



OVERVIEW OF INITIATIVES RELATED TO CLIMATE FINANCE AND DEVELOPMENT EFFECTIVENESS

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Neil Bird, ODI
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Climate change negotiators...

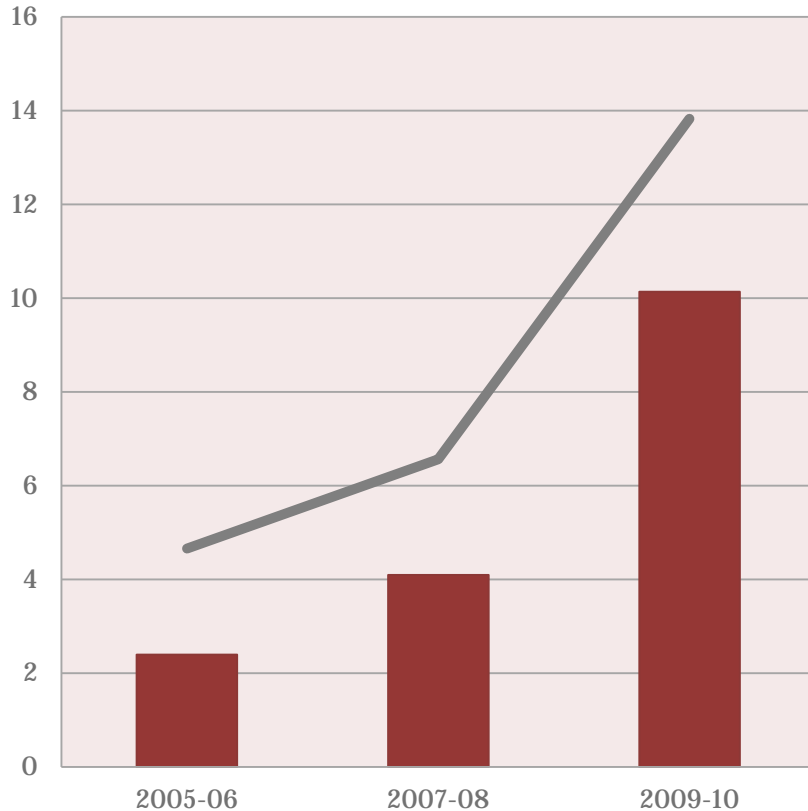


...and development co-operation partners



Trends and scales of international climate finance: some comparisons

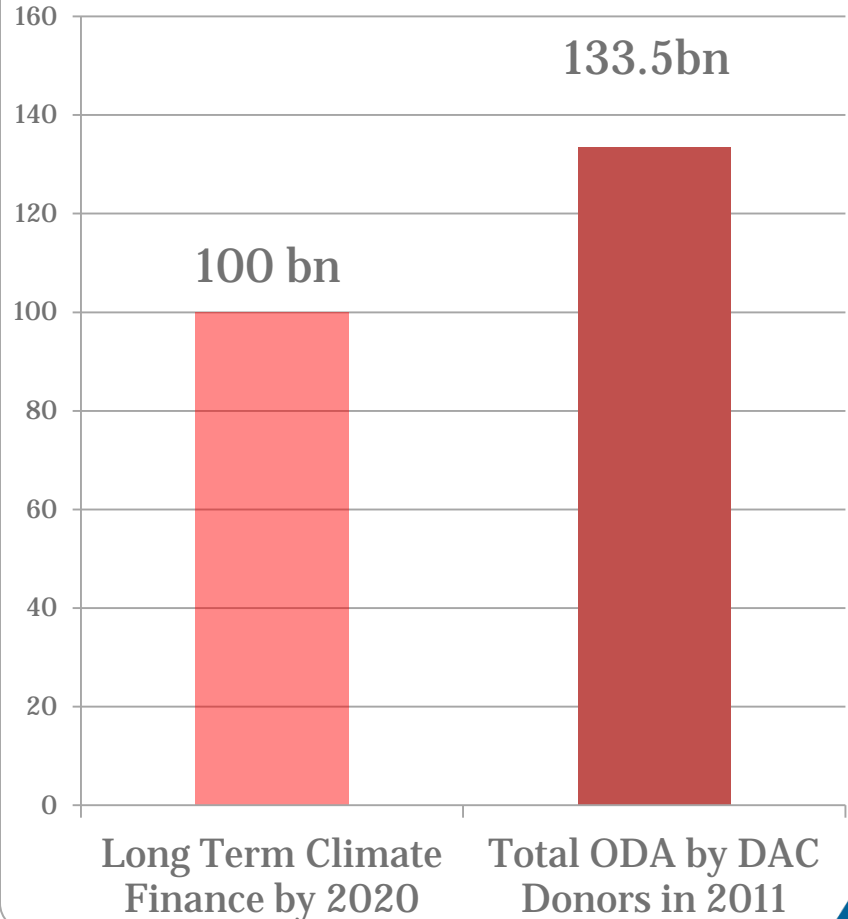
USD billion



■ Climate change mitigation: principal objective

— Climate change mitigation: upper bound estimate (principal+significant objective)

USD billion



Source: OECD



International climate and development finance: *fundamental similarities*

- 1) Overlaps between the climate and development finance:

Most public international climate finance is reported today as ODA

- 2) Common effectiveness principles for the management of public funds:

General agreement that external finance should be channelled through existing country systems
























—→ ***Yet practice varies...***

for various reasons, contributing countries sometimes bypass country systems



Busan Building Block Partnership: a 'coalition of the willing'



Asia-Pacific	Africa	Latin America and Caribbean	Donors, International Organisations and Civil Societies	
 Bangladesh	 Cameroon	 Mexico	 Australia	 Norway
 Fiji	 Kenya	 Bolivia	 Belgium	 Switzerland
 Indonesia	 Lesotho	 Honduras	 Denmark	 Better Aid Better Aid
 Samoa	 Tanzania	 Peru	 European Commission	 Pacific Islands Forum
 Vietnam	 Uganda		 Korea	 OECD
	 Zambia		 New Zealand	 UNDP



Busan commitments on climate finance and development co-operation

Promote coherence, transparency and predictability

- a) Support national climate policy and planning; where appropriate – ensure climate change measures are financed, delivered and monitored through developing countries' systems in a transparent manner
- b) Share lessons learned across development co-operation and climate finance communities



Proposed actions under the Partnership

Country
level

- **A1. Develop or adjust institutional mechanisms to effectively manage climate finance**
- **A2. Develop technical capacities to identify, track and assess climate finance**

Regional
level

- **B1. Regional Climate Change Finance Knowledge Sharing Platforms**
- **B2. Facilitate and contribute to cross-regional knowledge exchange and learning**

Global
level

- **C1. Multi-level mapping of existing initiatives and platforms**
- **C2. Engage in the monitoring of climate finance quality and effectiveness**
- **C3. Disseminate the work of the building block in relevant policy communities**

Source: Busan Partnership for Action on Climate Finance and Development Effectiveness, November 2012



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Source: Busan Partnership for Action on Climate Finance and Development Effectiveness, November 2012



C1. Mapping of global knowledge management initiatives on climate finance

I. Tracking international finance flows

- International monitoring and reporting websites, databases and studies
 - Various IO, MDB, BFI and CSO initiatives

II. The aid effectiveness of climate finance

- Overviews of relationship between contributing and partner countries; the management of climate finance at country level
 - Country studies sponsored by contributing countries,
- Analyses and commentaries by CSOs

III. National delivery of climate finance

- In-dept analysis of national policy, institutional and budgetary frameworks (e.g. CPEIRs)
 - Collaborative work between IOs, MDBs and partner country governments

Source: ODI, UNDP, OECD (2012)



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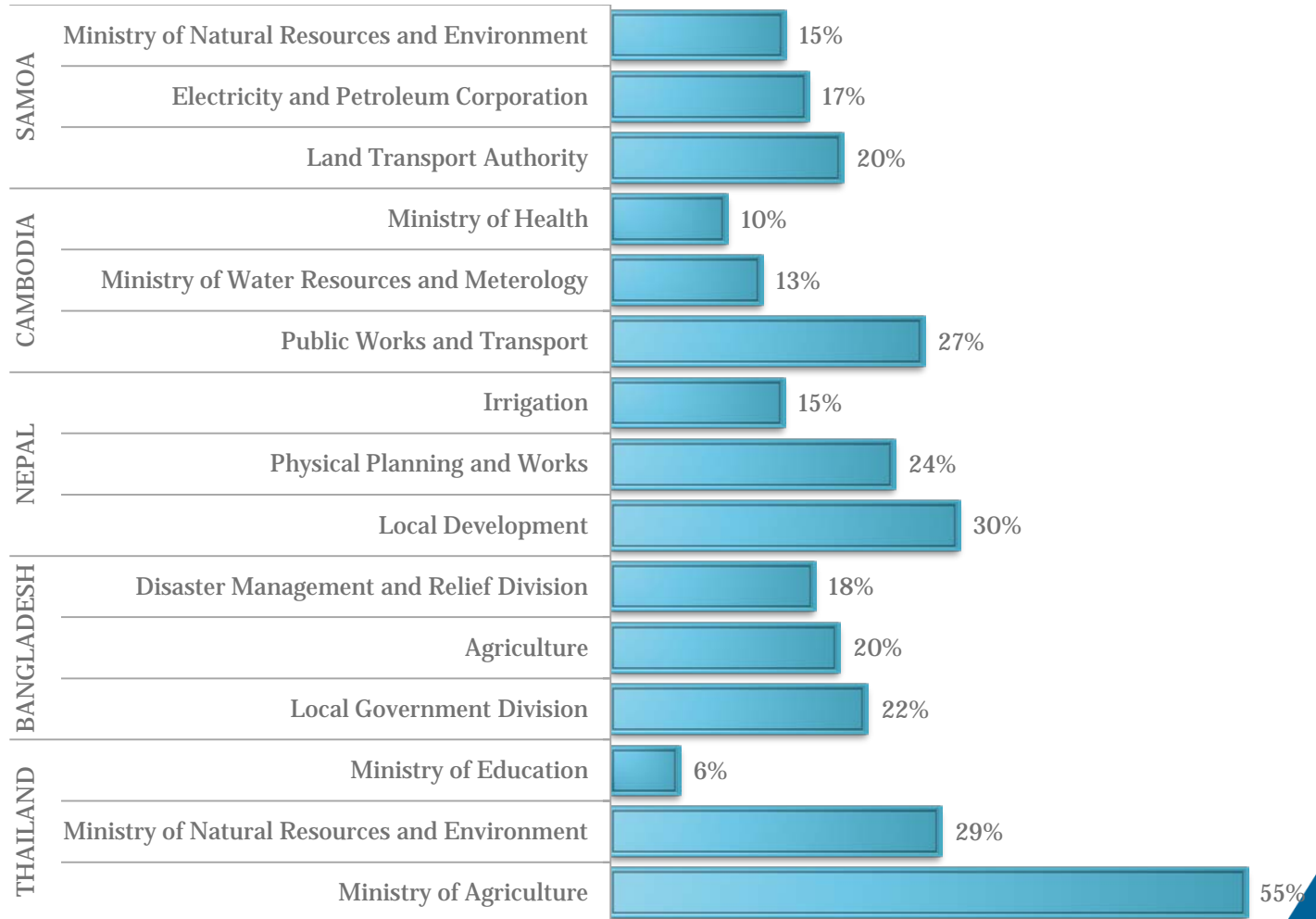
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III. National delivery of climate finance -

Climate-related expenditures – share by sector

(top three per country)





Conclusions

Increasing interest from international climate finance and development co-operation communities to understand:

1. Quantity of climate-related flows

- How much global climate finance is flowing, and where to?
- Public and private, grants and loans, bilateral and multilateral finance

2. Quality of climate-related flows

- Is climate finance being channeled and allocated in line with development effectiveness principles?
- Budget support, extra budgetary funds (e.g. national climate funds)

3. Challenges of national-level coherence in climate-related decision-making

- What is the link between national climate policy and climate related expenditures?
- Tracking of national climate related expenditures by partner countries, where cross-sector co-ordination is occurring



THANK YOU!

For more information:

The Busan Building Block for Climate Finance
and Development Effectiveness

“Understanding climate change finance flows
and effectiveness – mapping of recent initiatives”

Neil Bird with contributions from Tom Beloe, Jan Corfee-Morlot and Sáni Zou

www.oecd.org/dac/climatefinance

www.climatefinance-developmenteffectiveness.org

OECD DAC-CRS - Methods and data on climate change financing

www.oecd.org/dac/stats/rioconventions

OECD Analysis:

www.oecd.org/env/cc/financing

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