



Climate Finance

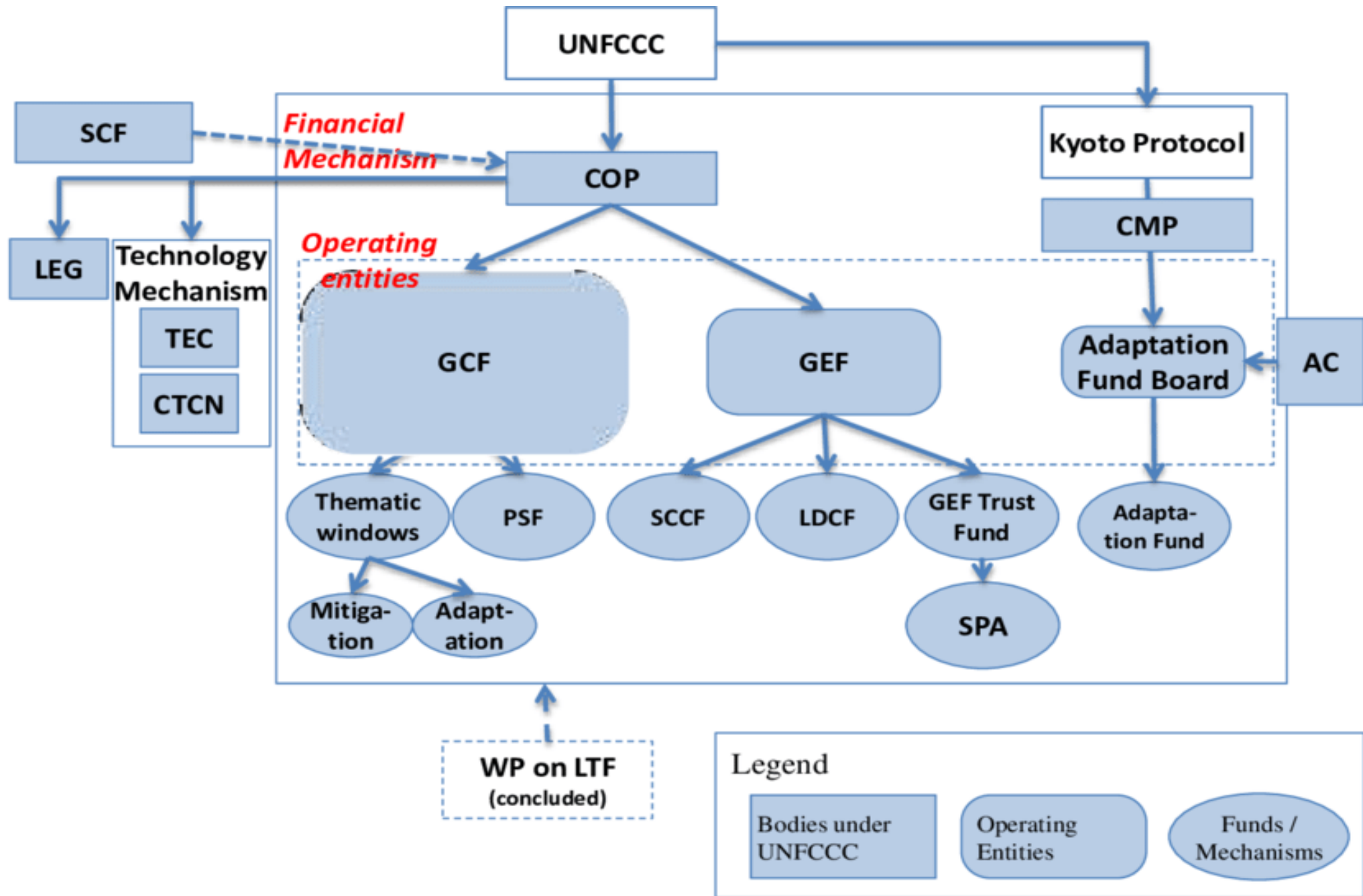
Cairo, 02-12-2020

The Convention...

- 4.3 The developed country Parties and other developed Parties included in Annex II shall provide **new and additional financial resources** to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1. They shall also provide **such financial resources**, including for the transfer of technology, needed by the developing country Parties to meet the agreed full incremental costs of implementing measures that are covered by paragraph 1 of this Article and that are agreed between a developing country Party and the international entity or entities referred to in Article 11, in accordance with that Article
- 4.7 The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by **developed country Parties of their commitments** under the Convention related to **financial resources** and transfer of technology.

Paris Agreement...

- 9.1 Developed country Parties **shall provide** financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention
- 9.5 Finance decisions included matters related to upfront information on public finance resources available to developing countries to be provided by developed countries, including indicative quantitative and qualitative information on programs, projected channels and instruments.
- 9.7 Also, another decision was agreed that deals with transparency of support provided by developed countries to developing countries as part of the transparency Framework for actions and support.



Standing Committee on Finance (SCF)

The SCF was established to assist the COP in exercising its functions in relation to the Financial Mechanism of the Convention through:

- Improving coherence and coordination in the delivery of climate change financing
- Rationalization of the Financial Mechanism
- Mobilization of financial resources, and measurement, reporting and verification of support provided to developing country Parties



ADAPTATION FUND

Adaptation Fund (AF)

- The Adaptation Fund has committed about US\$ 720 million for climate change adaptation and resilience projects and programs
- 100 concrete localized adaptation projects in the most vulnerable communities of developing countries around the world with approximately 8 million direct beneficiaries
- It also pioneered Direct Access, empowering countries to access funding and develop projects directly through accredited national implementing entities

Green Climate Fund (GCF)



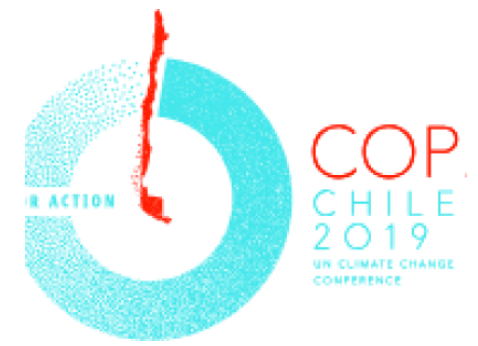
- The main financial instrument of the Paris Agreement
- GCF's portfolio to a total of 124 projects and programs, committing USD 5.7 billion of GCF resources for climate action in 120 developing countries
- Including co-financing, the Portfolio channels USD 20.6 billion in climate finance through its network of 95 Accredited Entities

Global Environment Facility (GEF)



- The Global Environment Facility (GEF) was established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems
- GEF unites 183 countries in partnership with international institutions, civil society organizations (CSOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives
- GEF has provided over \$17 billion in grants and mobilized an additional \$88 billion in financing for more than 4000 projects in 170 countries

COP 25 Outcomes



- On LTF a critical paragraph of the draft decision only noted “the importance of continued discussions on long-term climate finance” and that Parties will decide “to consider the matter (of long-term finance) ...” at COP 26.
- On SCF Key contentious issues revolved around the “common” definition of climate finance
- Decisions were watered down and adopted on matters relating to the SCF, the GCF, the GEF (both under the COP and the CMA) and the AF (which was a decision under the CMP). In addition, draft conclusions on the AF (under CMA) were also postponed for consideration next year.

Climate Finance Dynamics

Inherited relevance and implications

- Lack of enhanced finance provisions (where is the money?)
 - \$100B Annually by 2020
 - \$30B FSF 2010-2012
 - GCF IRM / replenishment
- Shifting the financing burden to developing countries (loans and private sector)
- Climate Finance definition (development versus climate)
- Biased, mitigation centric, and politicized focus (targeting emissions vs. sources)
- Continued attempts by AN1 to escape finance commitments (provide, mobilize, flows)



Thank you