



CLIMATE
POLICY
INITIATIVE



The Landscape of Climate Finance

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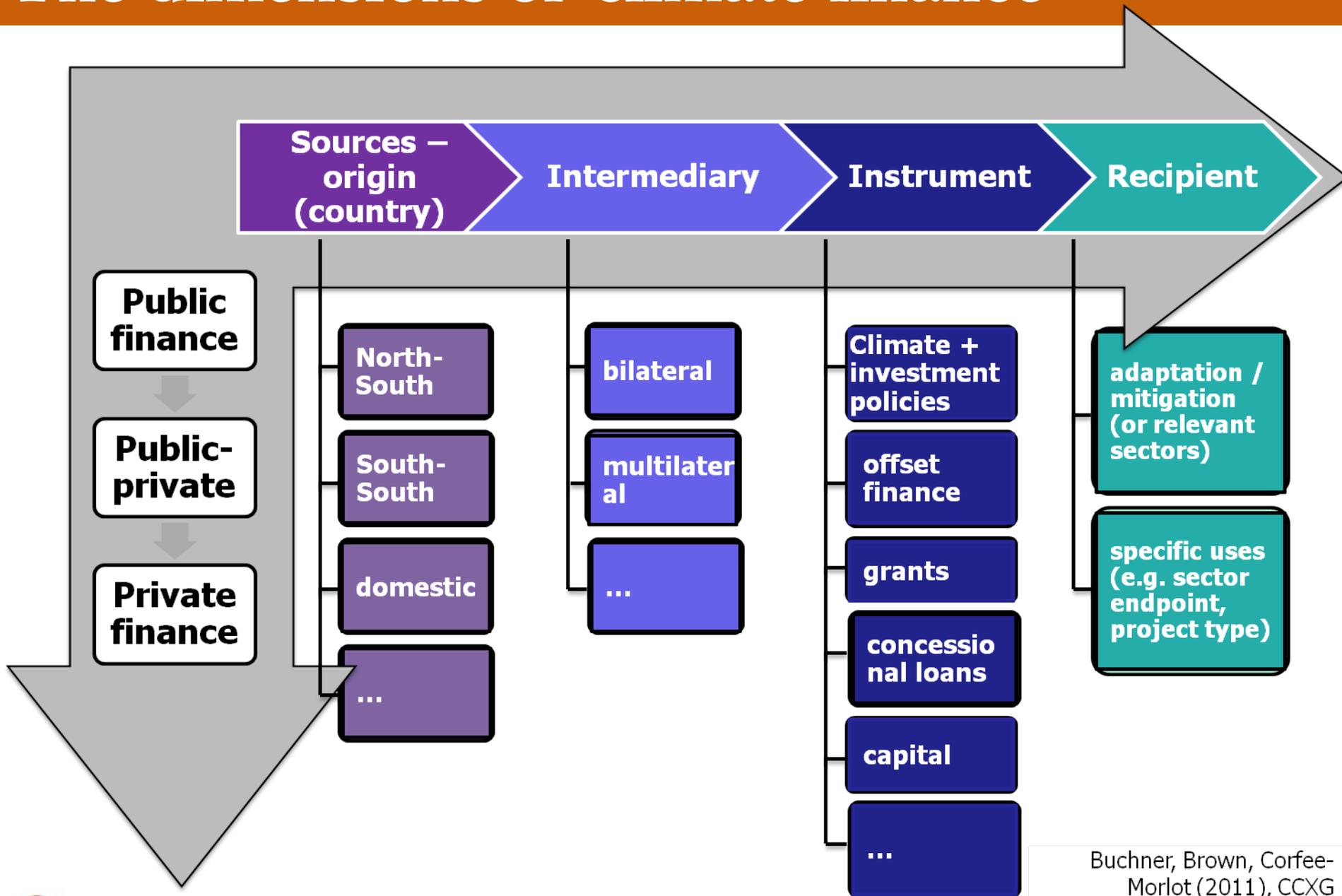
Breakout Group: MRV of Finance

What is climate finance?

- **Preamble**
 - No internationally agreed definition of what constitutes 'climate finance'
- **Climate finance is all financial flows ...**
 - ... from developed to developing countries...(North-South)
 - ... from developing to developing countries...(South-South)
 - ... including domestic climate finance flows in developed and developing countries...
 - ... covering climate-specific support for mitigation, adaptation, capacity building, technological R&D, and potentially furthering economic development...
 - ... including public and private flows...
 - ... including incremental cost and investment capital...
 - ...?

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- **Broad definition which can be shaped based on the specific context**
 - **But: many data difficulties**

The dimensions of climate finance



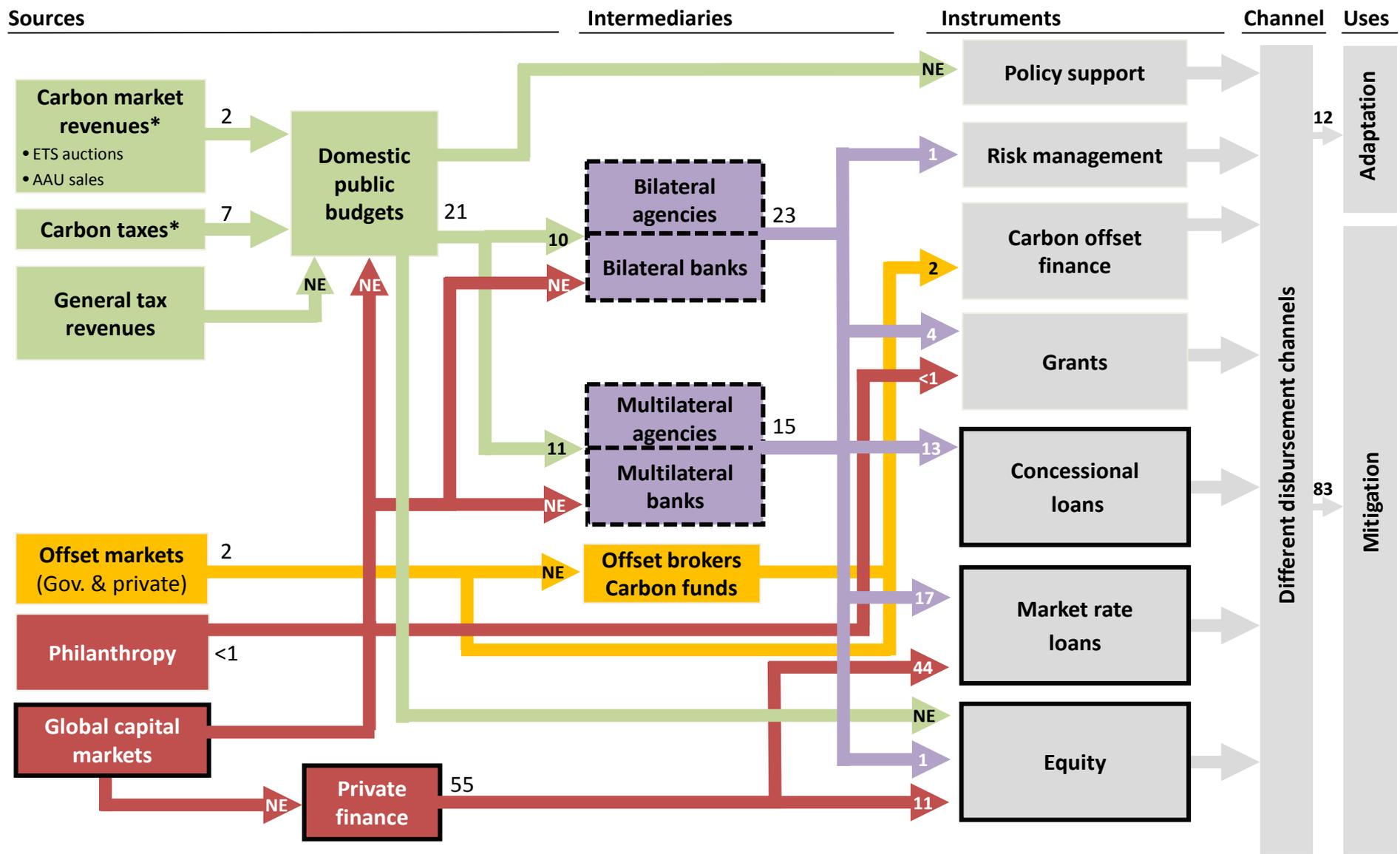
Buchner, Brown, Corfee-Morlot (2011), CCXG



What are current flows? *(draft figures)*

■ Public money ■ Intermediated money Capital investment
■ Private money ■ Offset money Capital investment and incremental costs

ROUGH ESTIMATES



Notes: Figures are expressed in USD billion and on an annual basis. *Estimated carbon pricing revenues indicated are not necessarily wholly hypothecated for climate finance. International bunker taxes are a potential revenue source, not yet in existence.

Key climate finance issues

- **International climate finance is flowing**
 - A wealth of knowledge within different organizations and institutions on the details of these flows, particularly on **North-South flows**
 - But: there is **no integrated international system for storing and accessing financial data**
 - Also, there are strong **inconsistencies in labeling and definitions of what constitutes climate finance** throughout the chain
- **Climate finance flows in many directions**
 - **Domestic and “South-South” flows** must be considered alongside the traditional “North-South” flows
- **Climate finance from private sources is larger than from public ones**
 - Yet, **difficult to measure, track and allocate**
- **The biggest gap: on the recipient side**
 - While there is good knowledge on the sources of climate finance, **very limited understanding of the effectiveness of climate finance efforts**



Today’s session will shed light on two key aspects of climate finance, helping to move towards a more comprehensive picture of climate finance