

TRACKING OF PUBLIC AND PRIVATE CLIMATE FINANCE INFLOWS TO ZAMIA

Discussion Paper

**Prepared for the Climate Change Expert Group(CCXG) Global Forum on Tracking
Climate finance**

19th -20th March 2013

INTRODUCTION/OBJECTIVE

- **Introduction** At the 16th Conference of the Parties (COP 16) to the United Nations Framework Convention on Climate Change (UNFCCC), developed country parties committed to mobilise \$100 billion annually by 2020 for climate responses in developing countries.
- However, measuring the progress towards that aim is difficult, at present there are gaps in the tracking of climate finance inflows and outflows, and data is currently patchy, particularly for private climate finance.
- **Purpose** of this project is to conduct a case study exploring what data on private climate finance inflows is currently available, which information sources this data is collected from, and how data collection (and “marking” for climate) could be improved.



METHODOLOGY/LIMITATIONS

METHODOLOGY

- Collecting and collating climate finance inflows
- Analysing how much climate change finance has been pledged, committed and actual received in Zambia,

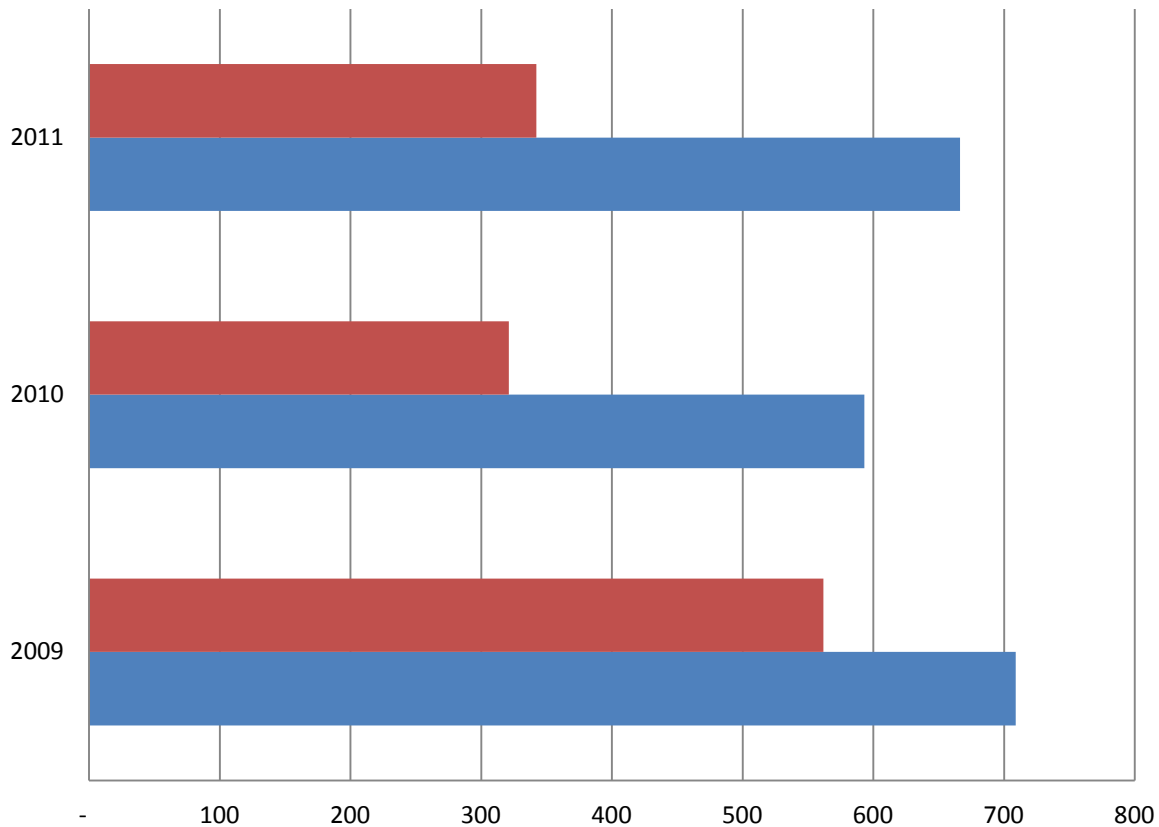
LIMITATIONS

- Data availability,
- Key informants not willing to provide information,
- Lack of knowledge on climate change finance and climate change issues as well as,
- Commercial concerns.



COMPOSITION OF BILATERAL & MULTILATERAL 2009-2011 (MILLION US\$)

Composition of ODA



62% of the ODA is Bilateral

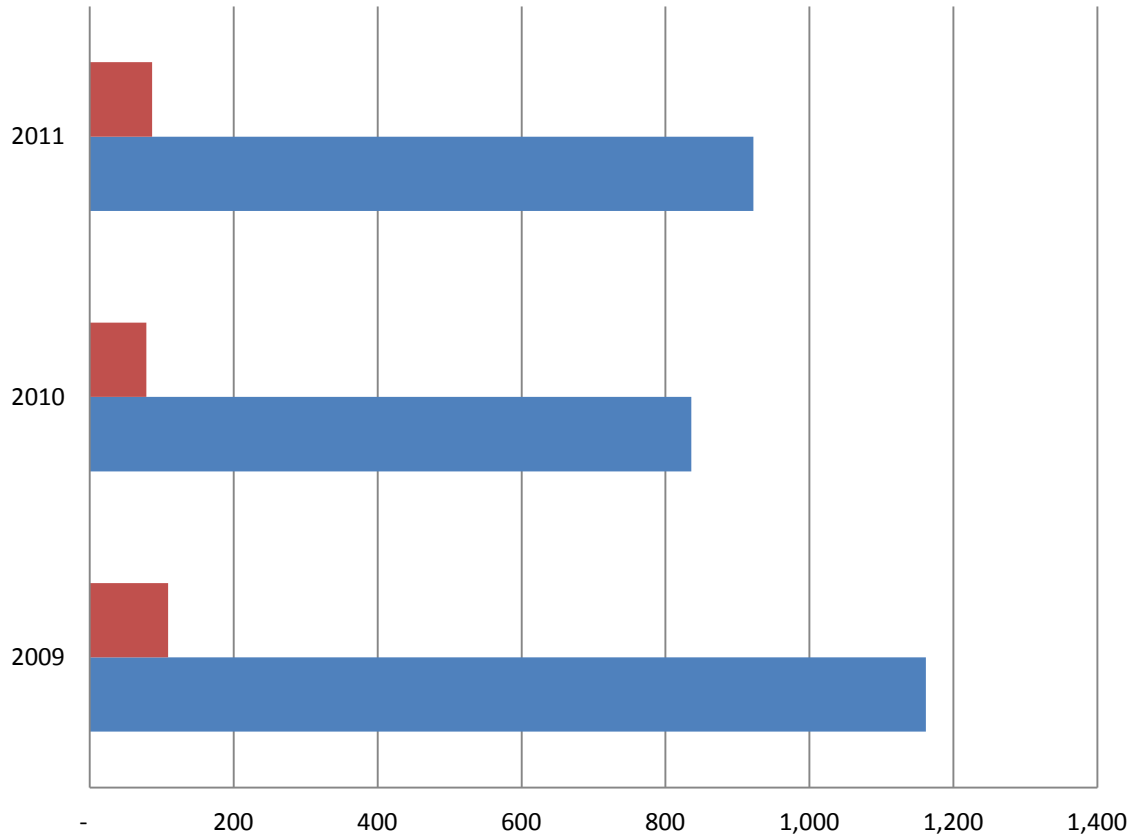
38 % Multilateral

■ Multilateral
■ Bileteral



THE CURRENT STATE OF TRACKING PUBLIC AND PRIVATE CLIMATE FINANCE INFLOWS TO ZAMBIA

Composition of ODA / Climate Finance



8.6% of the ODA is Climate Finance

91.4% address other Developmental Issues. Malaria , HIV, Education , GBV

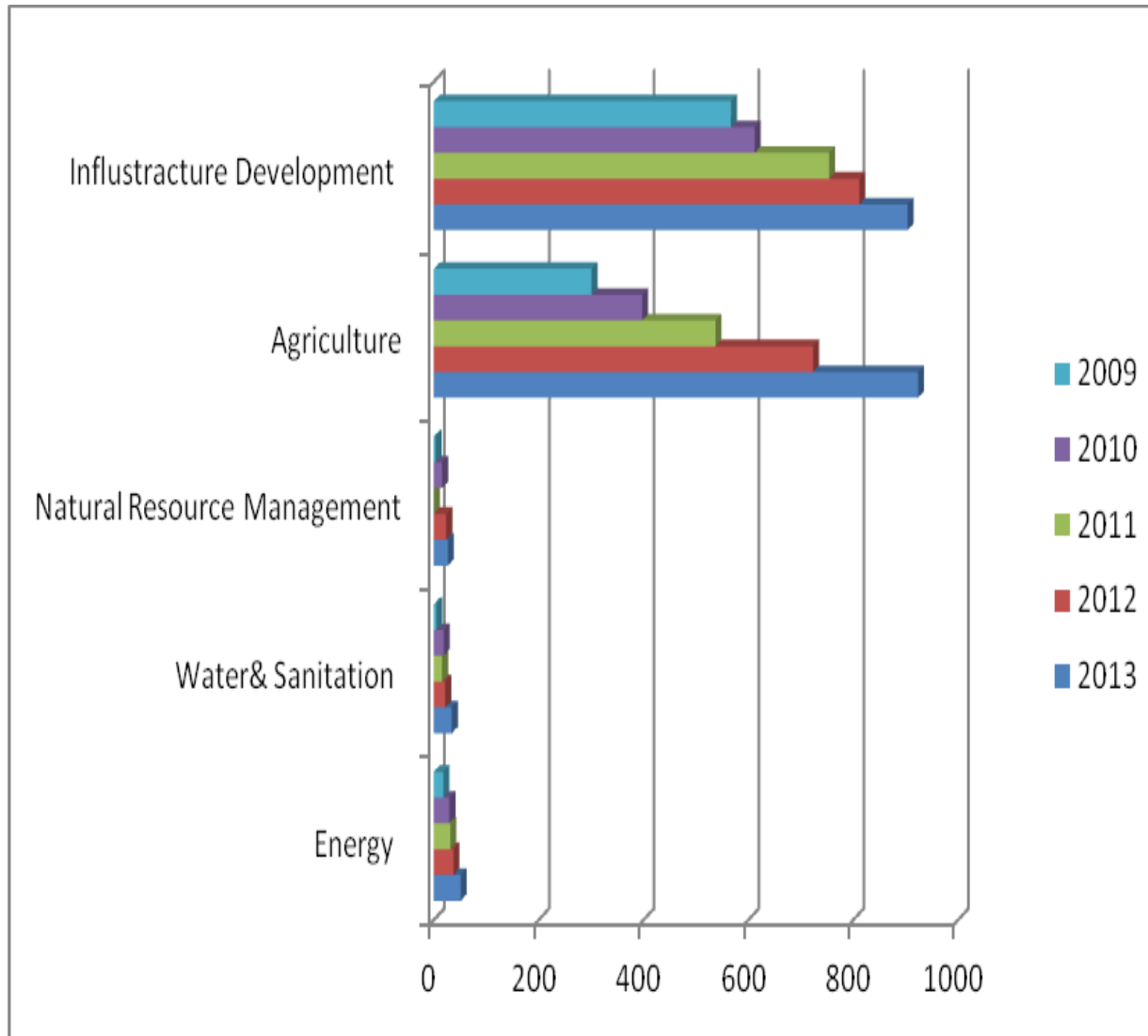
	2009	2010	2011
■ CF	109	78	86
■ ODA US\$million	1,162	836	922



COMPOSITION OF THE GOVERNMENT ALLOCATION TO CLIMATE CHANGE PROGRAMME NATIONAL BUDGET 2007- 2012

Weighted Average	7%	10%	8%	10%	8%	7%
Sector/Institution	2007	2008	2009	2010	2011	2012
Agriculture	10.81	15.01	18.66	18.13	7.19	17.61
Environment & Natural Resources	7.97	3.81	6.24	6.49	6.79	7.32
Energy and Water	2.94	3.49	2.78	4.42	4.74	7.10
Disaster Mitigation & Management Unit DMMU	0.79	0.80	0.93	0.67	10.85	11.18
Infrastructure						
A1-Ministry of Works and Supply	-	3.60	0.04	0.20	0.51	0.21
A2-Ministry of Communications and transport	0.58	0.80	0.33	1.15	0.66	1.01
Total Mainstreamed	23.09	27.52	28.98	31.06	30.74	44.42

INFLOW TO NATIONAL BANKS



- KAP Questionnaire
- This data is very indicative
- Potential to Mobilise
- The Inflows are FDI related



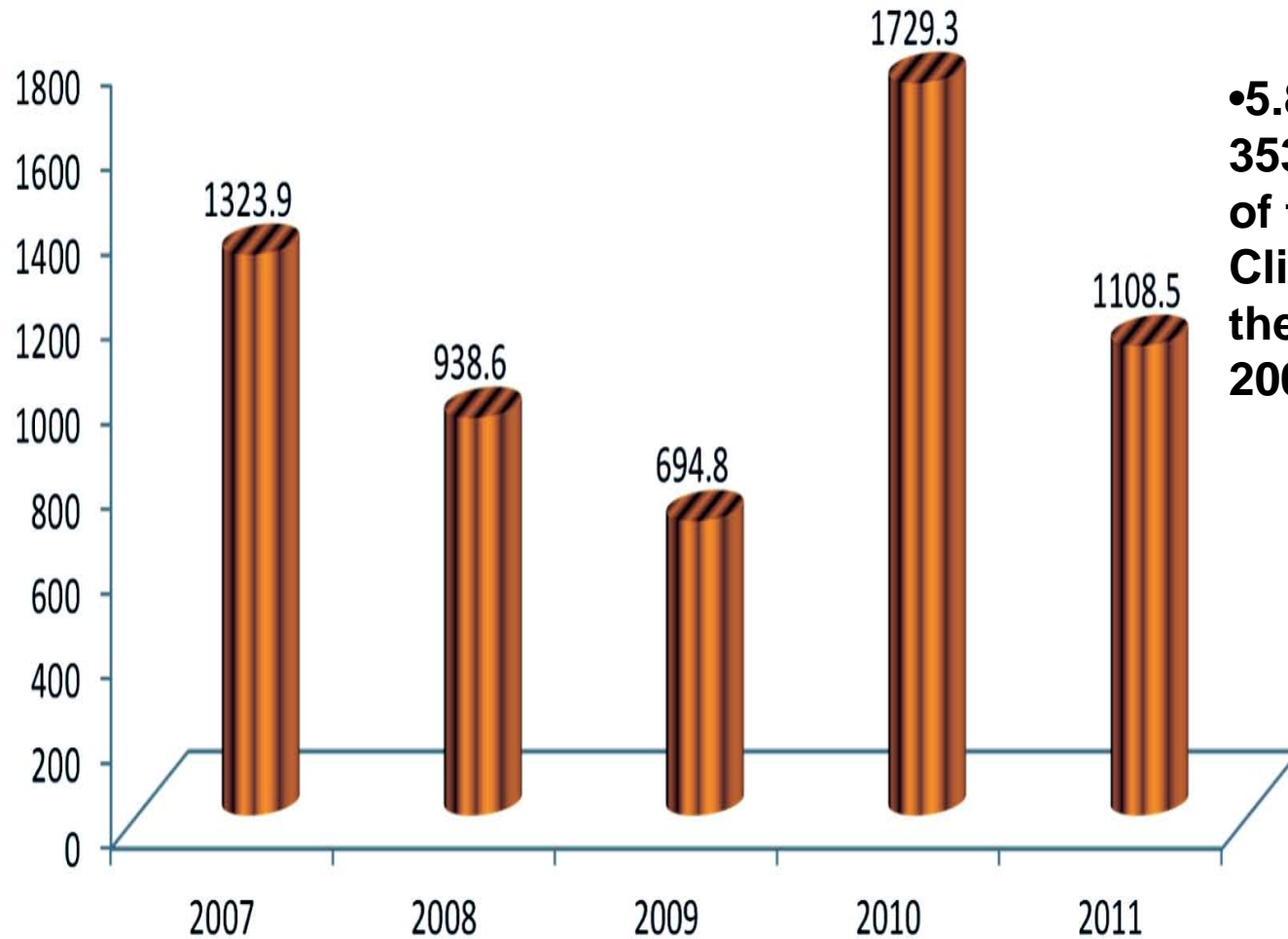
2009-2011

Private Inflows	2009	2010	2011	Total	%
FDI	44.7	1,01.4	61.1	207.2	89.9
Philanthropic	11.4	8.6	3.4	23.4	10.1
Sub Total	56.1	1,10.0	64.5	2,30.6	100.0

- Public climate change inflows are growing at an average rate of 2.1%, Private climate change inflows have been growing at 0.4% per year in the last three years.
- Private climate inflows , 2009 to 2011 amounted to US\$ 230.6 million, 89% of which came through foreign direct investments (FDI) and 10% philanthropy.
- Data Challenges



OVERALL FDI INFLOWS 2007 TO 2011




•**5.86%** (207.2 / 3532.6 US \$Million) of the Total FDI is Climate Relevant in the assessed Period 2009 - 2011

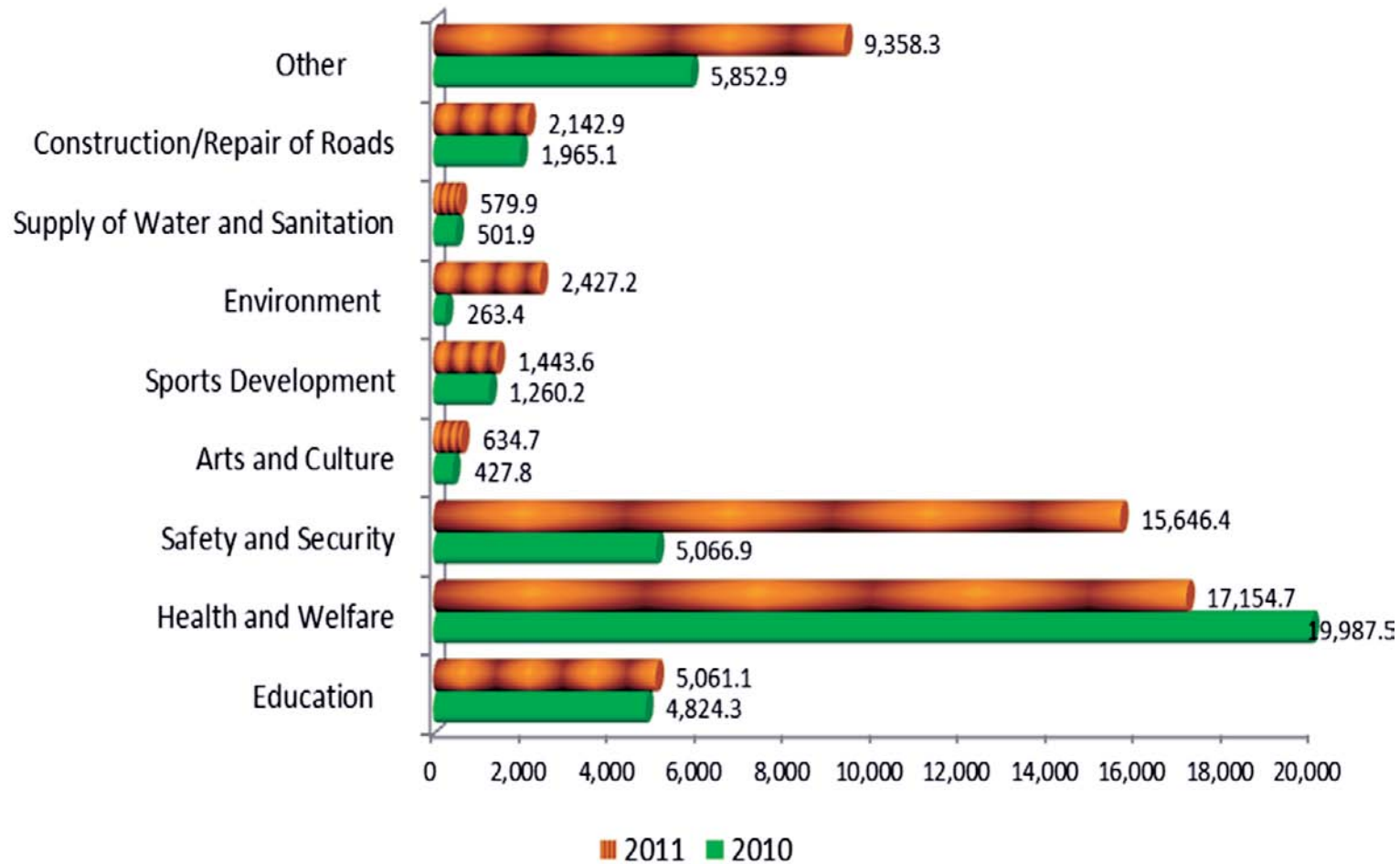


DISTRIBUTION OF PHILANTHROPIC CONTRIBUTIONS 2009- 2011 (MILLION OF US\$)

Institutions	Amount US\$	%
Government	2.1	1
Other Organisations	21.3,	99
Total	23.4,	100

- Philanthropic 2009 and 2011 - 0.03%.
 - 200 on-going adaptation projects supported by philanthropic
 - Financing type for those contributions is purely grants.
- 

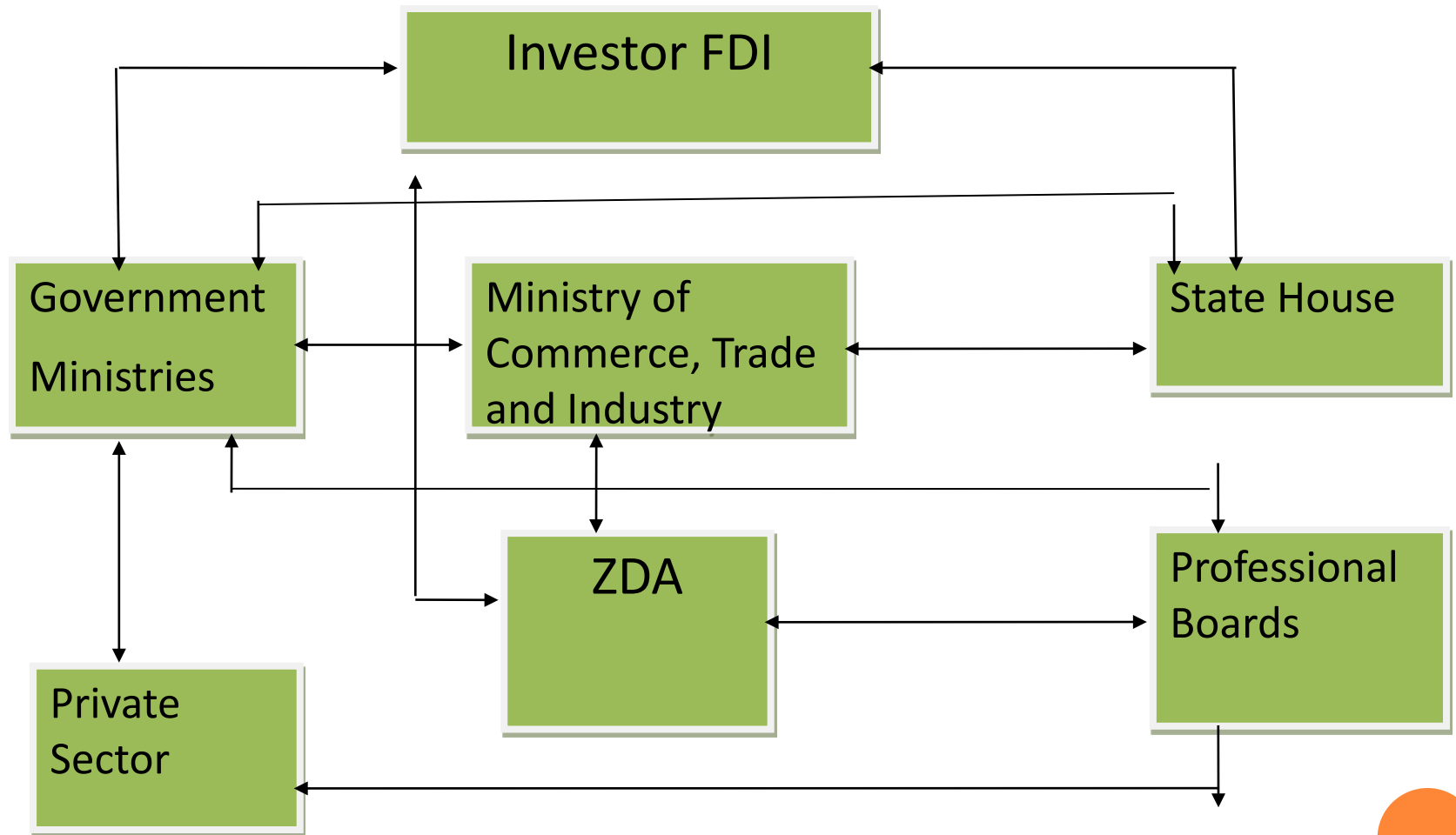
COMPOSITION OF PHILANTHROPIC CONTRIBUTION THROUGH SOCIAL CORPORATE RESPONSIBILITY (MILLION US\$) 2010-2011



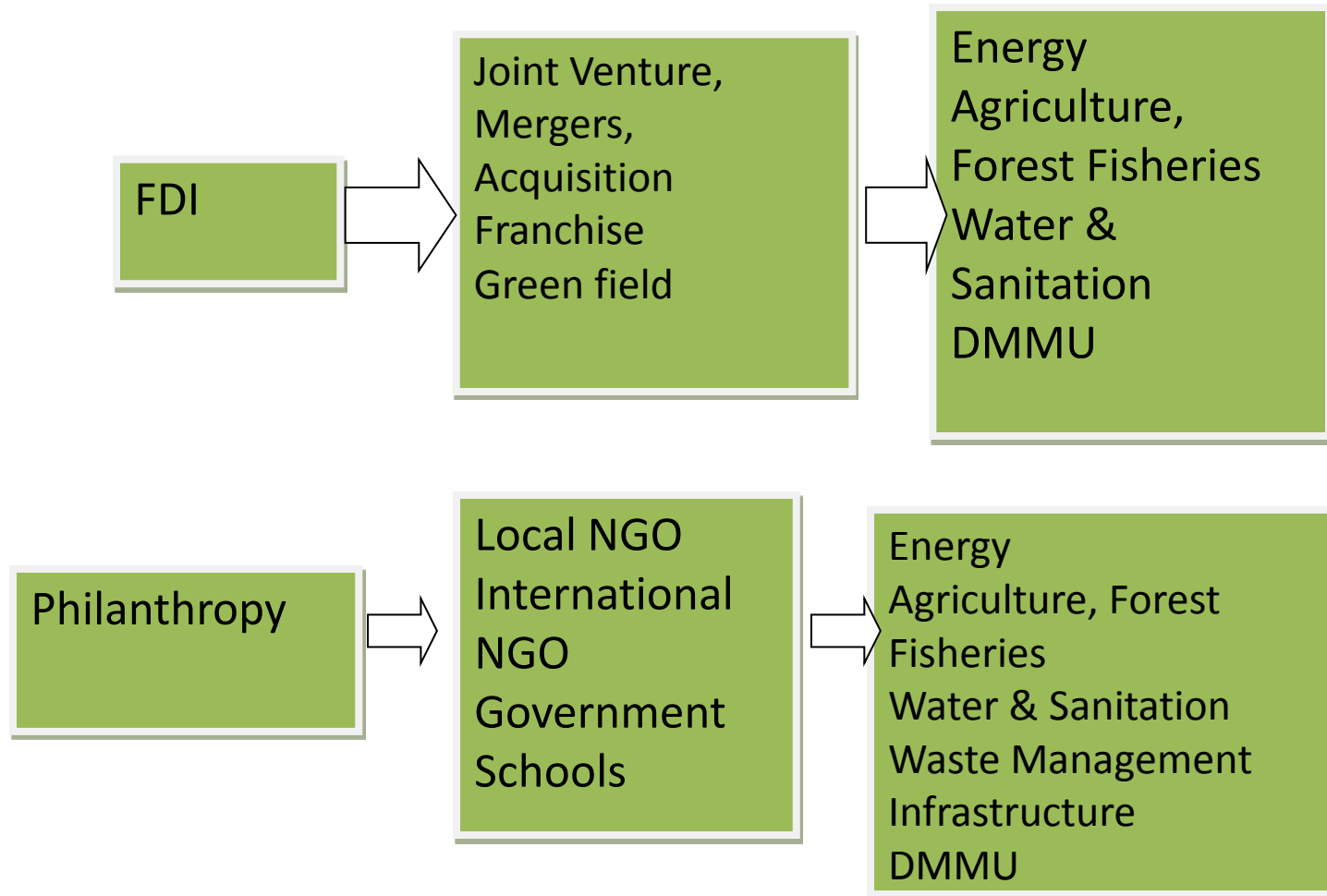
DATA CHALLENGE ON TRACKING CLIMATE FINANCE IN ZAMBIA

- The public information collection system does not segregate between ODA/climate finance inflows
- They are many entry points for private climate finance inflows to Zambia. These pose a serious challenge is tracking inflows.
- There are some inflows that go directly to the implementation agencies without passing through the government systems.
- There are many entry points therefore there are possibility of information leakages.
- Institutions receiving philanthropic contributions are not willing to disclose the source and the purpose of the funds received in most cases.
- There is no coordinating point for the inflows
- Identification of existing institutions, Policy and Legal frameworks that would help in removing and reduce the gaps on the data on private inflows.

FDI INFLOWS



SOURCE INTERMEDIARY FOR THE SELECTED FORMS



WHERE DATA GAPS EXIST?

The private inflows in form of FDI,

- Underestimation of FDI inflows levels
- Determining the different component of FDI instruments e.g. Equity, debt financing and reinvestments
- Identification of FDI with a climate relevant objective
- Inconsistencies in the monitoring framework
- Commercial interests vs. Climate Change
- Definition of climate finance FDI inflows



CONT.

The private inflow related to philanthropy

- Identification of the source
- The purpose of the inflows are not very clear
- Identification of the receiving sector
- Coordination/aggregation of the flows
- Capturing and reporting framework for the inflow
- Double counting of Flows
- Definition of philanthropic Inflows



SUMMARY OF THE CURRENT CLIMATE CHANGE FINANCE INFLOWS STATUS 2009 TO 2011

Countries of origin	Instruments	Receiving Sector	Receiving Organisation	Amount Received To Date (US million)
Multilateral: World Bank, Africa Development Bank ,	Concessional Loans Grants Non Concessional Loans	<ul style="list-style-type: none"> ▪Infrastructure: energy & Transport ▪Agriculture Forestry livestock and Fisheries ▪Environmental & Natural Resources 	National Government departments and agencies	837.00
Bilateral Donors SIDA, CIDA, DFID, EU, Canada, US, UK , Finland, DANIDA, NORAD, Japan, Germany , World bank	Grants		Government	1,968
United Nations Agencies	Grants		Government NGOs.	388.00



Countries of origin	Instruments	Receiving Sector	Receiving Organisation	Amount Received To Date (US million)
<p>Philanthropists</p> <p>International Foundations Trusts Ford Foundation, Macarthur Foundation, Comic Relief, NED-USA, Westminster Foundation, UK, Friedrich Ebert Foundation, Carnegie Corporation, ICHRDD Canada, Centre, Baring Foundation, Packard Foundation,</p> <p>CORDAID, m Foundation, Cadbury Trust, Foundation Socialiste International Bill Gates, Toronto Food share</p> <p>Rockefeller Foundation</p>	<p>Grants</p>	<ul style="list-style-type: none"> ▪Water Sanitation ▪Agriculture ▪Energy 	<p>&</p> <p>NGO</p> <p>Government</p>	<p>23.4</p>



Countries of origin	Instruments	Receiving Sector	Receiving Organisation	Amount Received To Date (US million)
FDI Private Corporations Venture Capitalist Merchant Banks	Capital Equity Debt Reinvestments	<ul style="list-style-type: none"> ▪Renewable Energy ▪Energy Efficient Technologies ▪Water Development ▪Agriculture 	Bank Manufacturing Construction Agricultural Energy	207.2
Totals				3423.6



CONCLUSION AND RECOMMENDATIONS

- Engage relevant stakeholders and develop the MRV that would respond to the challenges of tracking private climate finance.
- Development and Establishment of the well coordinated Registry that would coordinate the different forms of private climate finance inflow in the countries.
- Work with Contributors to private inflows and data providers to database .
- Creation of a signal Matrix for the private inflows

