

Climate Finance: Sources of Funding and Instruments



Inter-American Development Bank
Infrastructure and Environment Sector
Climate Change and Sustainability Division



Where are we right now?

Climate
Funds
Update

The latest
information on
climate funds

<http://www.climatefundsupdate.org/>

[Home](#) [About climate finance](#) [The funds](#) [The data](#) [Analysis](#) [Focus of funding](#) [Effectiveness](#) [Resources](#) [Commentary](#) [About us](#)

About us

Climate Funds Update is a joint initiative of the [Heinrich Böll Stiftung \(HBF\)](#) and the [Overseas Development Institute \(ODI\)](#). [Our team](#) monitors dedicated climate change funds from the stage when donors pledge funding, through to the actual disbursement of financing for projects, in an effort to increase the transparency of climate finance flows.

Methodology

Our data is updated on a quarterly basis, and the managers and administrators of the funds we monitor play an invaluable role in helping us access and improve the quality of our information. ODI and HBF retain sole responsibility for the analysis and presentation of information on Climate Funds Update. Learn more about the protocols used to collect information on this site on our [notes and methodology](#) page.



Contacts

For general enquiries, contact info@climatefundsupdate.org.

For queries relating to the website, email webmaster@climatefundsupdate.org.

Terms and conditions

The Climate Funds Update website provides independent information and analysis on bilateral and multilateral climate change funding initiatives. We do not provide direct assistance or advisory services to organisations and governments who seek to apply for funding.

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We are also grateful for the generous support that we have received from the Climate and Land Use Alliance (CLUA), the European Climate Foundation, and UK DFID.

Subpages (2): [Notes and methodology](#) [Our team](#)

Climate Finance Actors: Funds

USD 40bl total pledges to date

Sources:

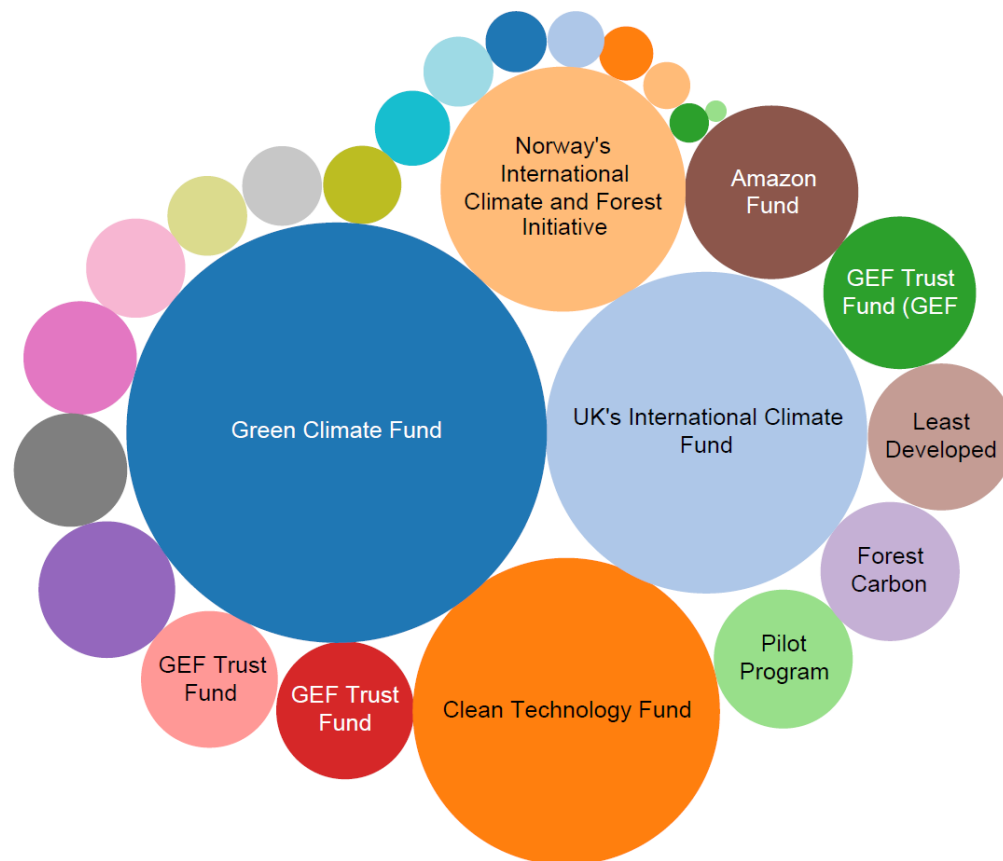
- Multilateral (GCF, CTF, GEF)
- Bilateral (UK, Norway)

Scopes

- International (Adaptation)
- Regional (Congo Basin)
- National (Amazon)

Instruments

- Grants
- Concessional Loans
- Guarantees



Source: Climate Funds Update
<http://www.climatefundsupdate.org>

Global Climate Finance

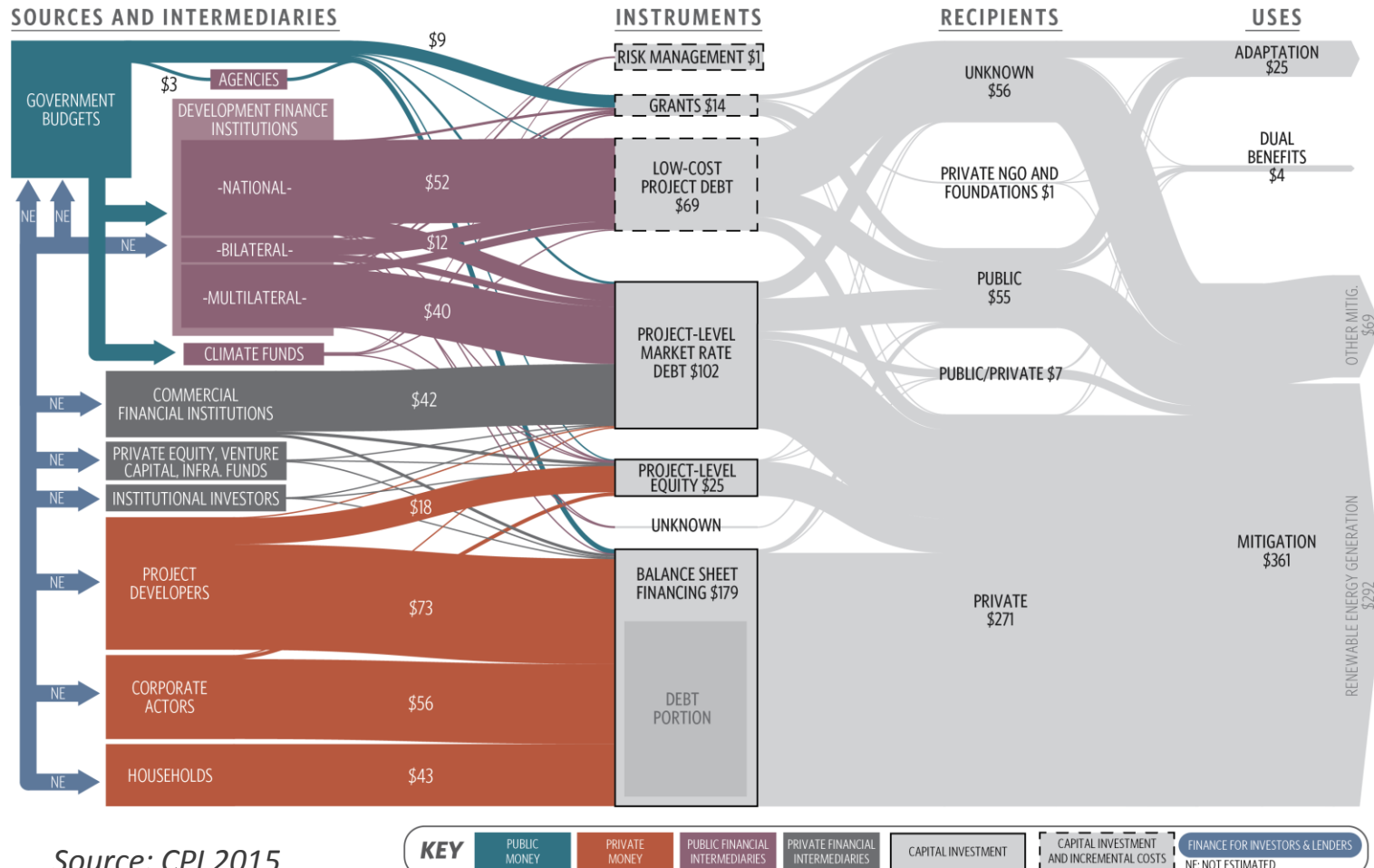
GLOBAL LANDSCAPE OF CLIMATE FINANCE 2015

Landscape of Climate Finance 2015 illustrates climate finance flows along their life cycle for the latest year available, mostly 2014, in USD billions

USD 391^{BN} TOTAL



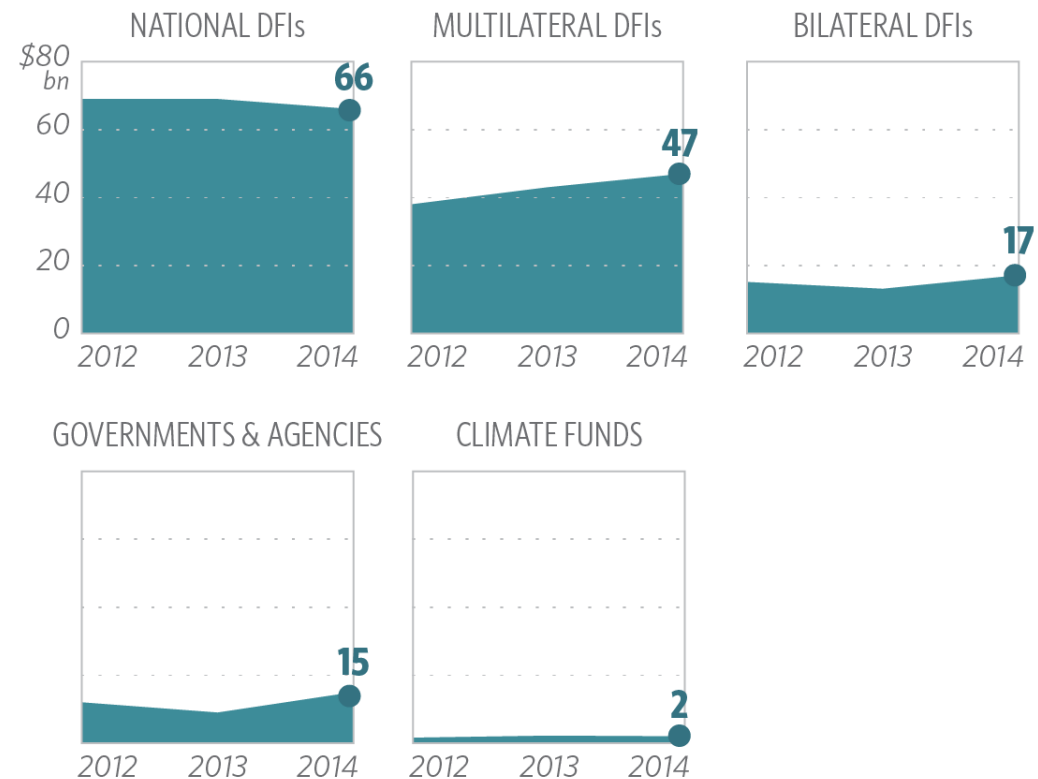
CLIMATE
POLICY
INITIATIVE



Source: CPI 2015

Climate Finance Actors: Public Sector

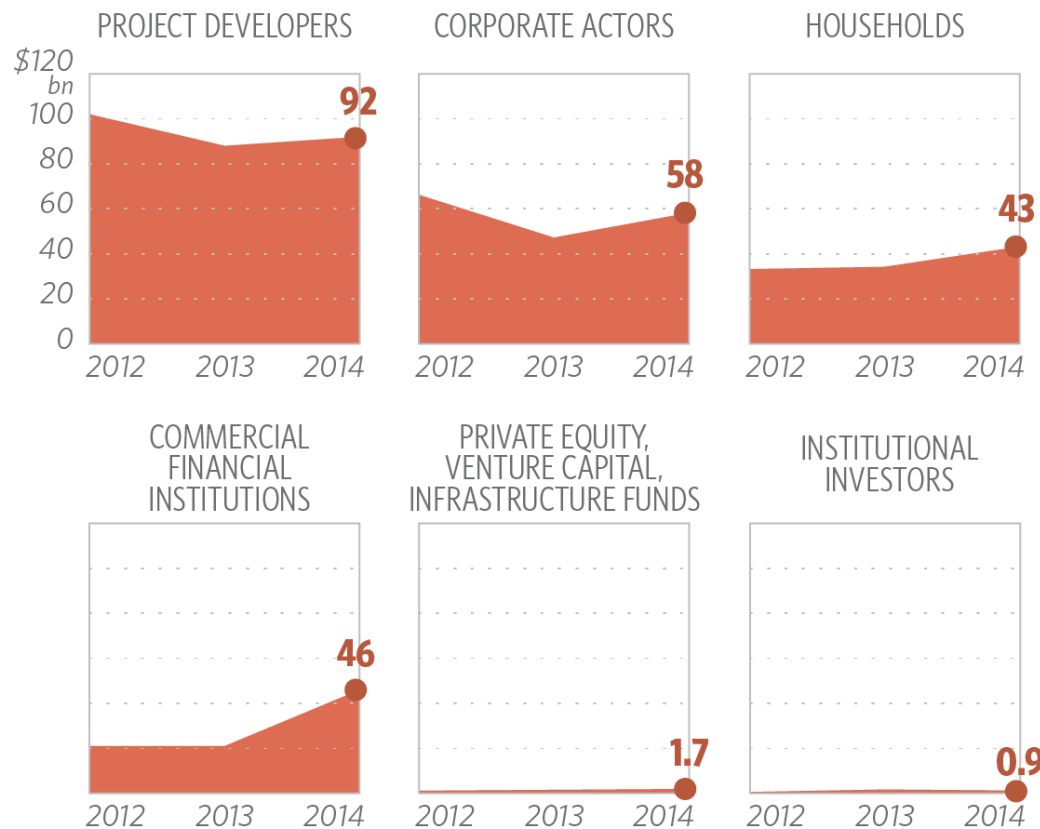
- Majority of funding from Development Financing Institutions (DFIs)
- Role and mandate is to focus on mobilizing the private sector by:
 - Higher appetite for innovation
 - Higher Risk Tolerance
 - Covering early-stage sunk costs
 - Creating or scaling up markets



Source: CPI 2015

Climate Finance Actors: Private Sector

- Largest source of climate finance: \$243bl in 2015
- Vast majority of funds from dedicated project developers and corporations
- Commercial financial institutions increasing funding (mostly lending)
- Institutional Investors and Infrastructure Funds still relatively small, but poised to become more relevant in the short term



Source: CPI 2015

Emerging Framework

#PARISAGREEMENT

Keep
Global Temperature Rise
Well below **2°C** and aim
1.5°C

Review every 5 years
Each country's contributions
To GHG emissions

Calls for aligning all financial
Flows to a pathway for **low-carbon**
and **climate-resilient development**

New **Transparency**
& Accounting System
In Place

Entered into force
In **NOVEMBER**
2016

Developed countries to
Provide **\$100 BN** climate
Finance per year until 2025

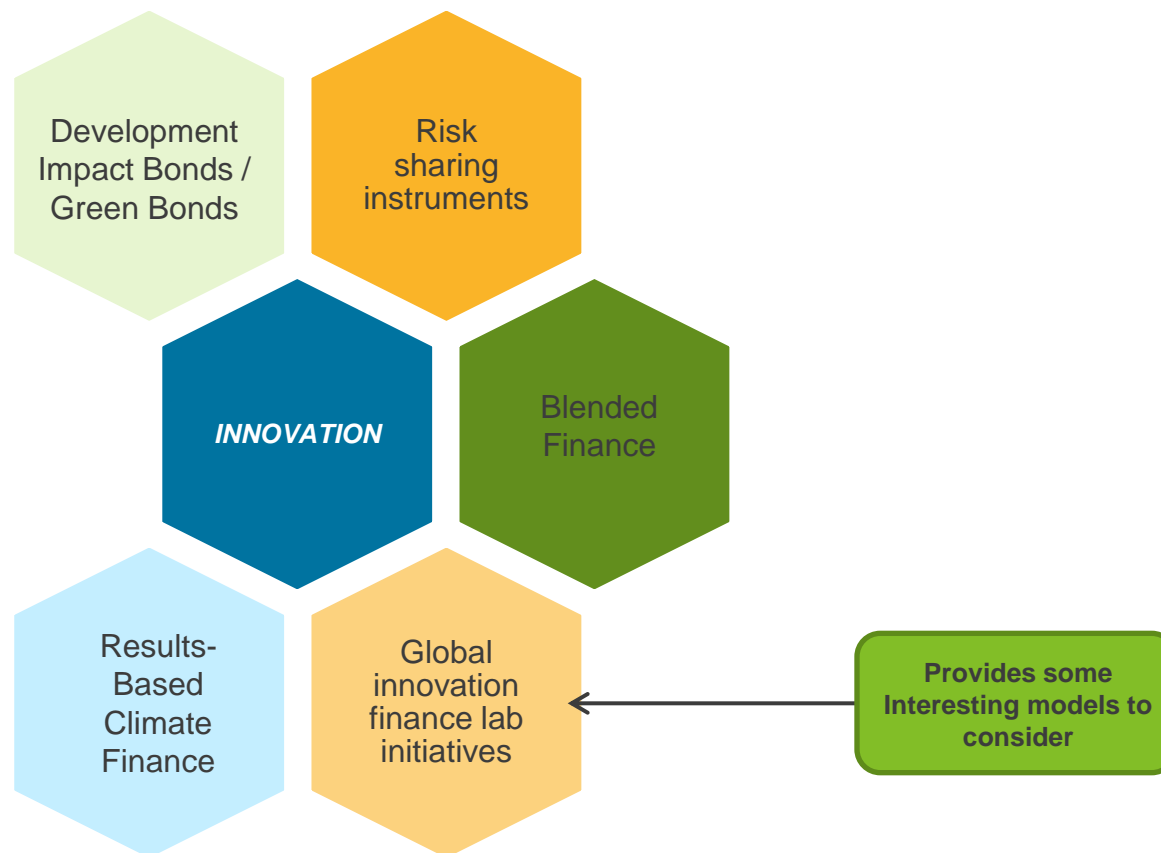
From Billions to Trillions

- In next 15 years we will **develop more infrastructure than entire current stock: US\$90 trillion**

The **global South** will account for roughly **2/3** of these needs

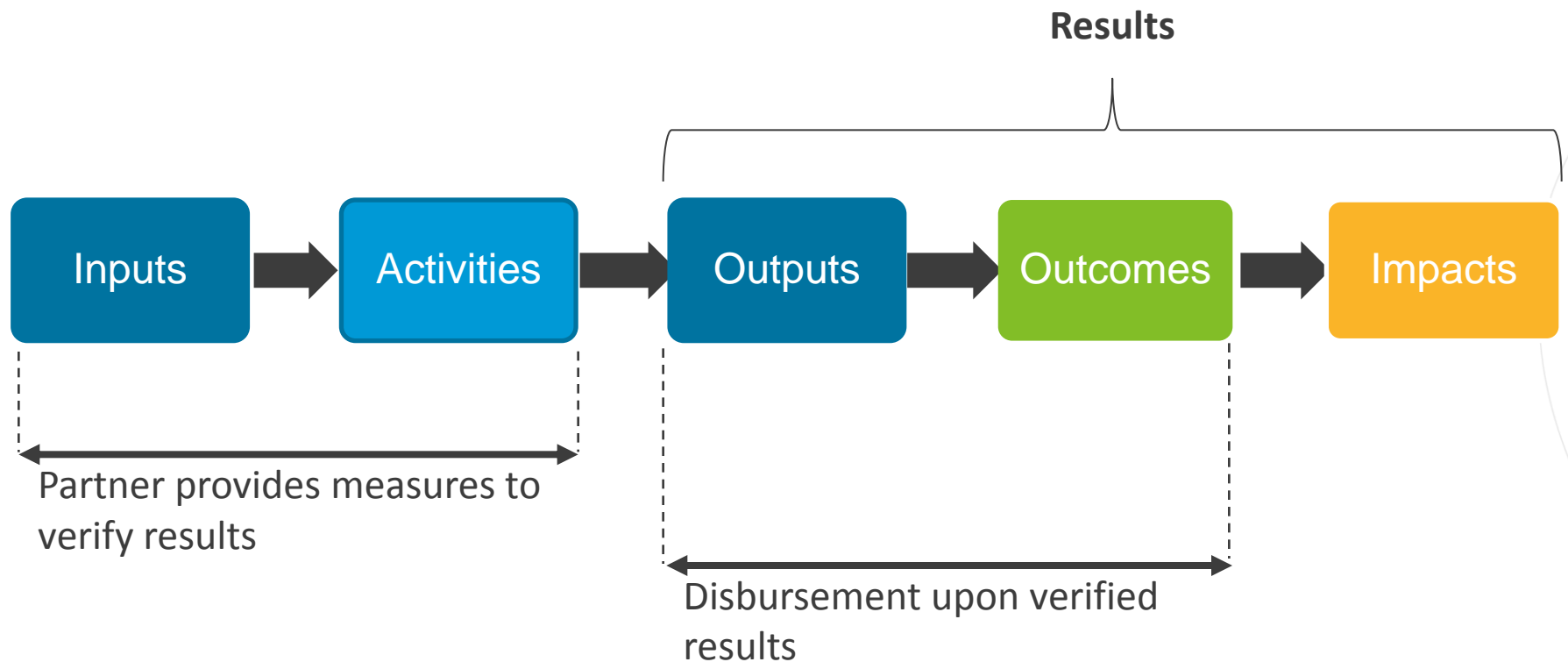
- Must align all financial flows towards low carbon and climate resilient pathways
- **Paris Agreement and the Sustainable Development Goals** implies redirecting the trillions towards sustainable infrastructure and landscapes:
 - Clean and efficient energy systems, public transport, efficient buildings, water supply and sanitation
 - Natural infrastructure (such as forest landscapes, wetlands and watershed protection)
 - Ensure communities access and benefit appropriate resources

NEWER Climate Finance Instruments



Results Based: Climate Finance

Building upon COP16 and the REDD+ experience



Climate Finance Actors: MDBs



- **ADB:** Double Climate Finance to US\$6billion (30% portfolio) by 2020
- **AfDB:** Triple Climate Finance to 40% of investments by 2020
- **EBRD:** Increase Green Financing to about 40% total annual investments by 2020
- **EIB:** Set annual minimum of 25% total lending volume for climate action; also 35% for climate action in developing countries, starting 2020
- **WBG:** One-third increase in climate finance to potentially ~28% in 2020

New approaches and partnerships for NDC support

NDC Partnership and Initiatives to

The NDC Partnership is developing global knowledge products to help countries achieve their NDCs, starting with the launch of an online knowledge portal that will enable countries to access information to support their national climate plans and sustainable development objectives. Launching at COP22, the NDC Funding and Initiatives Navigator provides easy access to information about public finance and other support initiatives. More tools will be released in the future.

Search the NDC Funding and Initiatives Navigator



NDC FUNDING &
INITIATIVES NAVIGATOR

NOV. 2016



NDC TOOLBOX
NAVIGATOR

SCOPING



NDC DATA
EXPLORER

SCOPING



Source: NDC Partnership
<http://www.NDCpartnership.org>

Inter-American Development Bank | Climate Change and Sustainability



IDBG: integrated approach through NDC Invest



NDC PROGRAMMER

Bringing our vast experience and network, we help public and private sector stakeholders to develop investment plans and programs that reflect today's and tomorrow's climate needs and circumstances.



NDC MARKET BOOSTER

We will use additional non reimbursable and reimbursable grants for innovative business models, financial instruments and other market development services.



NDC PIPELINE ACCELERATOR

We support priority studies and additional activities to ensure technical and financial feasibility for bankable and sustainable projects.



NDC FINANCE MOBILIZER

We will mobilize funding from internal and external sources to help countries enhance credit and reduce risks in the priority investments needed to meet their NDC commitments.

Gender: Pioneering Experiences

Climate change and gender

Since 2014, the IIC, through the Canadian Fund, has approved more than **\$25 million in concessional loans directly attached to gender outcomes in renewable energy and agriculture projects.**

IMPROVING GENDER EQUALITY IN THE WORKPLACE (MEXICO)

IIC AND C2F

The Canadian Climate Fund (C2F), administered by the IIC, is a US\$250 million fund that co-finances climate-friendly private sector projects in Latin America and the Caribbean.

INCLUDING WOMEN FARMERS
IN SUPPLY CHAIN FINANCE (NICARAGUA)

TRAINING AND HIRING MORE WOMEN IN SOLAR
ENERGY (PANAMA)

SUPPORTING WOMEN'S TRAINING IN SOLAR
ENERGY (URUGUAY)

C2F
CANADIAN CLIMATE FUND
FOR THE PRIVATE SECTOR IN THE AMERICAS



Let's talk about climate change and sustainability

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