

Climate Finance: Status and opportunities

ClimaSouth Seminar on Climate Change Information/Climate Finance
29 September 2014, Bonn

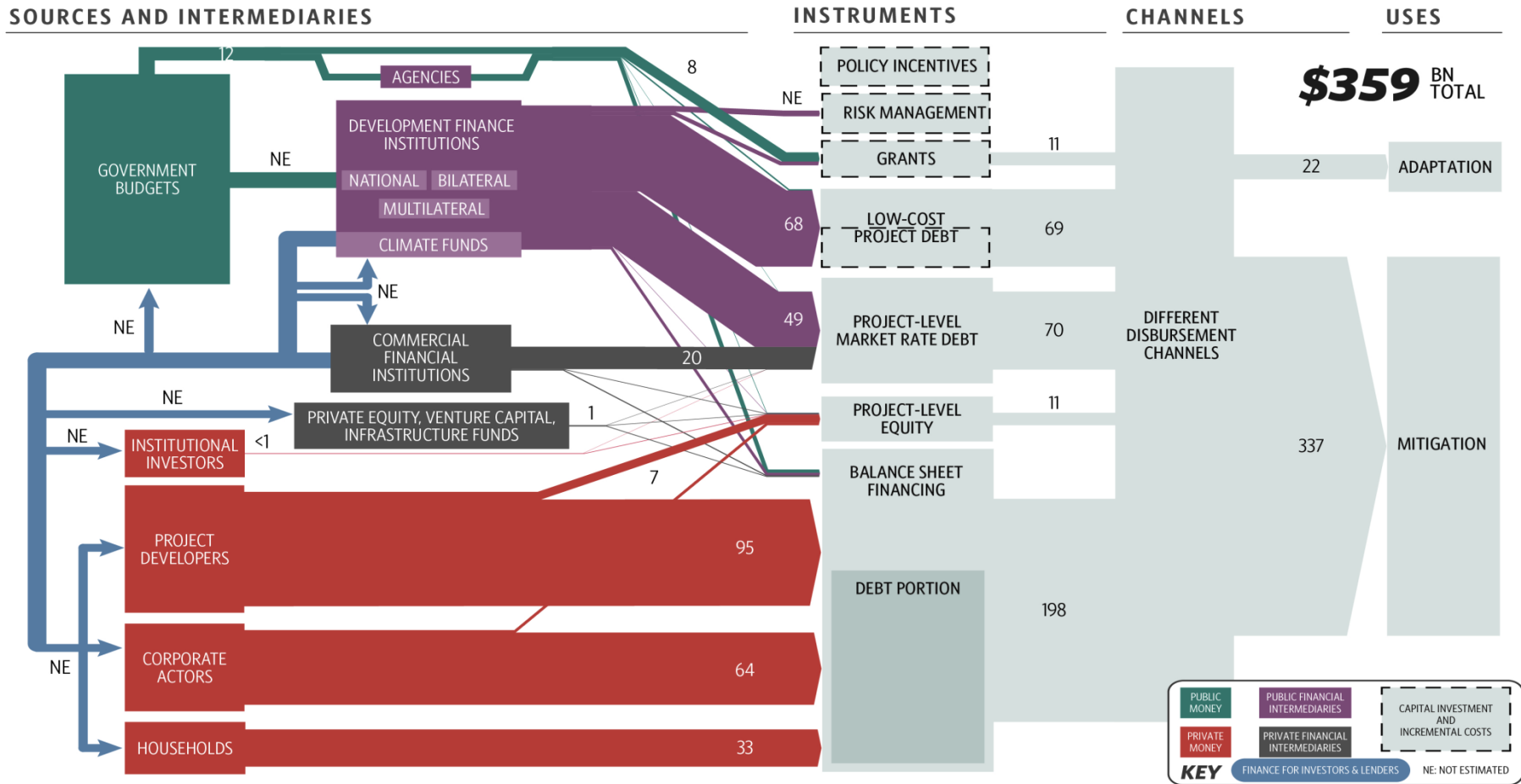


Mr. Yolando Velasco
Manager, Climate Finance Sub-Programme
Finance, Technology and Capacity-building Programme UNFCCC

Status of climate finance

THE FLOWS OF CLIMATE FINANCE 2013

The Flow of Climate Finance 2013, also known as the 'spaghetti' diagram, illustrates the landscape of climate finance flows along their life cycle for the latest year available, mostly 2012.



Notes: Figures are indicative estimates of annual flows for the latest year available, 2011 or 2012 (variable according to the data source). Flows are expressed in USD billions and rounded to produce whole numbers. Where ranges of estimates are available, the mid-point is presented. All data presented relates to commitments in a given year due to the limited availability of disbursement data. The diagram captures upfront capital investment costs of low carbon, climate resilient activities plus grants for e.g. capacity building and enabling environment activities. The diagram highlights with a dotted line those financial resources which contribute to paying for upfront incremental investment costs, that is the difference in investment cost between cheaper, more polluting options and costlier, climate-friendly ones. This includes some portion of low cost debt. As Landscape 2013 only tracks upfront investments and not lifetime inflows (revenues) or outflows (costs), our estimate of finance only includes policy incentives provided as grants or concessional loans, excluding the value of policy-induced revenues, such as feed-in tariffs or carbon market payments.



Status of climate finance

- Resources to support climate actions are increasing.
- Need to look into a range of sources (public/private; domestic/international), financial instruments and delivery channels.
- Effectiveness in the mobilization and delivery of climate finance.
- Harmonization of national and international commitments:
 - National
 - a) National development (sectoral) plans
 - b) Low emissions development strategies/Nationally Appropriate Mitigation Actions
 - c) National Adaptation Plans
 - Convention
 - a) National communications/Biennial update reports
 - b) Intended Nationally Determined Contributions



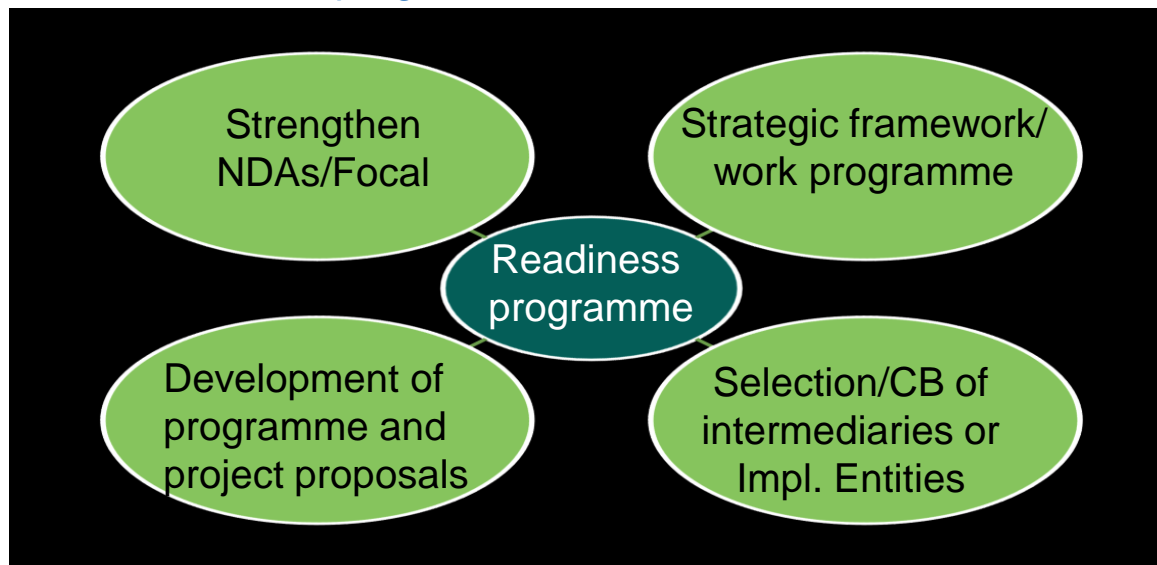
Status of the Green Climate Fund

- **Operating entity** of the Financial Mechanism of the Convention;
- **Objective:** *to promote the paradigm shift towards low-emission and climate-resilient development pathways.*
- Will support **projects, programmes, policies and other activities** using thematic funding windows (**Adaptation and Mitigation**);
- Governed by the **GCF Board** (equal representation by developed and developing countries)
- The World Bank serves as the **interim trustee** of the GCF;
- **Arrangements between the COP and the GCF** to ensure that the GCF is accountable to and functions under the guidance of the COP
- Allocation feature: At least 50per cent to adaptation, of which at least half to vulnerable countries (LDCs, SIDS and Africa)



Status of the Green Climate Fund

- **Eight essential requirements** for the Fund to receive, manage, programme and disburse financial resources have been met;
- Commenced the **process to mobilize resources**. Urgency to reach pledges by November 2014 (first pledging session);
- **USD 2.3 Billion** has been pledged at the UNSG Climate Summit. More to come.
- GCF invited countries to nominate **focal points/National Designated Authorities**
- GCF launched the **readiness programme** to assist countries:



Climate Finance Web Site

http://unfccc.int/focus/climate_finance/items/7001.php

