

# State of efforts: financing climate action

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# What does the data tell us about climate finance?



IRENA estimate needs of \$4.4 trillion a year for energy transition

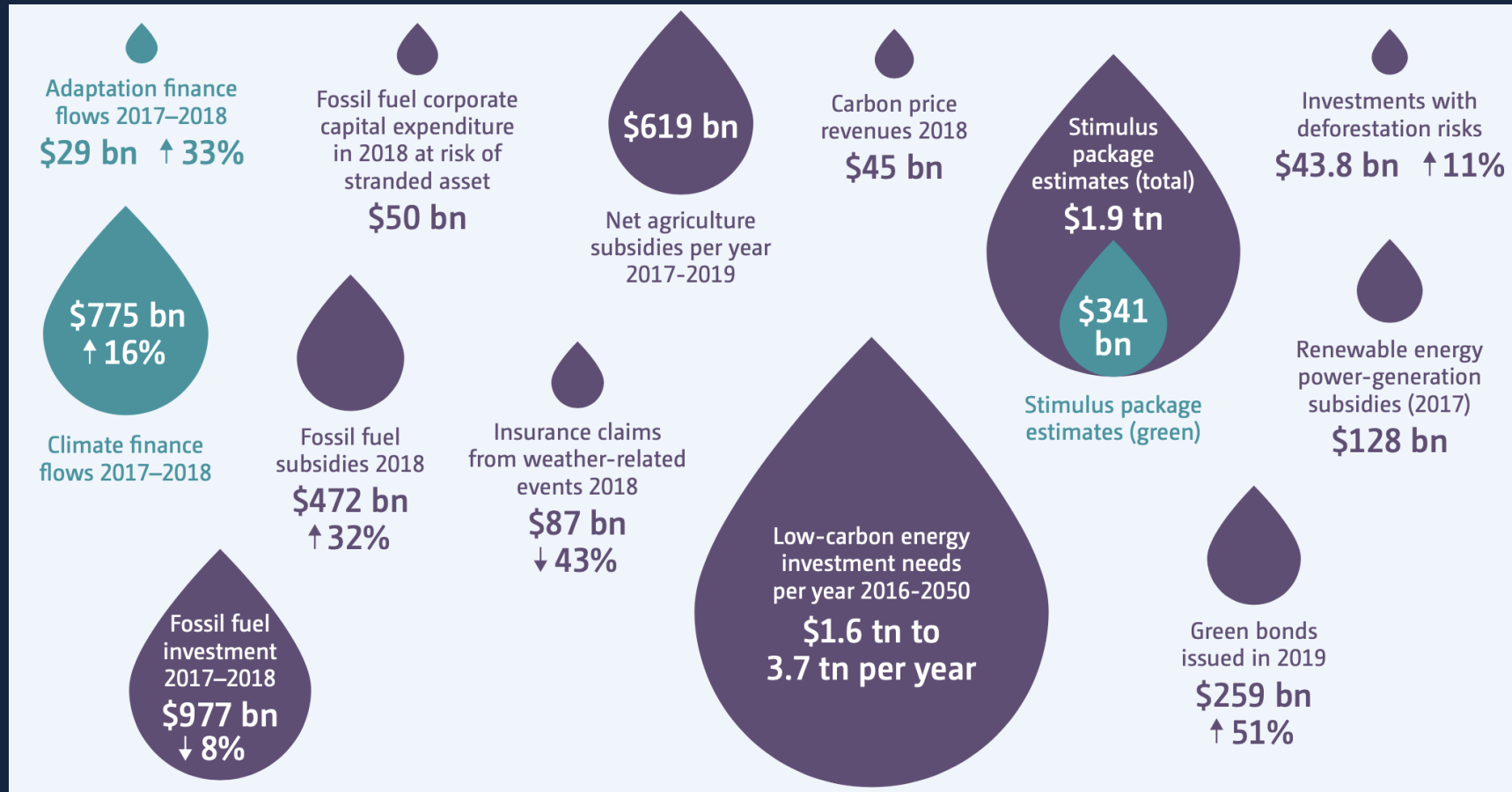
Needs Determination Report identified costed needs of NDCs at \$0.7 trillion a year\*

The fourth BA estimated \$775 billion a year in global total climate finance

The \$100 billion a year climate finance joint goal from developed to developing countries

The OECD reported climate finance mobilised and provided by developed countries in 2019 at \$79.6 billion a year through multilateral and bilateral channels

# Urgency requires deep, wide-ranging action



# Scaling up finance must keep equity in mind

- A just transition and respect, promotion and consideration of human rights obligations acknowledged
- Equity operationalised through Common But Differentiated Responsibilities and Respective Capabilities (CBDR+RC)
- Justice and fairness in climate finance is important for climate ambition

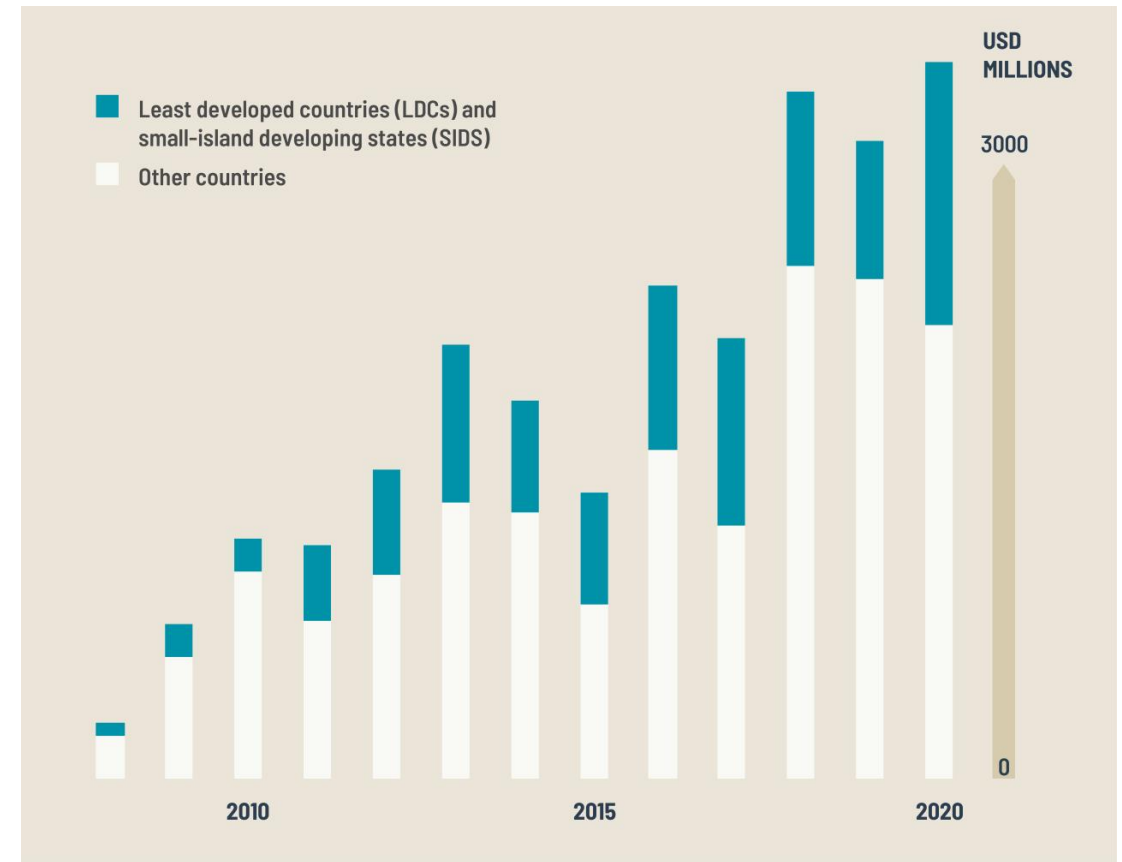


# Taking stock of climate finance provision is complicated

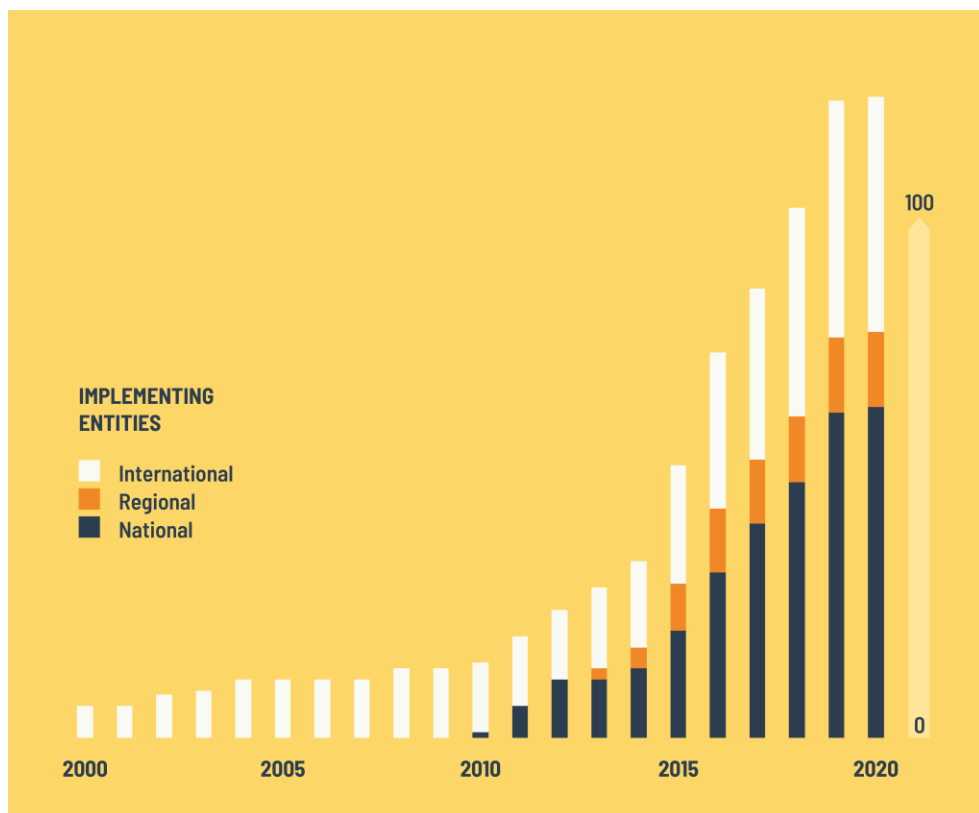
	Annual average (2017/18)	Area of support			Financial instrument		
		Adaptation	Mitigation	Cross-cutting	Grants	Concessional loans	Other
<b>Multilateral climate funds</b>	\$2.7bn	20%	48%	32%	53%	40%	8%
<b>Bilateral climate finance</b>	\$29.9bn	21%	65%	15%	64%	36%	<1%
<b>MDB climate finance</b>	\$39.2bn	25%	75%	–	5%	75%	20%

# Are we aligning climate finance with needs?

- Needs determination report identified more adaptation than mitigation needs
- LDCs and SIDS accounted for 37% of multilateral climate fund approvals in 2020
- Assessing the impact of climate finance remains challenging



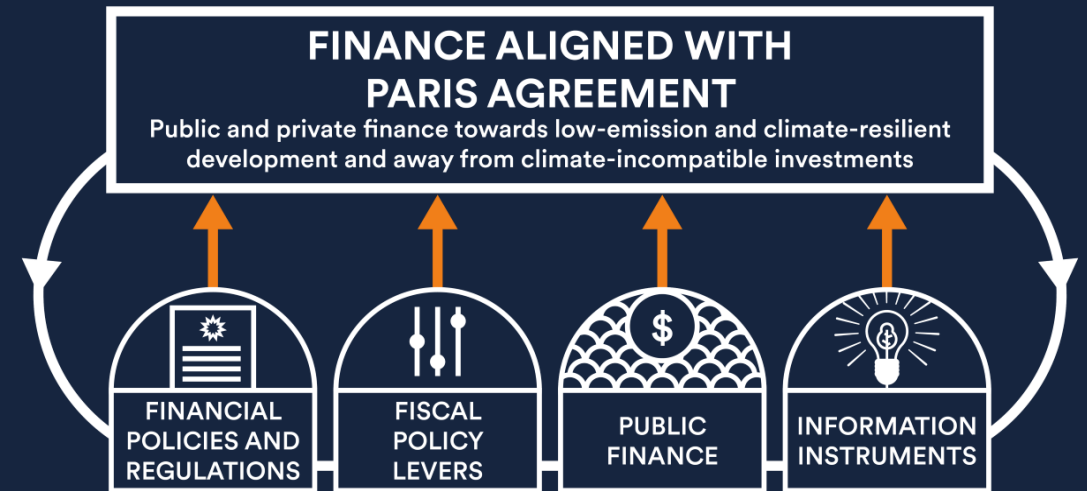
# Is access to climate finance appropriate?



- Complex, lengthy and costly procedures to access climate finance remain
- Efforts to continue to ensure local level access, empowering local actors
- Predictability of climate finance suffers from access challenges

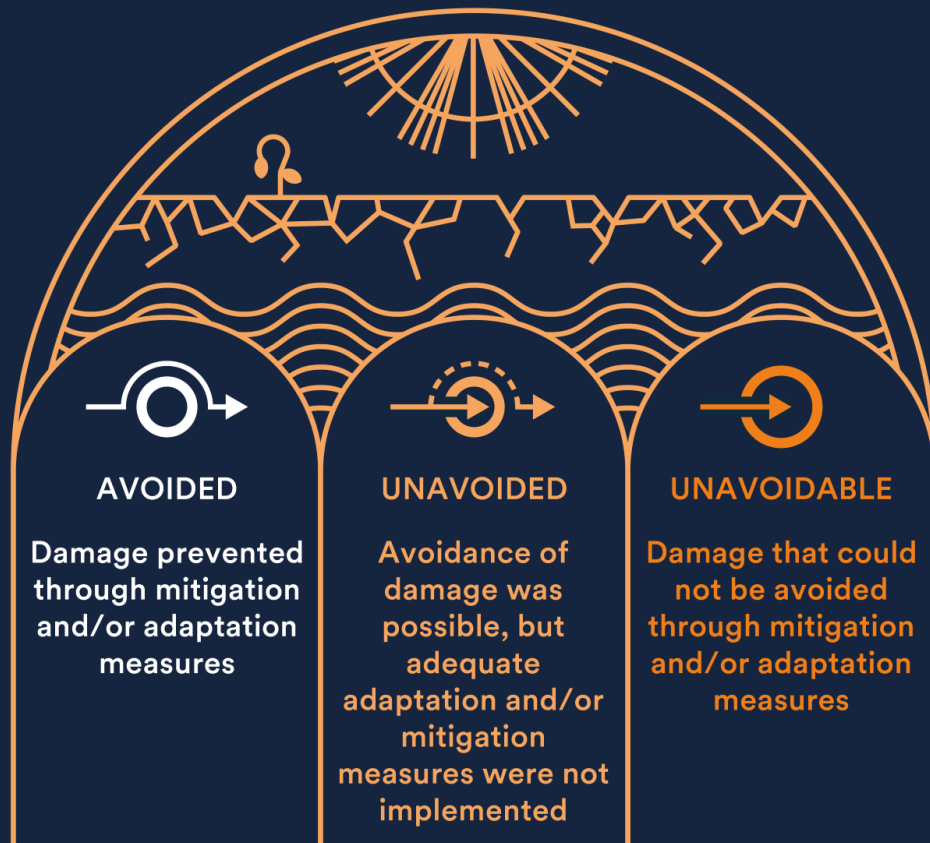
# How do we assess collective progress towards the climate-consistency of finance flows?

- Government actors influence finance flows through a number of levers
- The pursuit of climate consistency must accommodate national context
- No common understanding of scope and definition of 2.1(c)





# What about finance for loss and damage?



- Limited collection of information on loss and damage and related financial needs in comparable format
- But, GST to include loss and damage in technical dialogues

# In conclusion

- The ambition of financing climate action needs to be raised to meet the 1.5 degrees Celsius target
- Effective financing of climate action considers both quantitative and qualitative aspects
- Given multiple viewpoints rigorous transparency is needed in assessing the state of financing climate action

