



Climate finance from developed to developing countries

Public flows in 2013-17

Key Results

Aggregate trends in public climate finance

- Public climate finance from developed to developing countries increased from USD 37.9 billion in 2013 to USD 54.5 billion in 2017. Including climate-related officially-supported export credits brings this figure from USD 39.5 billion in 2013 to USD 56.7 billion in 2017. For both aggregates, this corresponds to a 44% increase.
- The 2017 figure is consistent with a linear pathway to the level of public climate finance from developed countries that the OECD has previously projected would be reached in 2020, i.e. USD 66.8 billion in 2020, excluding export credits.
- Over the period 2013-17, bilateral climate finance grew from USD 22.5 billion to USD 27.0 billion (a 20% increase), multilateral climate finance (attributable to developed countries) from USD 15.5 billion to USD 27.5 billion (a 77% increase), and climate-related export credits from USD 1.6 billion to USD 2.1 billion (a 31% increase).
- This overall trend reflects different patterns between bilateral and multilateral finance. In 2017, a slight fall in bilateral climate finance, after increases in both 2015 and 2016, is more than offset by a sharp rise of multilateral finance (attributable to developed countries).
- Mobilised private finance in 2013 and 2014 accounted for USD 12.8 and 16.7 billion, respectively. It is foreseen that an updated estimate for this component will be produced in 2019.

Table 1: Finance provided and mobilised by developed countries for climate action in developing countries (USD billion)

	2013	2014	2015	2016	2017
1. Bilateral public climate finance from developed countries	22.5	23.1	25.9	28.0	27.0
2. Multilateral public climate finance attributed to developed countries	15.5	20.4	16.2	18.9	27.5
Subtotal (1+2)	37.9	43.5	42.1	46.9	54.5
3. Officially-supported export credits (climate-related) from developed countries	1.6	1.6	2.5	1.5	2.1
Subtotal (1+2+3)	39.5	45.1	44.6	48.5	56.7
4. Private climate finance mobilised by developed countries	12.8	16.7	Forthcoming		
Total (1+2+3+4)	52.2	61.8			

Note: The sum of individual components may not add up to sub- and grand totals due to rounding.

Source: OECD analysis based on OECD DAC (2018 and forthcoming), OECD TAD (2018), UNFCCC (2018, 2016), supplementary country reporting to the OECD.

Thematic split

- In total, adaptation finance rose from USD 7.8 billion to USD 12.9 billion (a 65% increase), mitigation finance from USD 28.2 billion in 2013 to USD 38.9 billion in 2017 (a 38% increase), and finance for cross-cutting activities, which address both mitigation and adaptation, from USD 3.5 billion to USD 4.8 billion (a 37% increase).
- The thematic split of bilateral climate finance remained broadly stable: mitigation continues to represent two-thirds (USD 17.8 billion in 2017, up from USD 15.0 in 2013), and adaptation slightly more than 20% (USD 5.6 billion in 2017, up from USD 4.7 billion in 2013).
- The share of adaptation in multilateral climate finance increased from 20% (USD 3.1 billion) in 2013 to 27% (USD 7.4 billion) in 2017, while the share of mitigation decreased from 75% (USD 11.6 billion) to 69% (USD 19.0 billion).
- Cross-cutting activities were commonly implemented by bilateral providers across the period (USD 3.7 billion and 13% in 2017), less so by multilateral institutions (between 4% and 8% depending on the year).
- Climate-related export credits included in the estimates are almost exclusively provided for mitigation activities. Coverage beyond the renewable energy sector is, however, poor.

Instrument and regional splits

- Grant financing increased by 25% between 2013 and 2017, going from USD 10.3 billion to USD 12.8 billion, while loans doubled to reach USD 40.3 billion in 2017 compared to USD 20.0 billion in 2013. The majority of bilateral loans were concessional; the majority of multilateral loans were non-concessional (though with favourable conditions compared to markets').
- The relative mix of instruments was stable over the period. Grants represent over a third of bilateral and less than 10% of multilateral climate finance. Loans accounted for about 60% of bilateral and close to 90% of multilateral climate finance. The share of equity remains low: 1% of bilateral and 2% of multilateral portfolios respectively in 2017. Not all bilateral providers include such investments in their climate finance reporting.
- In 2017, compared to 2013, all regions received increasing amounts of public climate finance. Asia, followed by Africa and Latin America, received the largest shares of both bilateral and multilateral climate finance throughout the period (more than 80% taken jointly in any given year).



Full report available at:
<http://oe.cd/cf-2013-17>