CLIMATE FINANCE AND THE USD 100 BILLION GOAL

OECD measurement and analysis of progress
Presentation outline

- Context
- Coverage of the OECD’s latest climate finance report
- Headline results

Developed country Parties commit, in the context of meaningful mitigation actions and transparency on implementation, to a goal of mobilizing jointly USD 100 billion per year by 2020 to address the needs of developing countries.

(…)

Funds provided to developing country Parties may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.

Agreed modalities for the accounting of financial resources provided and mobilized through public interventions:

- **Sources**: Bilateral, regional and other channels, multilateral channels, mobilized through public interventions.
- **Instruments**: Grant, concessional and non-concessional loan, equity, guarantee, insurance, other.
The OECD only accounts for climate finance that developed countries provide or mobilise

<table>
<thead>
<tr>
<th>IN</th>
<th>OUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Developed countries’ bilateral public climate finance</td>
<td>• Developing countries’ domestic public and South-South public climate finance</td>
</tr>
<tr>
<td>• Multilateral public climate finance attributable to developed countries</td>
<td>• Multilateral public climate finance attributable to developing countries</td>
</tr>
<tr>
<td>• Developed countries’ climate-related export credits</td>
<td>• Private finance mobilised by developing countries’ public climate finance interventions</td>
</tr>
<tr>
<td>• Private climate finance mobilised by and attributed to developed countries’ public climate finance interventions</td>
<td>• Private finance in the absence of developed countries’ public climate finance interventions</td>
</tr>
<tr>
<td></td>
<td>• Coal financing</td>
</tr>
</tbody>
</table>
Climate finance provided and mobilised by developed countries for developing countries (USD billion)

Aggregate trends:

- Total: +11% in 2018 versus +22% in 2017
- Growth driven by public climate finance
- Mobilised private climate finance plateaued in 2018
- Climate-related export credits remain small

A 13% annual average increase required in 2019 and 2020 to meet the goal

Mitigation and adaptation finance each followed an increasing trend

- Finance for adaptation grew by 29% per year on average to reach USD 16.8 billion in 2018,
- Finance for mitigation grew by 15% per year on average and more in absolute terms, reaching USD 55 billion in 2018.

In 2018, mitigation represented 70%, adaptation 21%, cross-cutting the rest.

Climate focus differs per funding source (2016-2018)

- The combined share of adaptation and cross-cutting reaches 1/3 of public climate finance
- Mobilised private finance and export credits almost exclusively benefit mitigation

<table>
<thead>
<tr>
<th>Total</th>
<th>Bilateral Public (42%)</th>
<th>Multilateral public (36%)</th>
<th>Export Credits (3%)</th>
<th>Mobilised Private (19%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>20%</td>
<td>28%</td>
<td>99%</td>
<td>4%</td>
</tr>
<tr>
<td>9%</td>
<td>15%</td>
<td>5%</td>
<td></td>
<td>3%</td>
</tr>
<tr>
<td>72%</td>
<td>65%</td>
<td>67%</td>
<td></td>
<td>93%</td>
</tr>
</tbody>
</table>

Loans represent an increasing proportion of public climate finance (USD billion)

Between 2013 and 2018, the share of loans in public finance provided grew from 52% to 74%, while the share of grants decreased from 27% to 20%:

- Loans more than doubled from USD19.8 billion in 2013 to USD 46.3 billion in 2018.
- Grants fluctuated around USD 10 billion per year in 2013-15 and around USD 12 billion in 2016-18.
- Equity investments remain marginal, accounting for 2% of public climate finance.

Middle income countries benefited from over 2/3 of total climate finance provided and mobilised in 2016-18

Climate finance provided and mobilised (2016-18 average, USD billion)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Bilateral public</th>
<th>Multilateral public</th>
<th>Export credits</th>
<th>Mobilised private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LICs</td>
<td>1.9</td>
<td>3.0</td>
<td>5.4 (8%)</td>
<td></td>
<td>28.1</td>
</tr>
<tr>
<td>LMICs</td>
<td>12.6</td>
<td>11.5</td>
<td></td>
<td>3.4 (40%)</td>
<td>25.5</td>
</tr>
<tr>
<td>UMICs</td>
<td>4.7</td>
<td>5.6</td>
<td></td>
<td>20.0 (29%)</td>
<td>29.3</td>
</tr>
<tr>
<td>HICs</td>
<td></td>
<td>1.7 (2%)</td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td>Unallocable</td>
<td>9.5</td>
<td>1.7</td>
<td>3.1</td>
<td>14.3 (21%)</td>
<td>14.3</td>
</tr>
</tbody>
</table>

- A very small share of mobilised private climate finance went to low-income countries
- A large share of bilateral public climate finance is reported as targeting multiple countries

Climate finance for Small Island Developing States and Least Developed Countries grew strongly (2016-2018)

LDCs and SIDS accounted for 14% and 2% of total climate finance provided and mobilised (USD billion)

The share of adaptation and grants for both LDCs and SIDS is higher than for all developing countries on average

Thank you!
Find out more more and download the publication

http://oe.cd/cf-2013-18

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