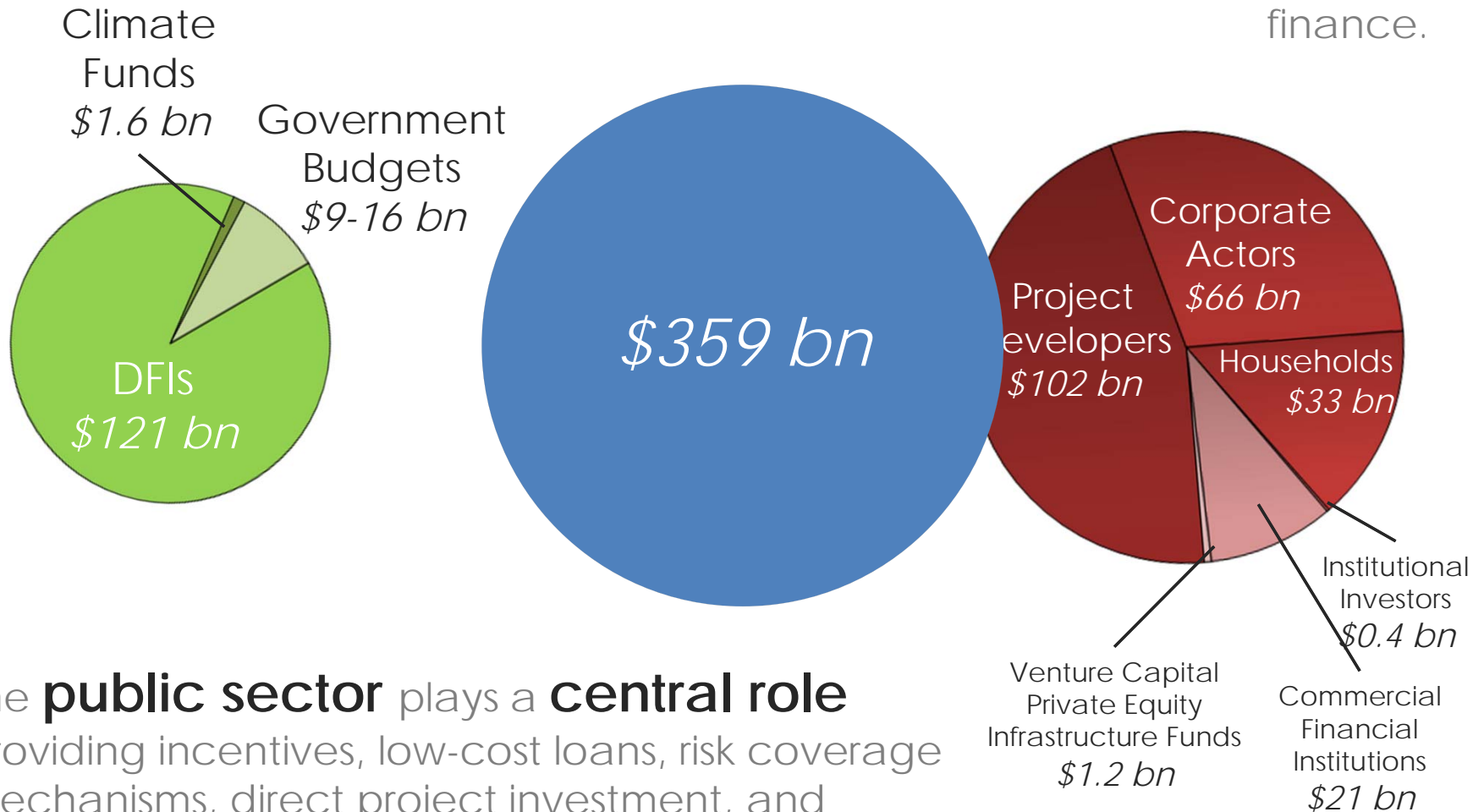
## Landscape 2013: increased coverage



- 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**.

# Who are the important actors?

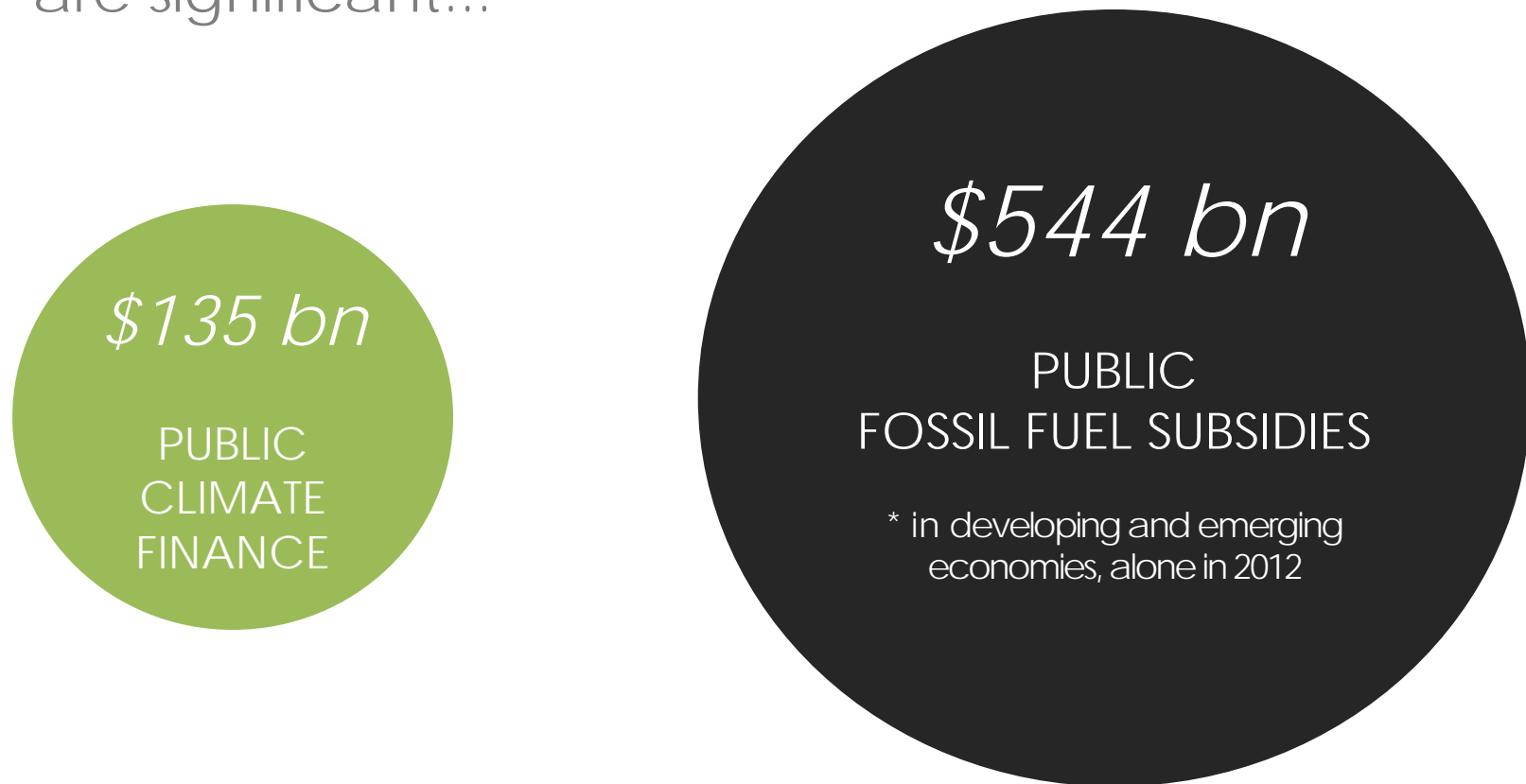
The **private sector** provides the **lion's share** of finance.



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.

# What is the role of the public sector?

Further, globally, in the absence of a **level playing field** for climate investments...

...the **role of public finance** is all the more important.

1. Develop well-articulated **domestic enabling environments** to encourage further private investment.
2. Recognize that private actors prefer familiar policy environments where the **perception of risk is lower**.
3. Continue to invest in, and ensure effective use of, **international public resources**.
4. Encourage demand for and assess the effectiveness of **international financing instruments**.
5. **Address risk**, which lies at the heart of private investment decisions.
6. Close important **knowledge gaps**.

# Where is climate finance going?

Of total climate finance:



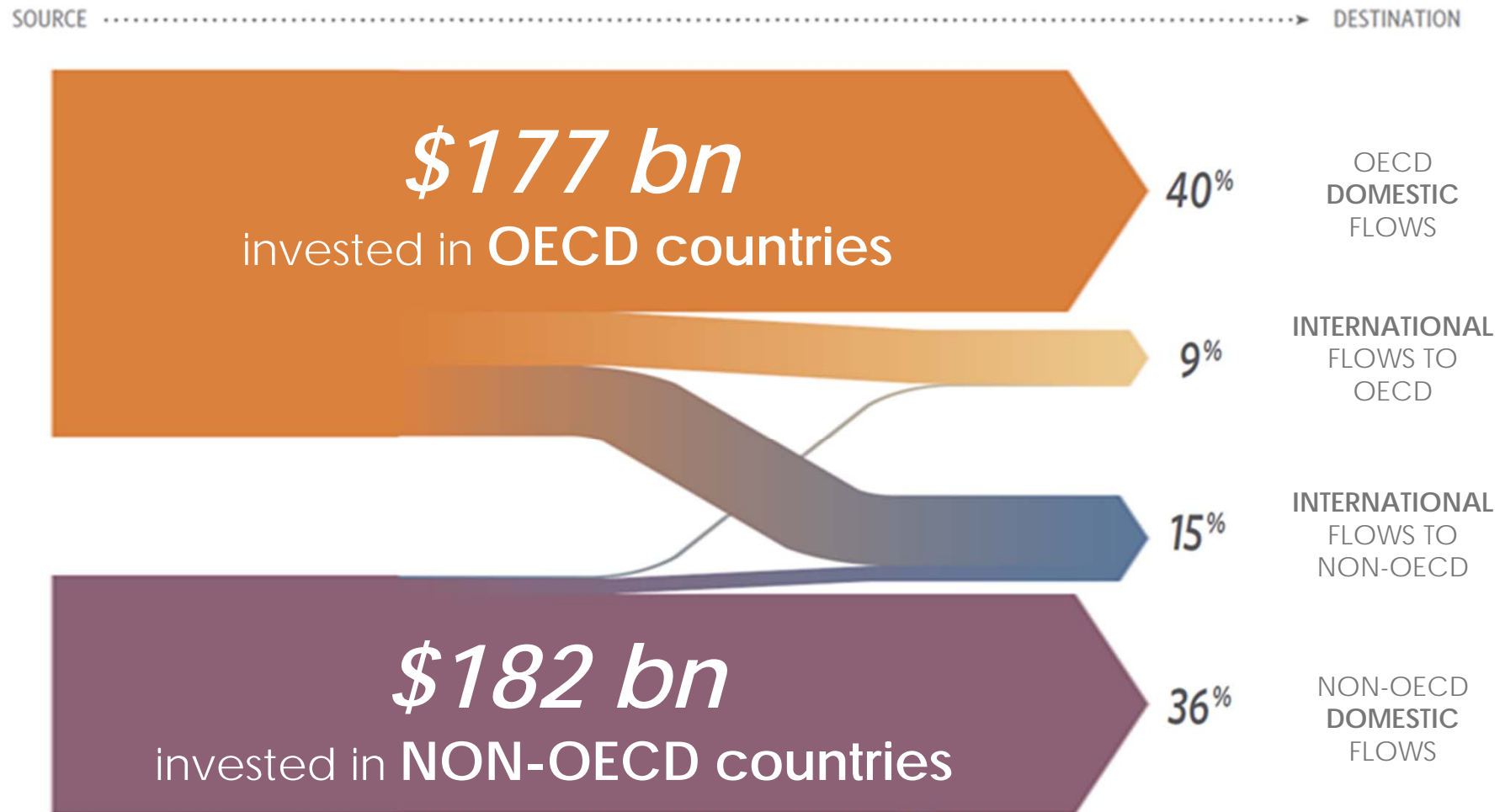
**76%** is spent domestically...

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

Of it, **43-51%**  
from **North to South**

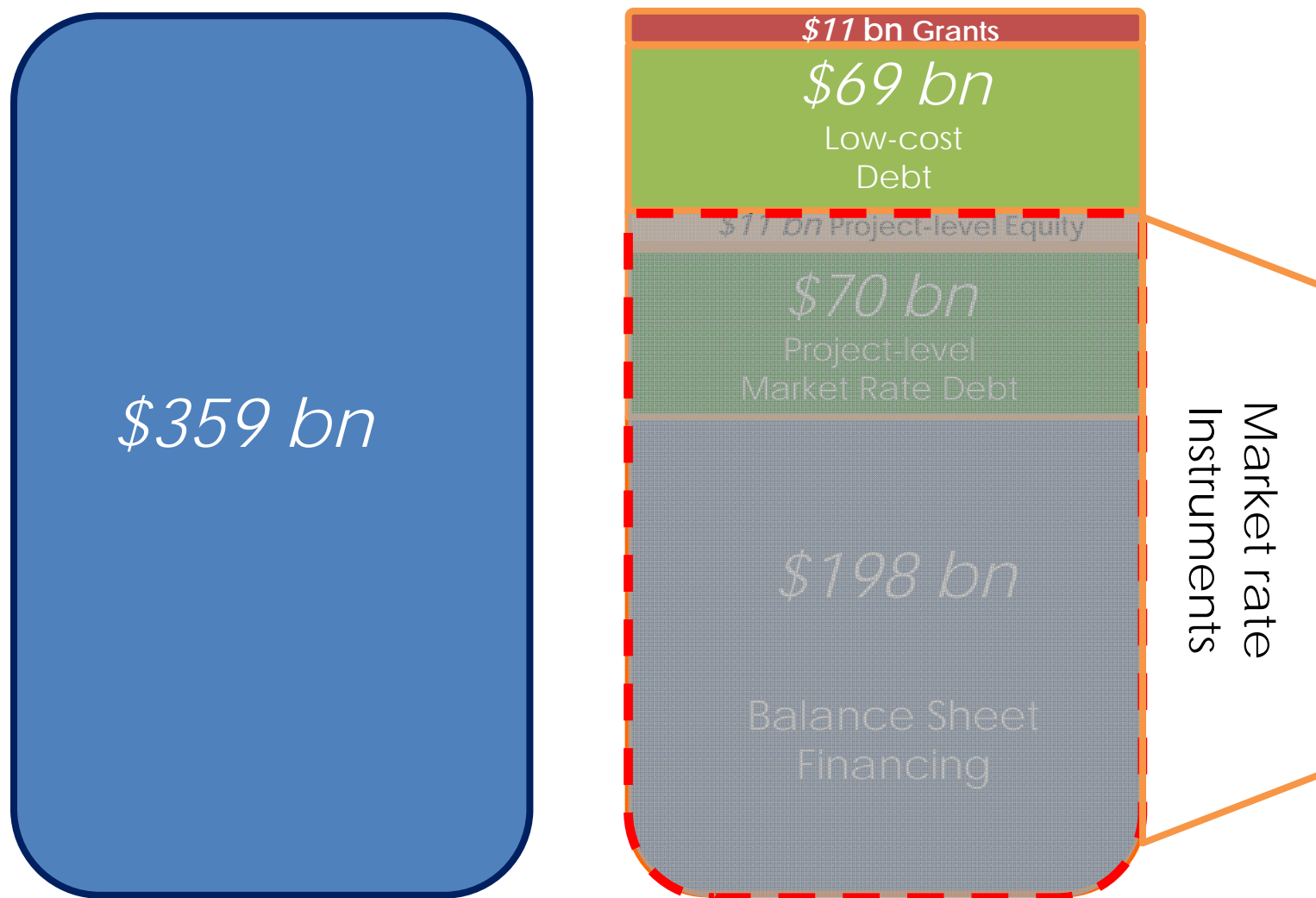


# Where is climate finance going?

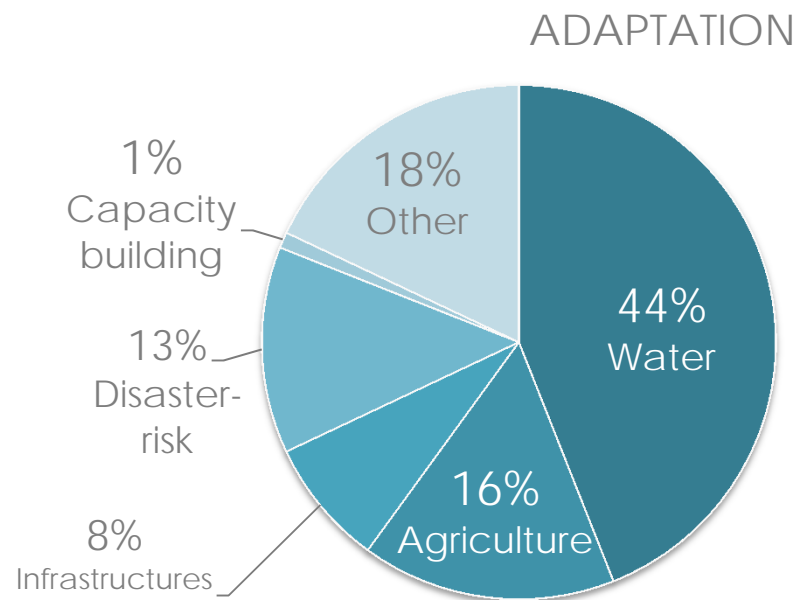
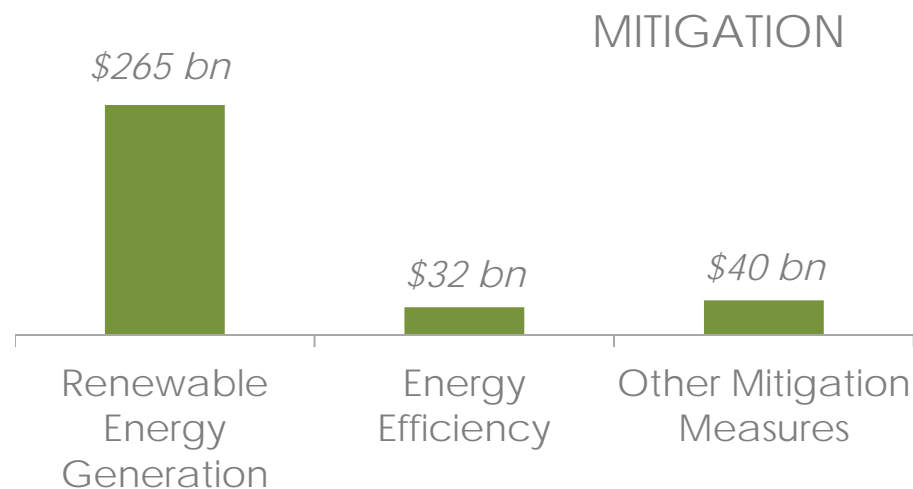
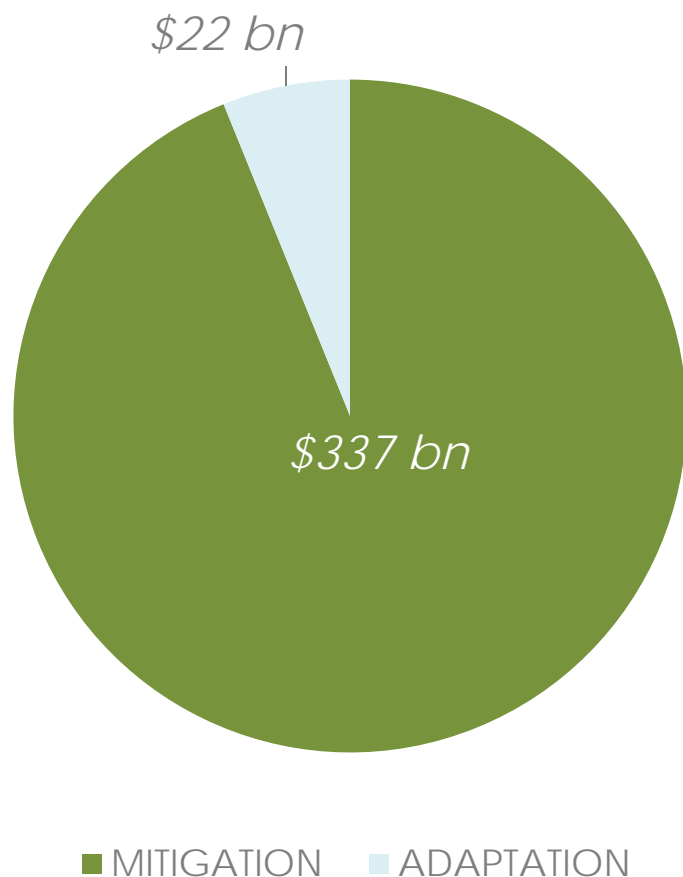


## What are the instruments of the climate finance?

Of the total \$359 billion, **\$279 billion** are investments expecting market rate returns.



# What are the final uses of the climate finance?

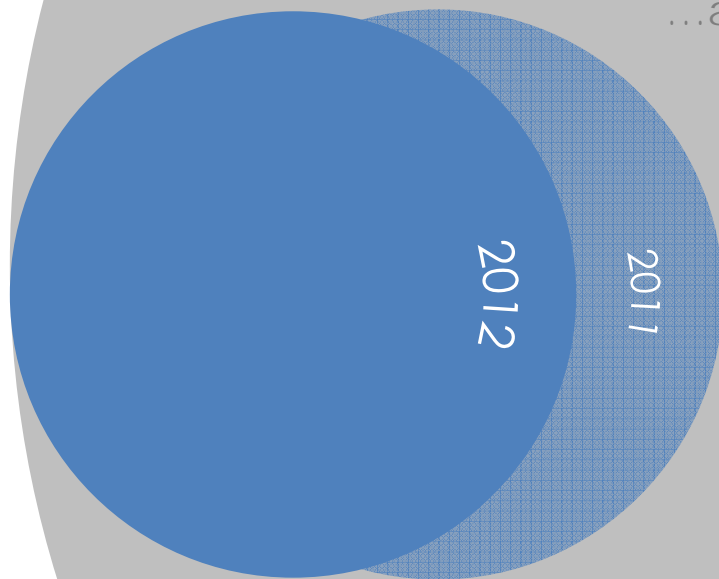


## The investment gap

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.

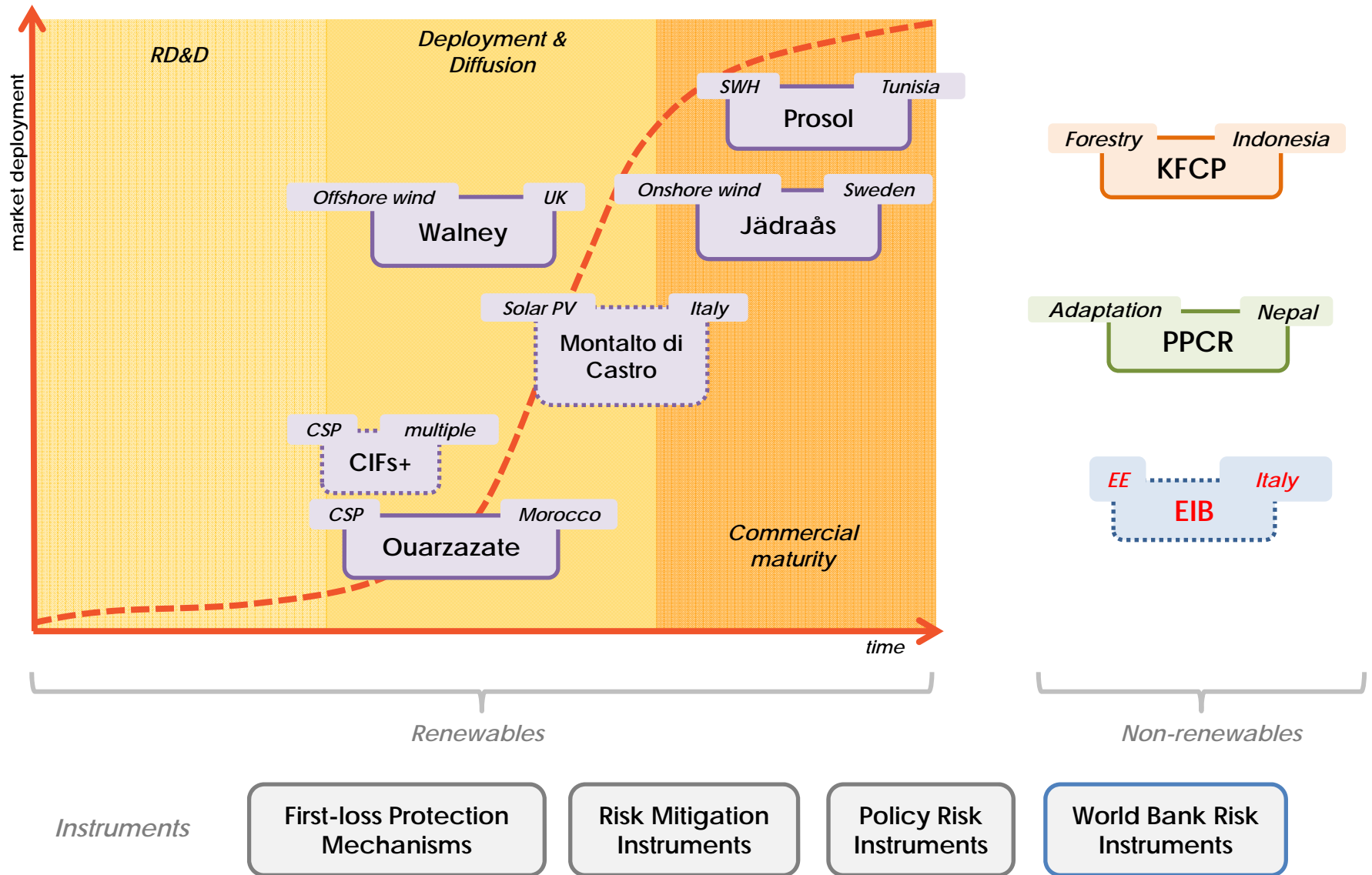
## Closing the gap – What lessons do we learn from the Landscape?

- **Money is flowing – but falls far short** of what is needed to finance system transformation.
- Important **information gaps** continue to hamper the understanding of climate finance.

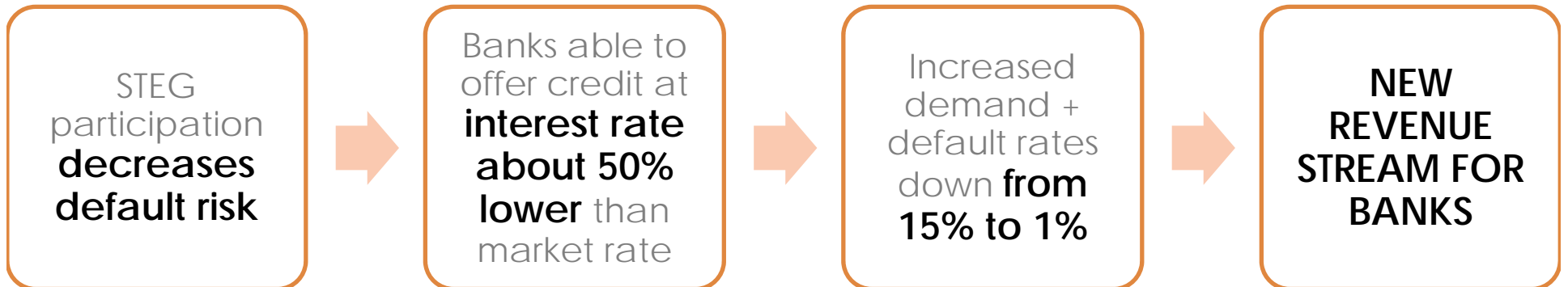
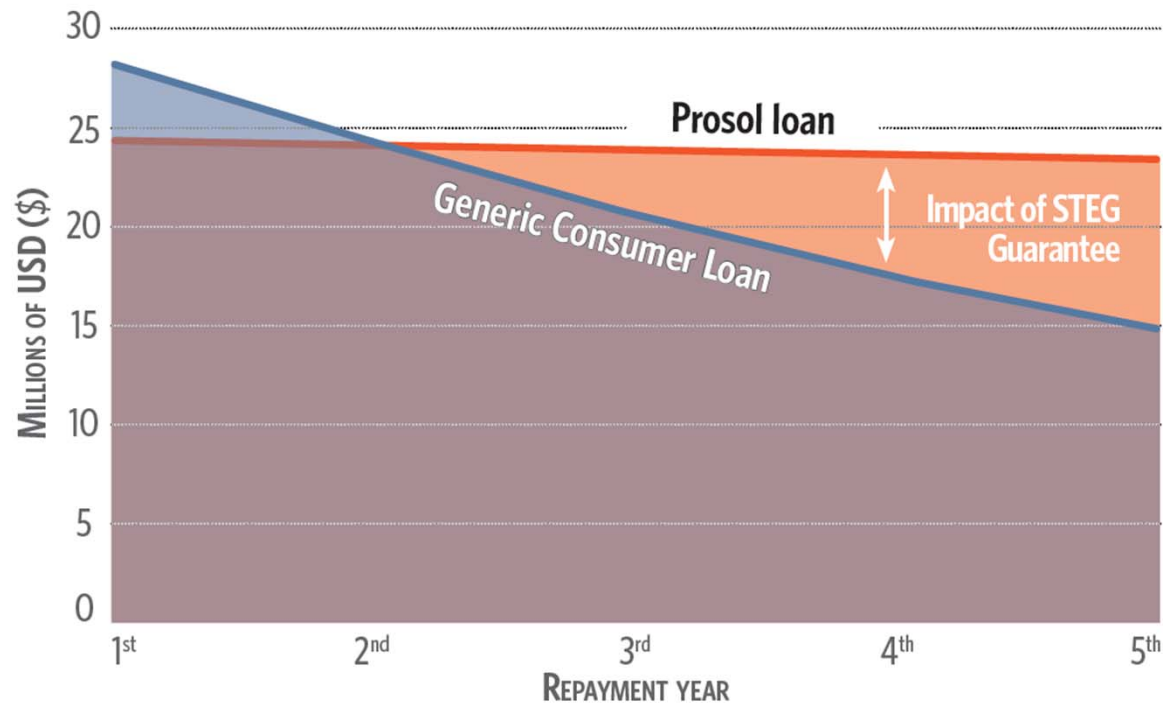
### Role of CPI:

- How can we accelerate the scaling up of finance? What are the appropriate **incentives**?
- How do we keep **improving the understanding** of climate finance?

# How do we accelerate the scaling up of finance?

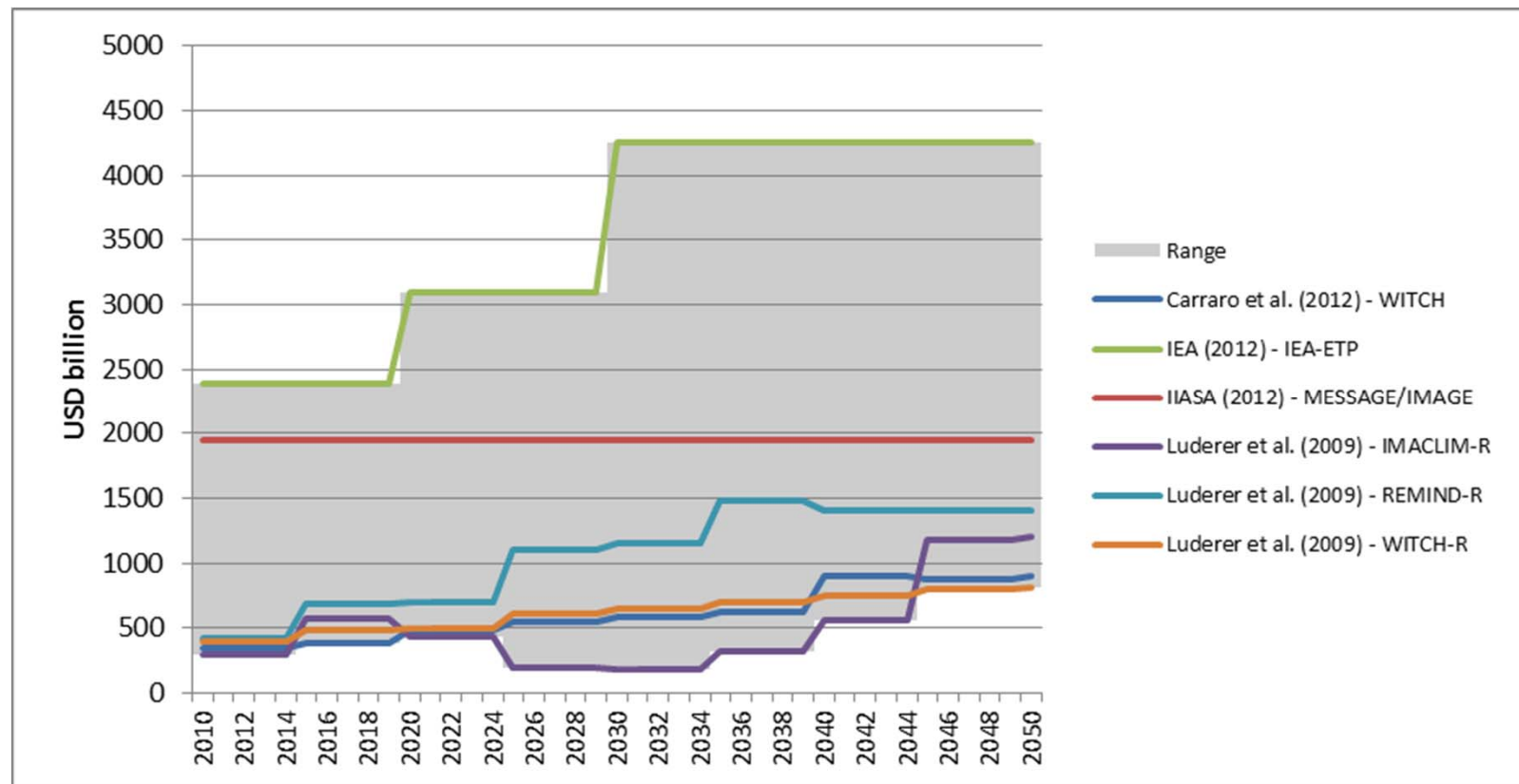


# How do we accelerate the scaling up of finance? – Case study example - Prosol



# How do we improve the understanding of climate finance? – Investment needs

- How do we reconcile investment flows and investment needs?
- Estimates range from USD 350-2500 billion between 2010-2020, to 700-4200 billion in 2050

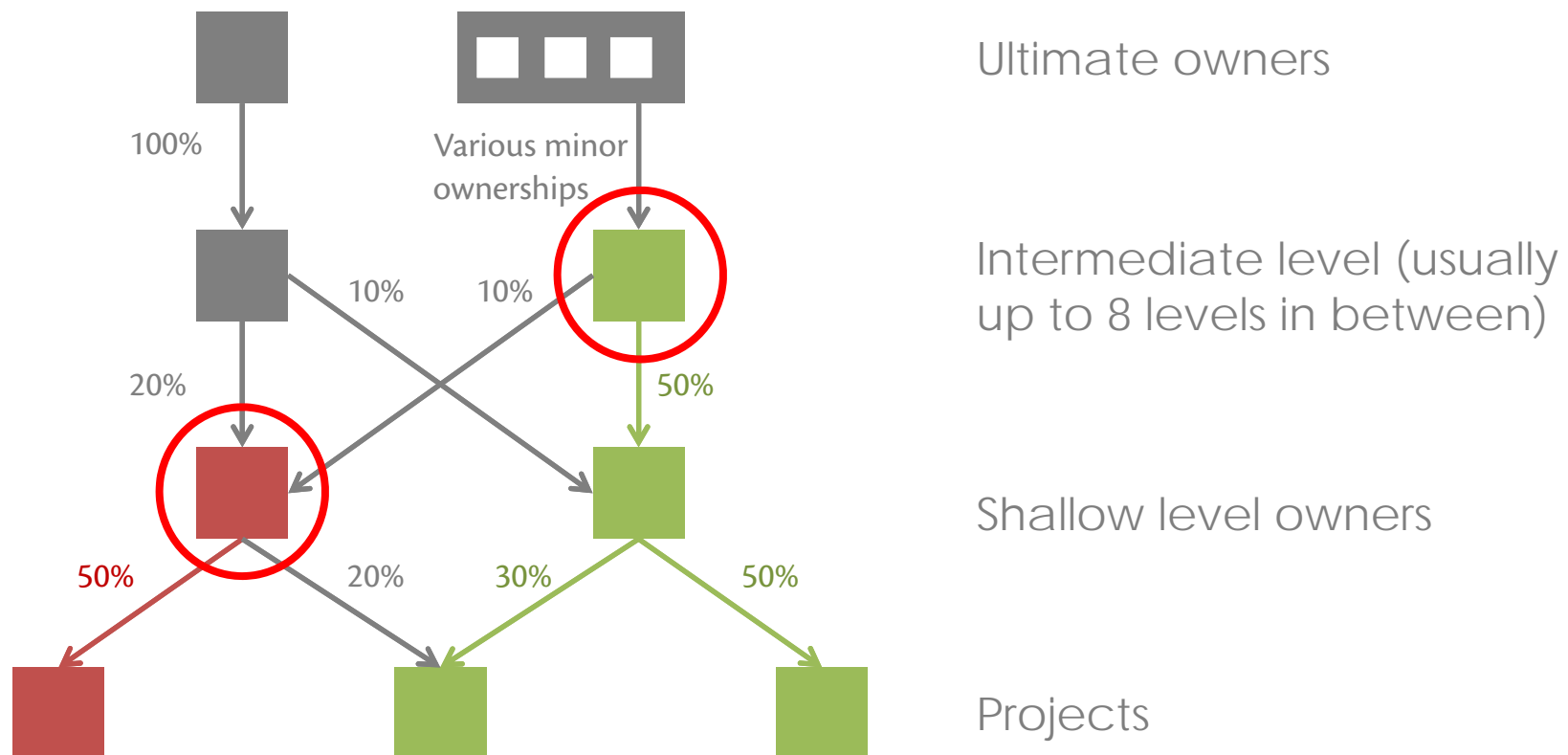




# How do we improve the understanding of climate finance? – Investment ownership

GLCF presents the most comprehensive overview of climate finance flows at the **'shallow' level**.

**Revealing ownership of climate finance flows is a step forward towards understanding investment expectations and their drivers**



*THANK YOU!*



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## Additional information



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