

# Technical Assessment Validation Central Asia and South Caucasus

Pre-validation workshop: Needs-based Climate Finance Project

George Anjaparidze - 25 May 2021



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**Part 1: Technical assessment of climate finance**

**Part 2: Country feedback on technical assessment**



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# Part 1:

## Technical assessment of climate finance



# Key points – technical assessment

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- Regional context – special circumstances and highly vulnerable
- Climate finance flows – mostly for mitigation, \$9.1 bn total between 2013-2018, of which 1.7 bn per year in 2018
- Climate finance needs – balanced adaptation/mitigation, capacity building, finance and technology are priorities, \$3.3 bn climate finance gap per year.
- Climate finance sources – 78% MDBs, 20% bilaterals
- Financial instruments – 89% debt, 10% grants, 1% equity
- Regional cooperation is an untapped opportunity



# Mandate, objective and approach

**Mandate:** Assist developing countries in assessing their climate finance needs and priorities 6/CP.23, para 10

**Objective:** Help develop Climate Finance Mobilisation and Access Strategy

## Desk-based study

- Review needs identified in BRU, NDC, NC, TAP, TNA
- Compile climate finance data
- Review other sources

## Consultation with focal points

- Facilitate discussion among focal points
- Survey focal points
- Engage other stakeholders based on focal point guidance

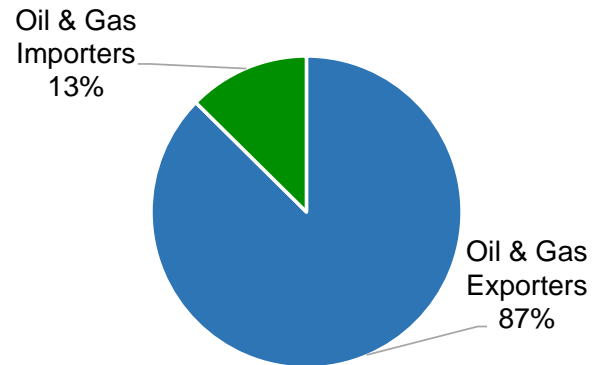
**Climate Finance  
Mobilization and  
Access Strategy**

NDC = Nationally Determined Contribution, TNA = Technology Needs Assessment, NAP = National Adaptation Plan, BRU = Biennial Report, NC = National Communication

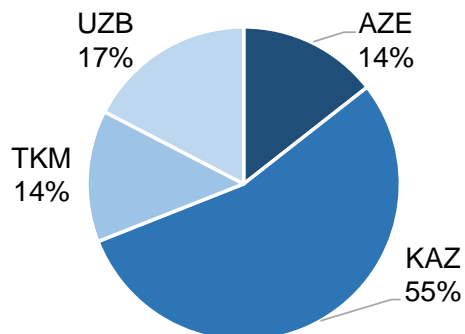


# Regional context: diverse, in transition to market economy

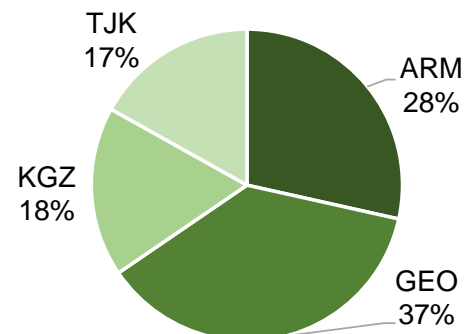
**Central Asia and South Caucasus  
share of 2019 GDP**



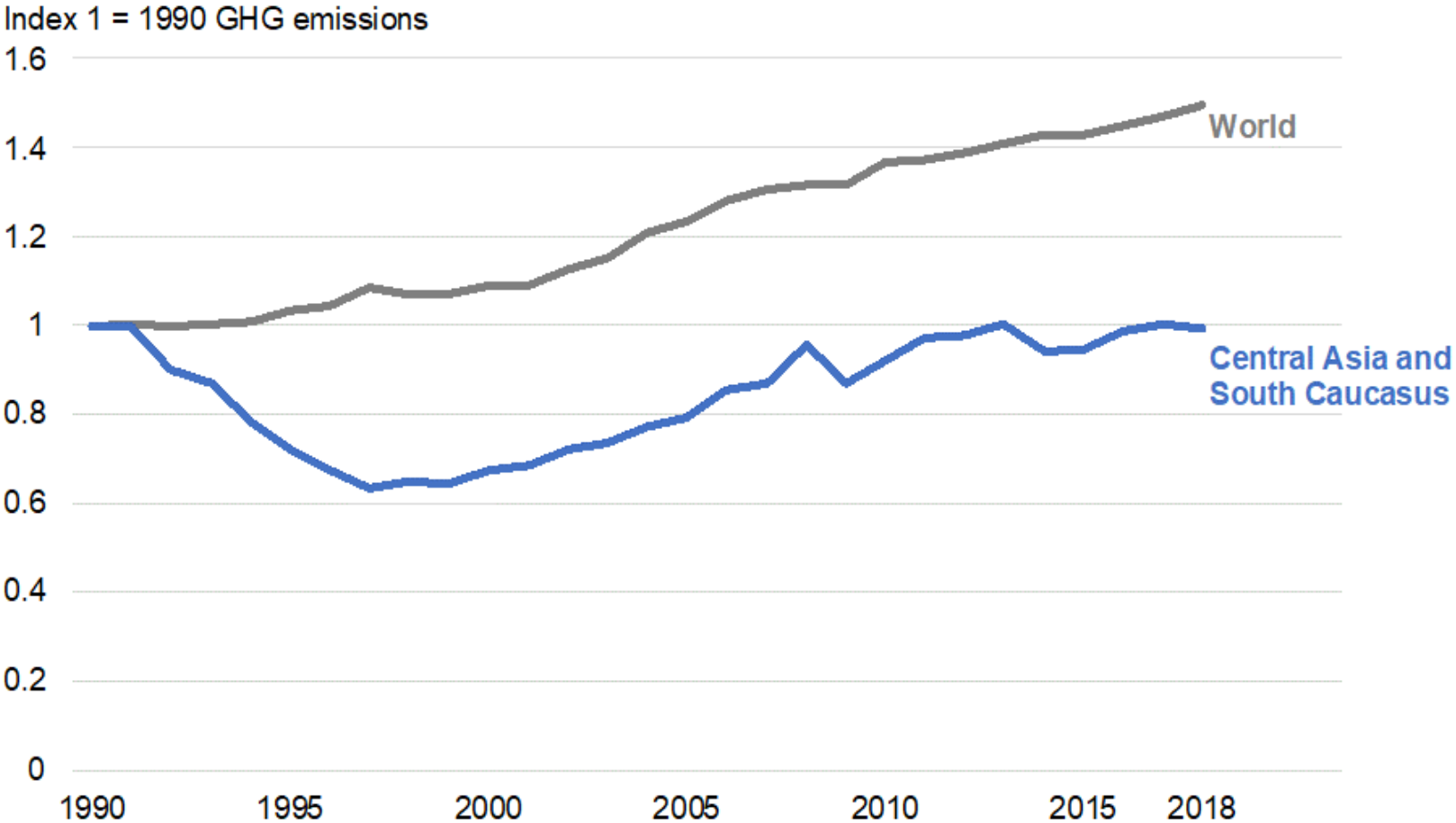
**Oil and Gas Exporters  
share of 2019 GDP**



**Oil and Gas Importers  
share of 2019 GDP**



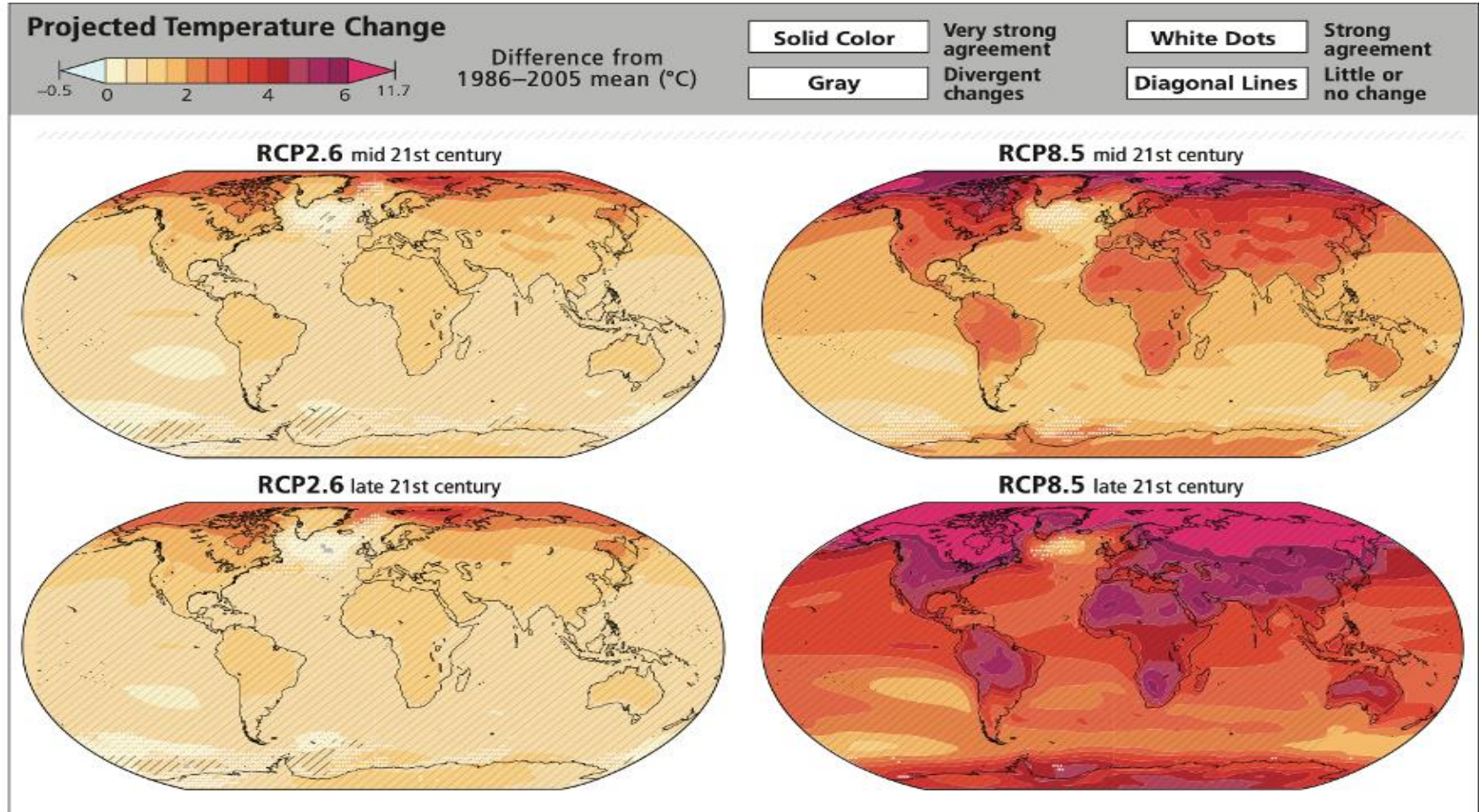
# Climate mitigation context: very special circumstances



Source: George Anjaparidze using data from World Resources Institute, CAIT database.



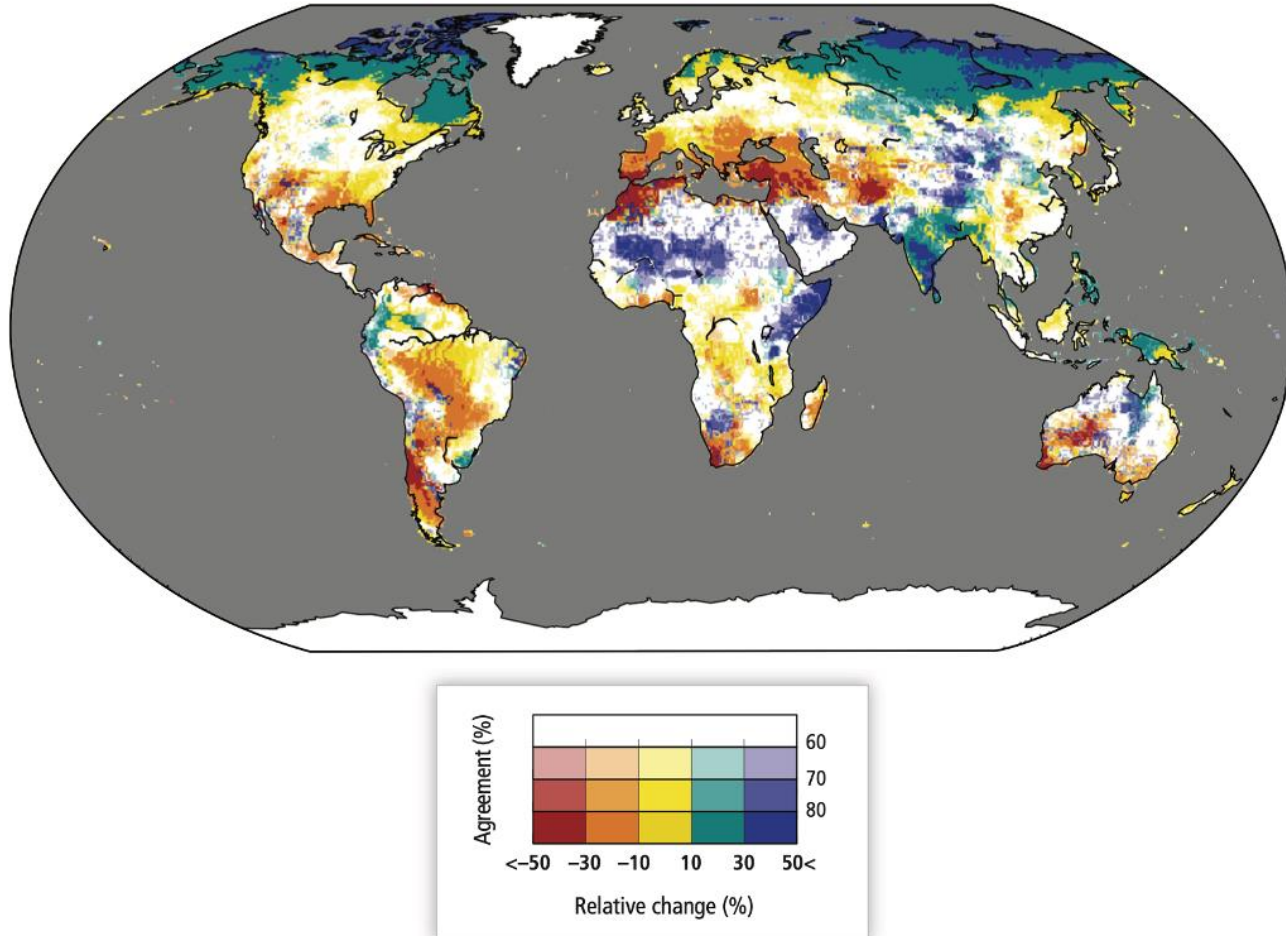
# Highly vulnerable to climate change – temperature





# Highly vulnerable to climate change – streamflow

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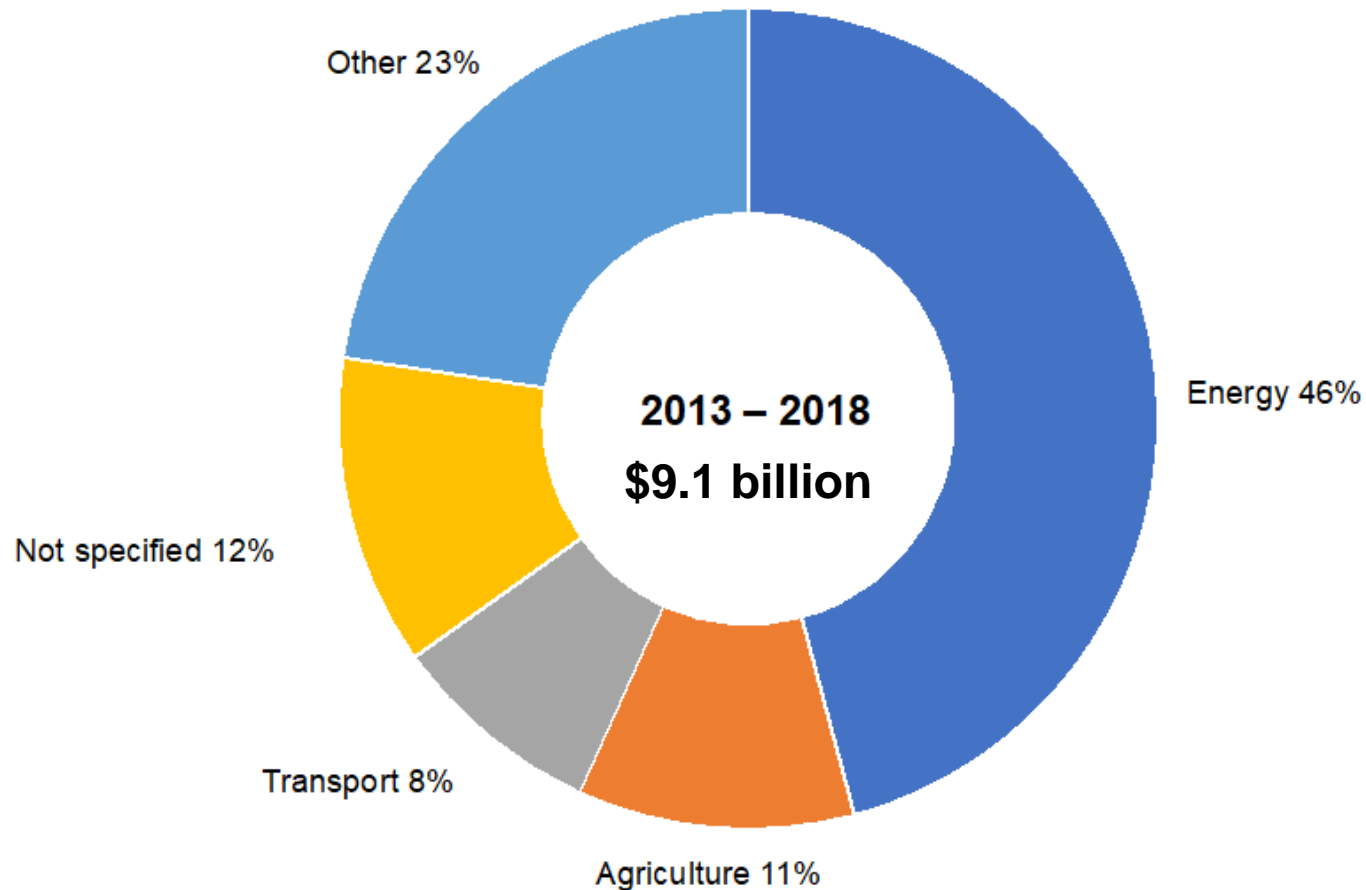
Source: Intergovernmental Panel on Climate Change

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# Climate finance flows: sectors

## Energy sector is the largest recipient of climate finance



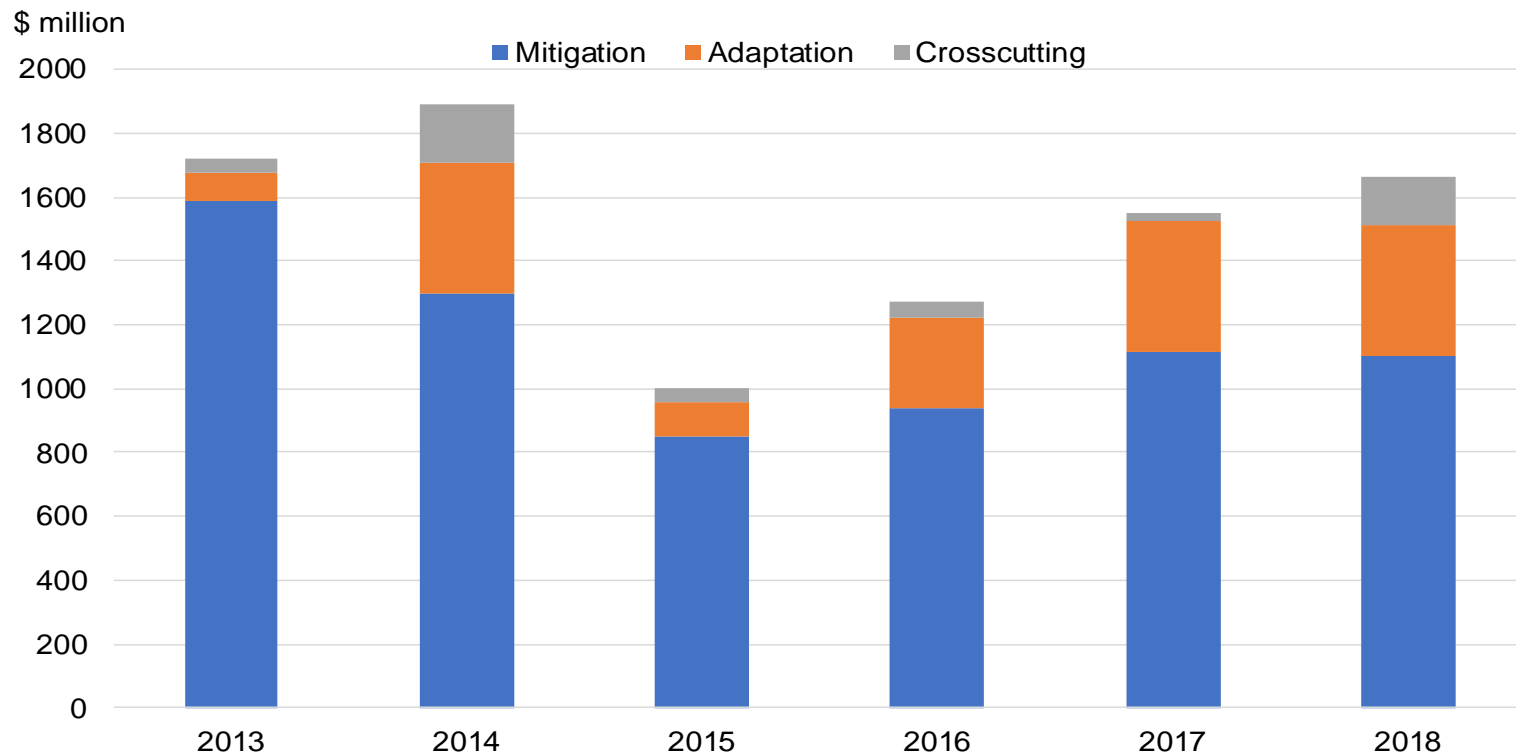
Note: Only climate components and principle climate activities aggregated under climate finance.  
Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.



# Climate finance flows: themes

## Finance mostly supports mitigation, but adaptation rising

### 2013 – 2018: 76% mitigation, 19% adaptation and 5% crosscutting



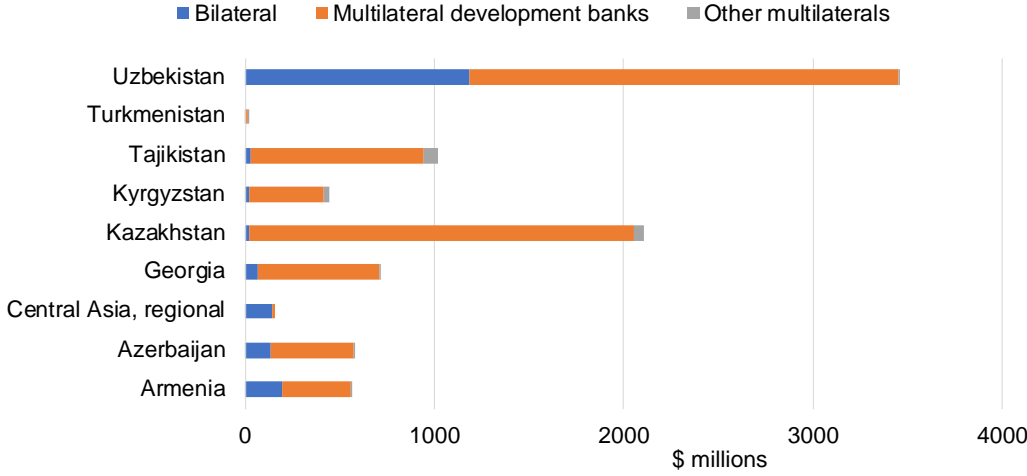
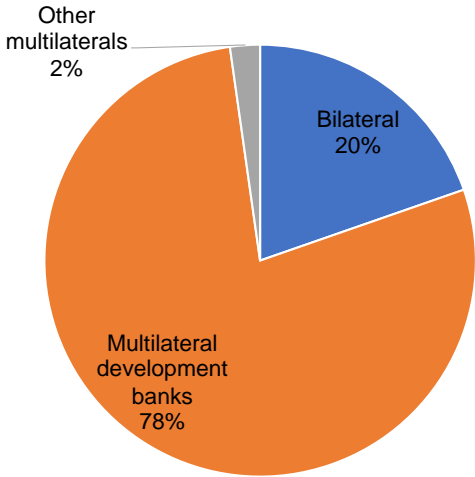
Note: Only climate components and principle climate activities aggregated under climate finance.

Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.



# Climate finance: channel (2013-2018)

## MDBs are the largest providers of climate finance

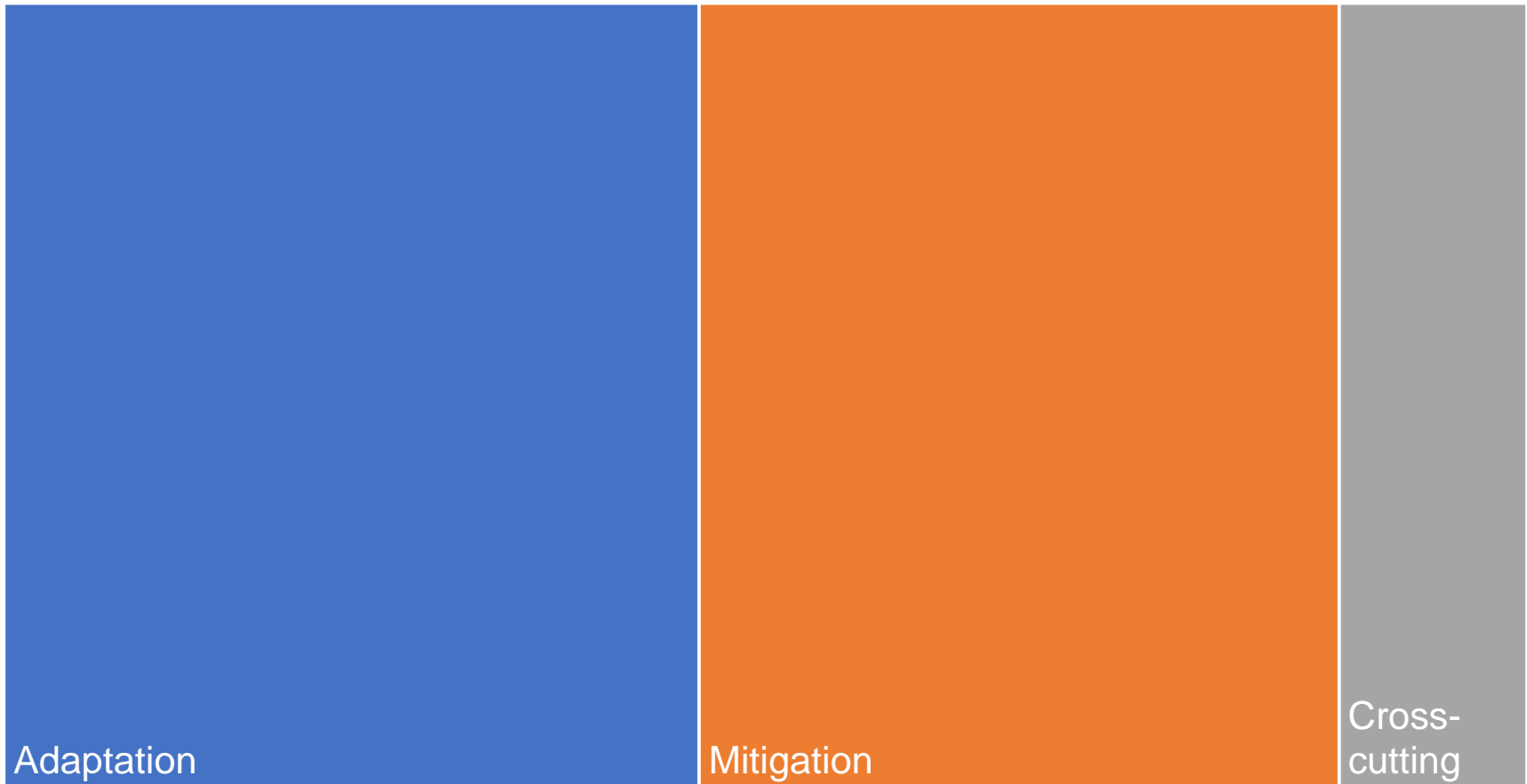


Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.



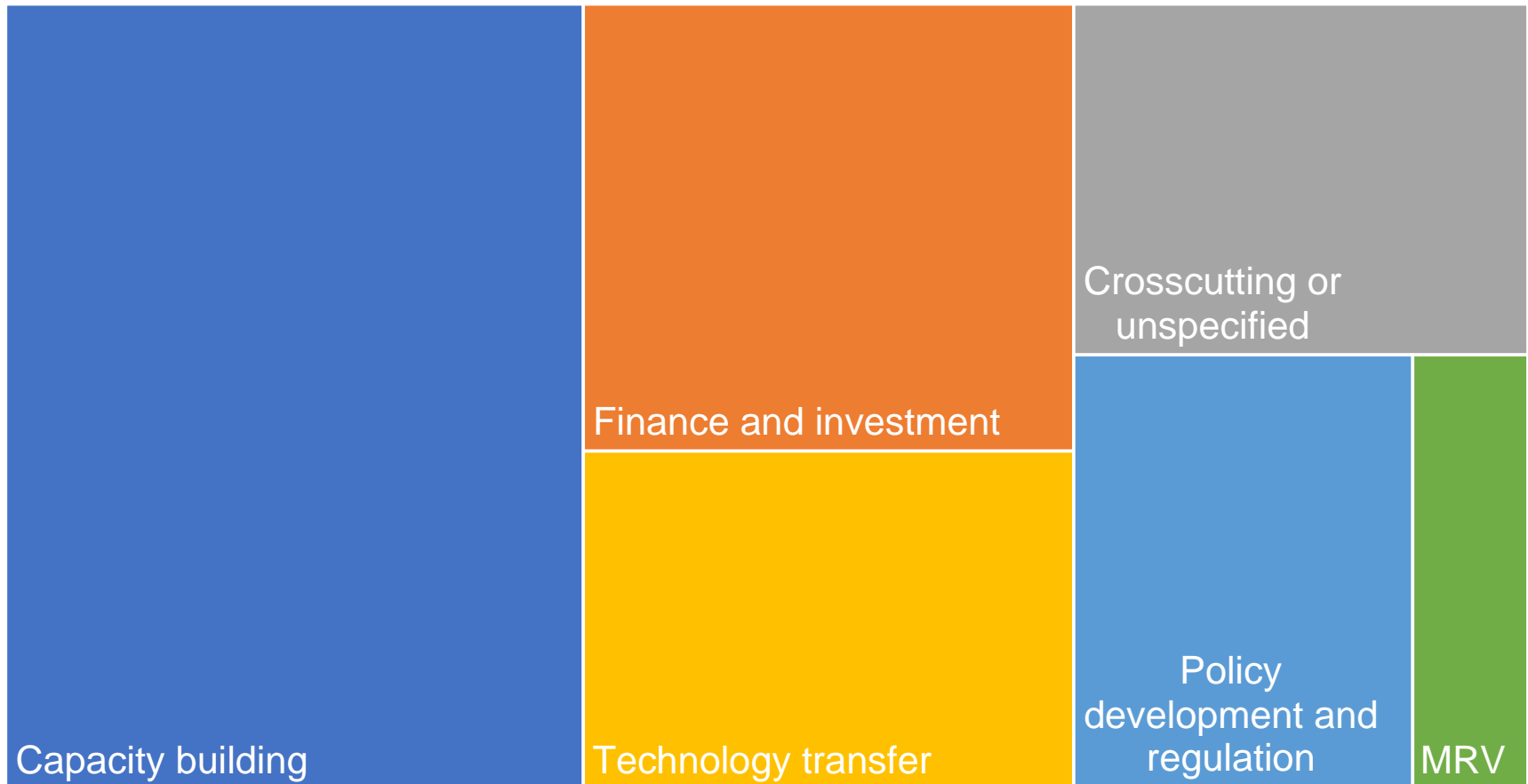
# Needs are balanced between adaptation and mitigation

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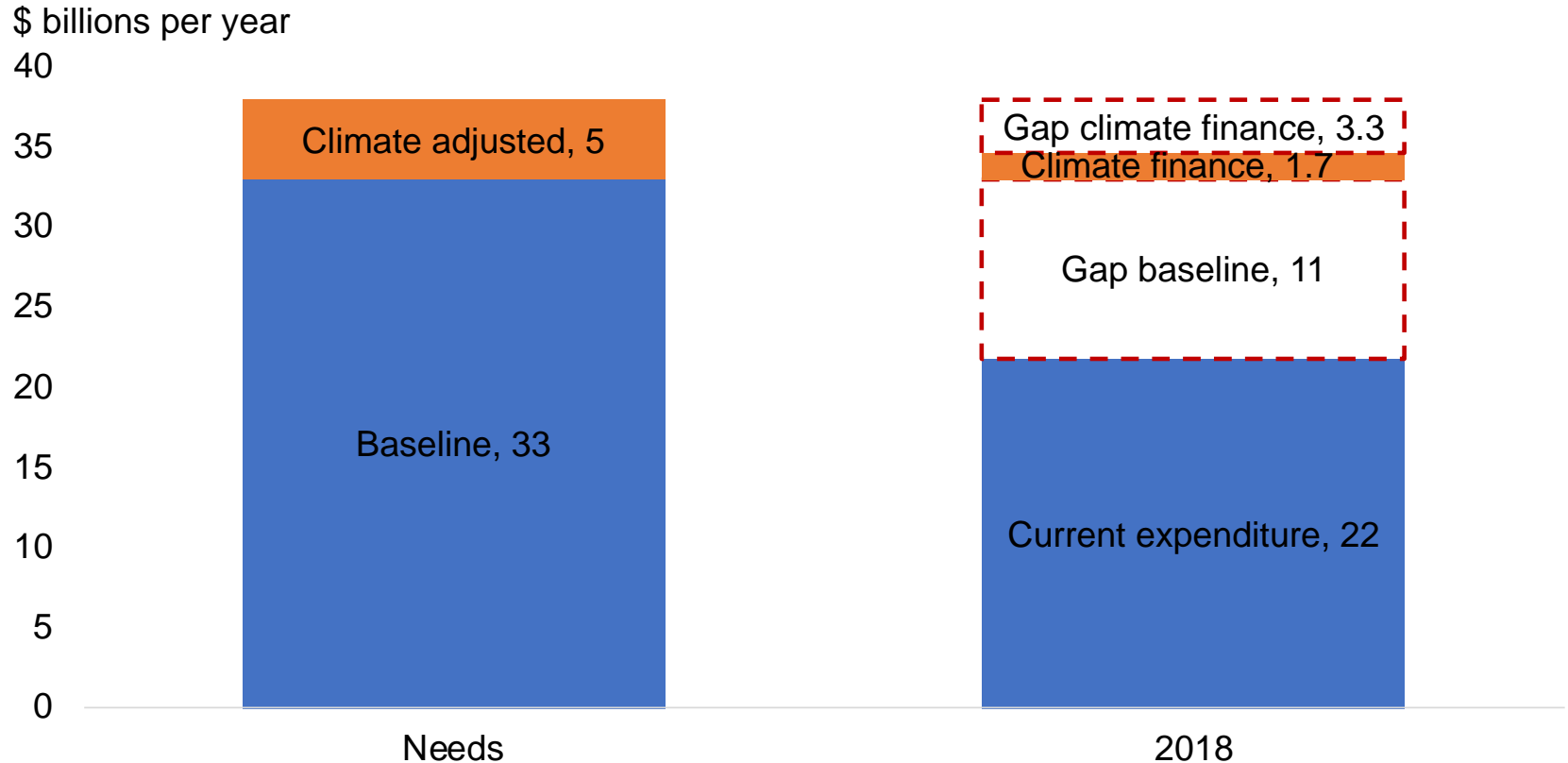


# Countries need capacity building and finance most

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# Climate finance and broader financing needs are not being met

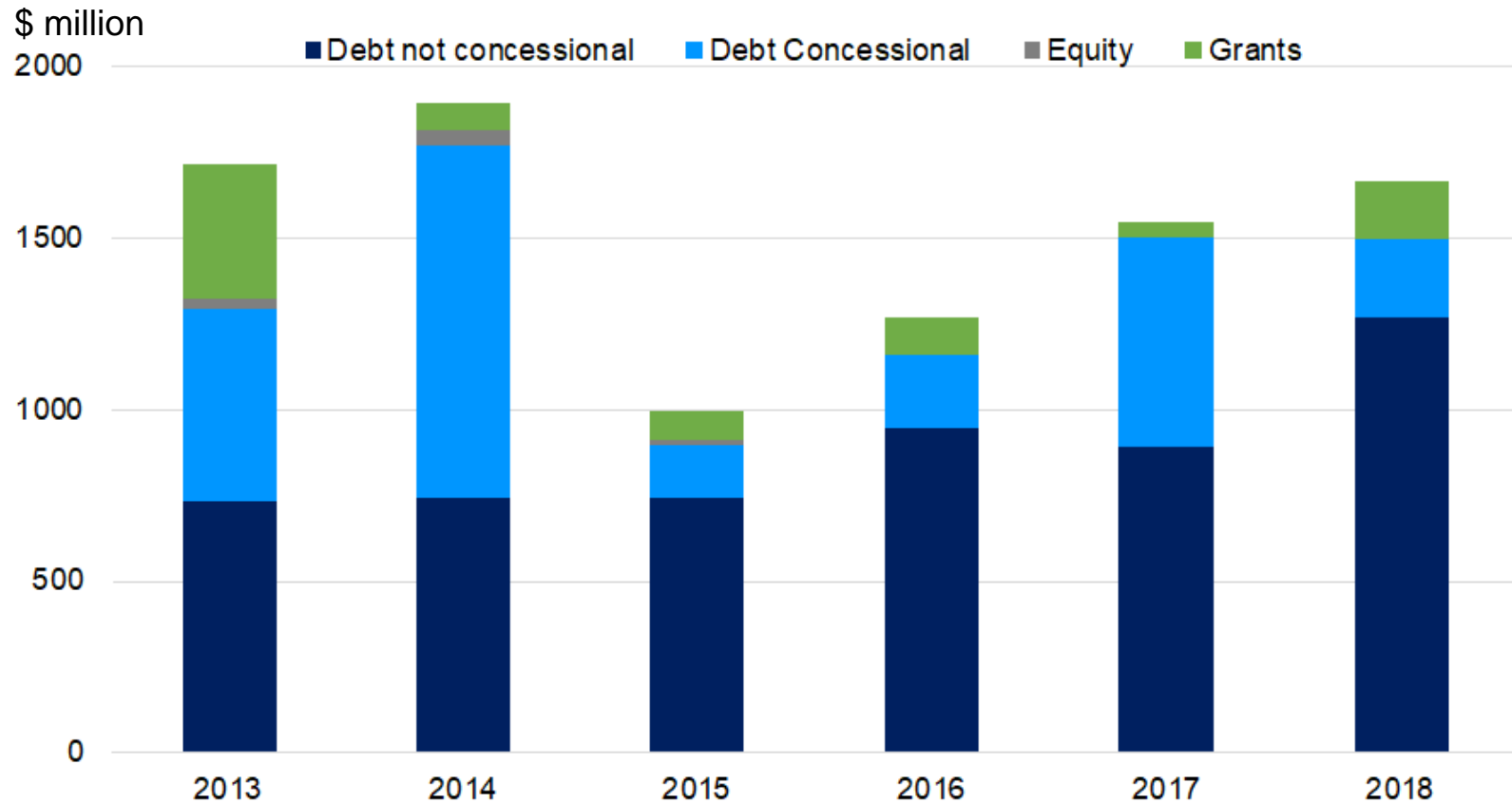


Notes: Current expenditure is estimated based on CACS sample countries based on a gap in baseline needs of 2.3% of GDP. Source: George Anjaparidze using data from 2017 ADB report Meeting Asia's Infrastructure Needs to estimate needs and current expenditures. Climate finance flows in 2018 are estimated using data provided by UNFCCC secretariat compiled based on OECD reporting.



# Climate finance flows: instruments

## Debt instruments are most common



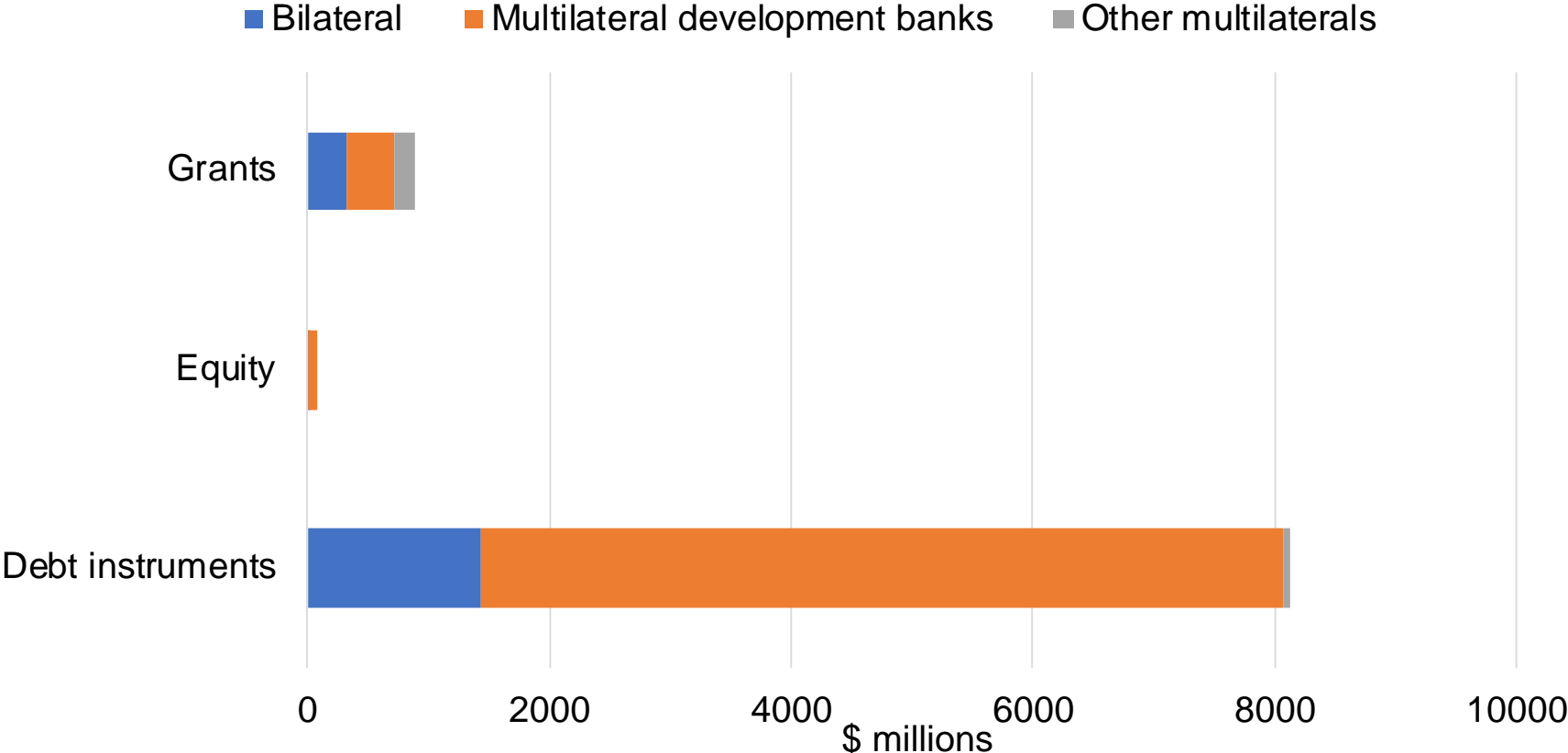
Note: Only climate components and principle climate activities aggregated under climate finance.  
Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.





# Climate finance: instruments by source (2013-2018)

## MDBs largest providers, but mostly debt

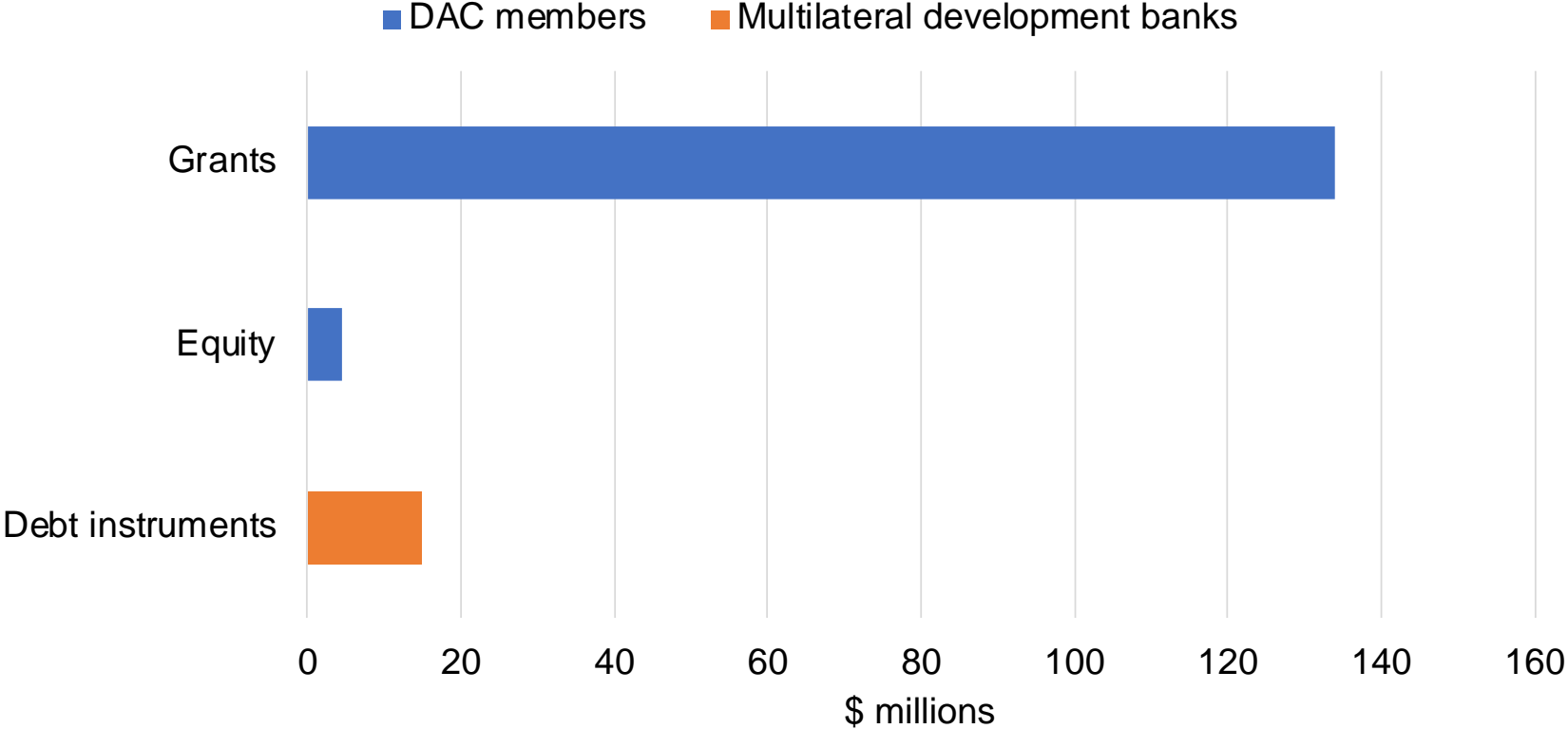


Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.



# Climate finance: instrument and sources for regional (2013-2018)

## Supported bilaterally, are climate funds an untapped opportunity?



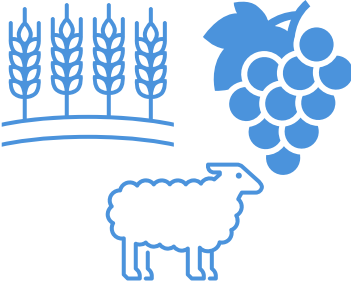
Source: George Anjaparidze using data provided by UNFCCC secretariat compiled based on OECD reporting.



# Adaptation challenges that are regional and prevalent

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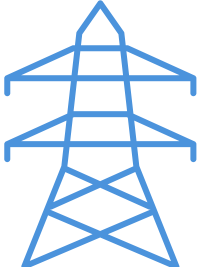
## Agriculture



## Irrigation



## Energy



## Pests



## Health



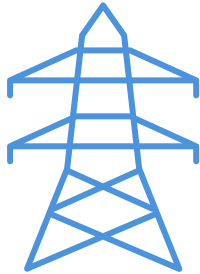
## Disaster



# Mitigation opportunities with regional elements

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## Energy



## Transport



## Forests



# Key points – technical assessment

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# Thank You



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# Part 2:

## Country feedback on technical assessment



## Other points for discussion

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- Is the regional context reflected?
- Are climate finance flows captured?
- Are the needs and priorities reflected?
- What are the challenges to mobilizing and accessing climate finance?

