

Multi-year Expert Meeting
on Transport, Trade Logistics and Trade
Facilitation

**Third Session:
Small Island Developing States:
Transport and Trade Logistics
Challenges**

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Climate Finance

Presentation by

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Climate finance

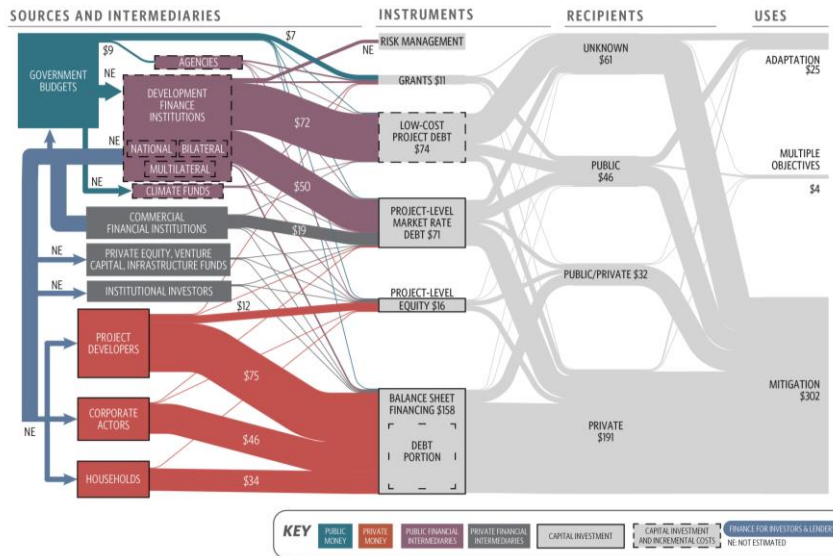
UNCTAD Multi-Year Expert Meeting on Transport and Trade Facilitation
November 25, 2014

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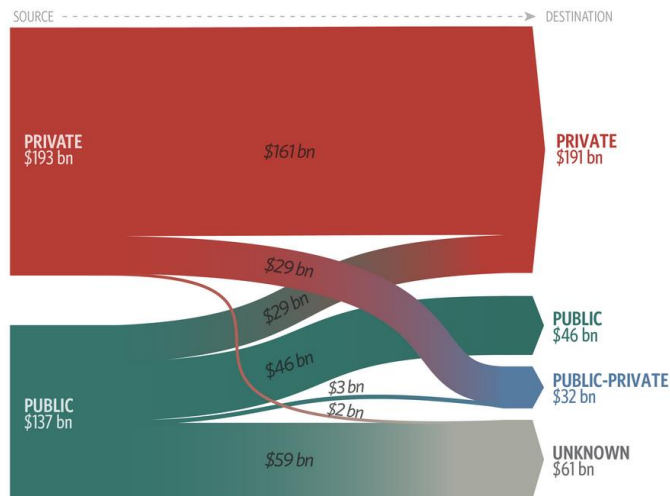
Climate finance

- Climate finance provides the means to reconcile equity with effectiveness and efficiency in actions to reduce emissions and adapt to climate change
- Current levels fall far short of estimated needs—total climate finance for developing countries has projected annual requirements by 2030 of \$30 to \$100 billion for adaptation and \$140 to \$175 billion (with associated financing requirements of \$265 to \$565 billion) for mitigation
- There is a very large gap between the estimated needs and available funds

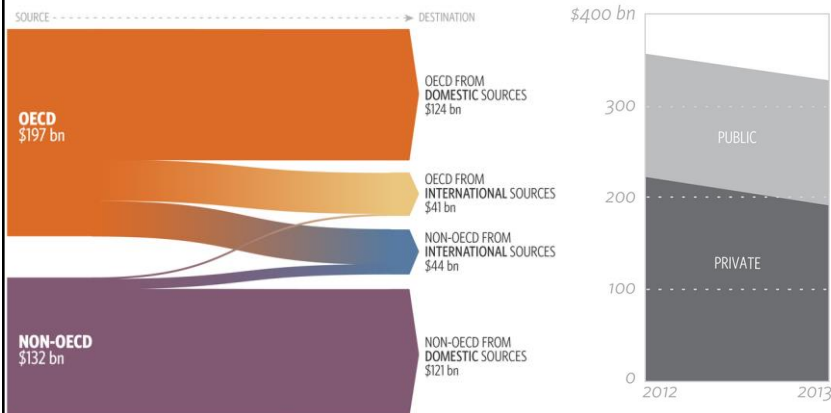
Landscape of Climate Finance 2014 (CPI)



First recipients of finance

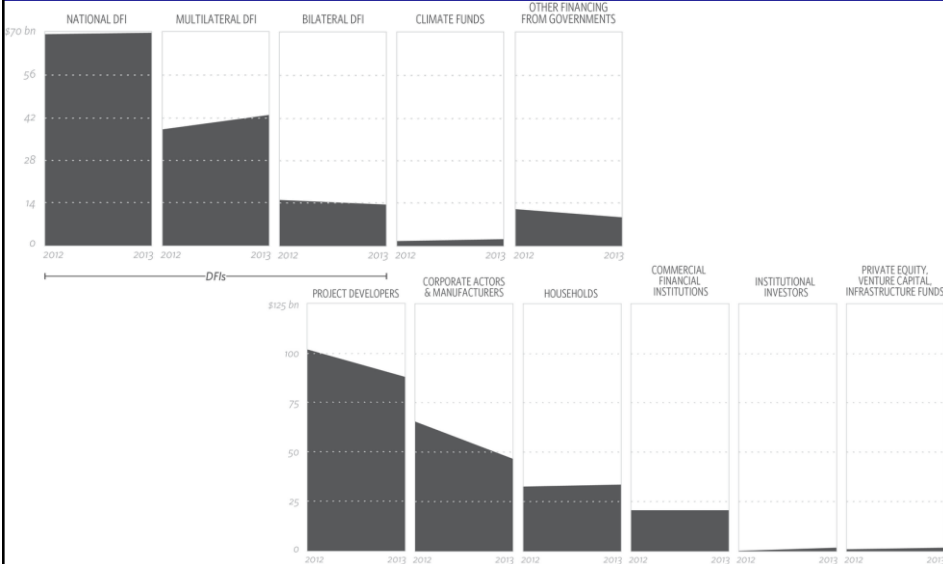


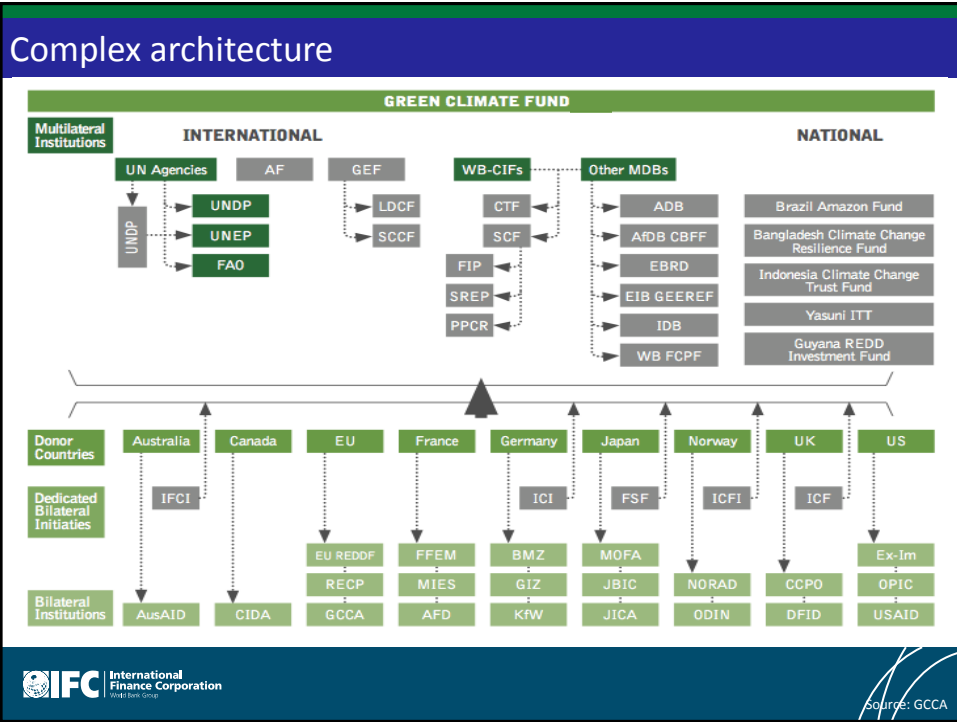
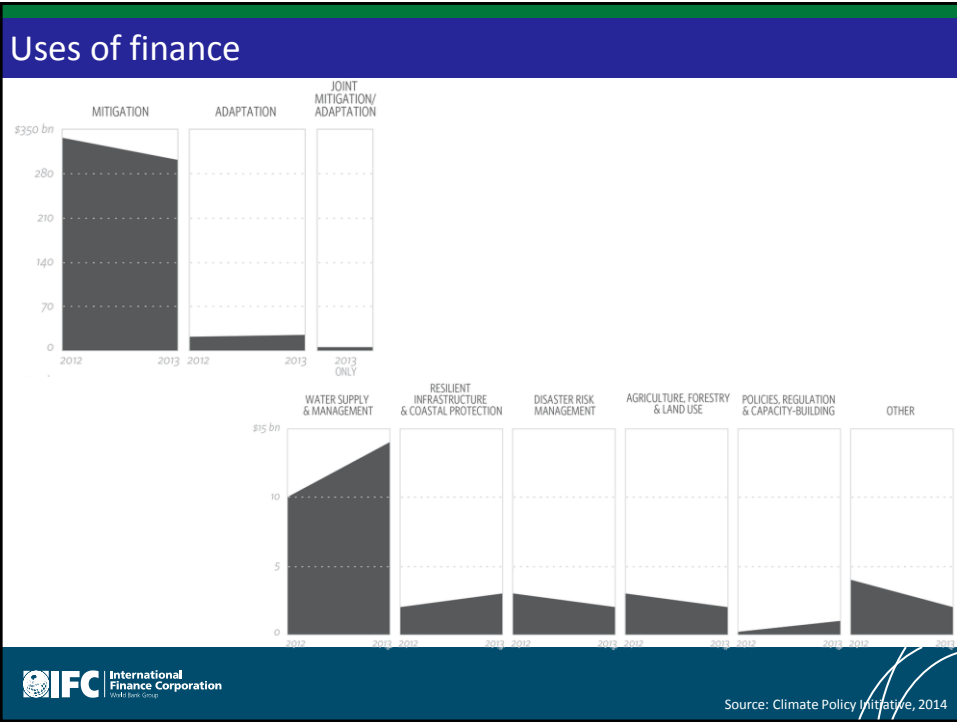
Geographical flows, main sources and intermediaries



Note: Public finance is only increasing because of the extended scope of Landscape 2014 compared to last year. Using last year's scope, we see a small decrease of public finance

Public and private sources





Some sources of external financing

Source of funding	Activities supported
Development cooperation programmes	Adaptation and mitigation with a focus on development
Least Developed Countries Fund	Preparation and implementation of NAPAs
Special Climate Change Fund	Adaptation (priority objective), technology transfers, mitigation
GEF Trust Fund's climate change focal area	Mitigation projects, adaptation demonstration projects and 'enabling activities'
Adaptation Fund	Projects and programmes that reduce the vulnerability of communities and sectors to CC
Green Climate Fund	Channel for multilateral funding for adaptation and mitigation
Clean Technology Fund	Demonstration, deployment and transfer of low-emission technologies
Strategic Climate Fund (SCF) - Pilot Program for Climate Resilience	Climate risk and resilience <i>mainstreaming</i> in development planning
SCF- Forest Investment Program	REDD- related activities, sustainable forest management
SCF - Program for Scaling Up Renewable Energy in Low-Income Countries	Deployment of renewable energy sources
REDD+	Preparation, pilot implementation and deployment of national strategies for reducing emissions from deforestation/forest degradation
Prototype Carbon Fund	Pioneering approaches to mitigation that contribute to sust. devel.
BioCarbon Fund	Carbon sequestration projects in forests and agro-ecosystems

Green Climate Fund (GCF)

The Fund will support [developing countries] in pursuing project-based and programmatic approaches in accordance with climate change strategies and plans, such as low-emission development strategies or plans, nationally appropriate mitigation actions (NAMAs), national adaptation plans of action (NAPAs), national adaptation plans (NAPs) and other related activities.

- Mitigation and Adaptation windows- 50:50 balance during the initial phase
- Private Sector Facility (PSF) – direct and indirect finance to private sector
- National, Regional and International Implementing Entities (Direct and International Access)
- Geographical balance
- Grant & Concessional Lending
- USD 100 billion / year
- Initial planned financing: USD 10 billion

Climate Investment funds

IN ACTION

THE CLIMATE INVESTMENT FUNDS (CIF) provide developing countries resources to mitigate and manage climate change AND REDUCE THEIR greenhouse gas emissions.

\$8 billion ESTABLISHED FROM **\$55 billion** FROM CLIMATE-BINDING LOW-CARBON DEVELOPMENT IN 48 COUNTRIES

14 CONTRIBUTOR COUNTRIES
\$8 BILLION TOTAL PLEDGES*

CIF ALLOCATIONS BY REGION

Latin America	15%
Asia	34%
Europe	18%
Africa	34%
Other	33%

SINCE 2008, THE CIF CHAMPIONS INNOVATIVE COUNTRY-LED INVESTMENTS in clean technology, renewable energy, sustainable management of forests, and climate-resilient development.

CIF FINANCIAL LEVERAGE*

1:7.8 CIF

1:9.2 CTF 1:1.7 FIP
1:4.6 PPCR 1:6.4 SREP

ATTRACTING INVESTMENT TO STIMULATE TRANSFORMATION
CIF funding is attracting significant co-financing from other sources - particularly the private sector - to renewable markets, to create investment opportunities, and enable financial gain in climate-friendly enterprises and businesses. Approximately 20 percent of CIF financing is allocated to the private sector through the MOBs and dedicated financing programs.

FOSTERING PARTNERSHIPS THROUGH A PROGRAMMATIC APPROACH
CIF pilot countries, with support from the MOBs, are leading investment planning and program execution. Active institutions and established groups in pilot countries results, to enable knowledge sharing and learning, and to ensure the CIF programmatic approach to climate action takes root deeply and broadly for lasting transformational change.

LEARNING BY DOING TO ACHIEVE RESULTS
The CIF is an incubator of ideas and a proving ground for climate finance. As more CIF-funded projects and programs get underway, concrete results are beginning to emerge, including lessons on what works and what to do next. These results are being reported and measured annually, which CIF knowledge is being assessed and disseminated widely to improve results and support the replication and scale-up of successful approaches.

COLLABORATION IS KEY

- Civil society
- Development partners
- Government entities
- Indigenous peoples and local communities
- Multilateral development banks (MDBs)
- Private sector

MOB PARTNERS

CTF CLEAN TECHNOLOGY FUND

\$5.5 BILLION

Scaling up the demonstration, deployment, and transfer of low carbon technologies in renewable energy, energy efficiency and sustainable transport

Chile	Kazakhstan	South Africa	Middle East and North Africa Region (Egypt, Jordan, Morocco, Tunisia)
Colombia	Mexico	Thailand	
Egypt	Morocco	Turkey	
India	Nigeria	Ukraine	
Indonesia	Philippines	Vietnam	

FIP FOREST INVESTMENT PROGRAM

\$639 MILLION

Reducing emissions from deforestation and forest degradation, sustainably managing forests, and enhancing forest carbon stocks

Brazil	Ghana	Mexico
Burkina Faso	Indonesia	Peru
Democratic Republic of Congo	Laos	Papua New Guinea
	Democratic Republic of Congo	

PPCR PILOT PROGRAM FOR CLIMATE RESILIENCE

\$1.3 BILLION

Mainstreaming resilience in development planning and action investments

Bangladesh	Niger	Caribbean Region (Dominica, Grenada, Haiti, Jamaica, St. Lucia, St. Vincent and the Grenadines)
Bolivia	Tajikistan	Pacific Region (Papua New Guinea, Samoa, Tonga)
Cameroon	Yemen	
Mozambique	Zambia	
Nepal		

SREP SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM

\$551 MILLION

Demonstrating the economic, social, and environmental viability of renewable energy in low income countries

Ethiopia	Liberia	Nepal
Honduras	Madagascar	Tanzania
Kenya	Mali	
Reserve SREP pilots: Armenia, Mongolia, Yemen, Pacific Region (Solomon Islands, Vanuatu)		

Source: CIF

Pilot Program for Climate Resilience (PPCR), USD 1.2 billion

- Currently the largest adaptation fund in the world
- Focus on a smaller number of countries and transactions to maximize impact and possibility for replication
- 9 pilot countries
- To assist developing countries in climate change adaptation planning
- Builds on National Adaptation Plans (NAPs) and offers additional financing for pressing climate change adaptation
- Pipeline of 75 countries
- The PPCR program is country-led, comprehensive, and being adopted by other countries outside of the PPCR, including Belize and 25 countries under the International Development Association

Country and Regional Programs	
Bangladesh	Bolivia
Cambodia	Mozambique, Republic of
Nepal	Niger
Tajikistan	Yemen
Zambia	
Caribbean Region	
Dominica	Grenada
Haiti	Jamaica
Saint Lucia	Saint Vincent and the Grenadines
Pacific	
Papua New Guinea	Samoa
Tonga	

Source: CIF

Pilot Program for Climate Resilience, Pacific Region

PPCR Financing (US\$ million)	Grants	Near-Zero Interest Credits	Total
Papua New Guinea	25	0	25
Samoa	25	0	25
Tonga	15	0	15
Regional track	10	0	10
Pacific region total	75	0	75

EXPECTED PPCR IMPACT:

Pacific region PPCR pilot country investment priorities

PAPUA NEW GUINEA: Papua New Guinea is expected to apply its PPCR financing to strengthen communities' capacities to address priority climate change risks; address climate and weather-related threats to food security; and reinforce the climate resilience of coastal infrastructure design, construction, maintenance and operation.

SAMOA: Samoa's PPCR financing will support enhanced climate resilience of coastal communities and resources to climate change and variability; increase civil society awareness and engagement to reduce the adverse consequences of climate change; improve local and national governmental and institutional capacities to coordinate, manage, and implement climate smart investments; stimulate knowledge sharing and exchange; and create a financing mechanism for sustainable investments.

TONGA: Tonga's PPCR financing will support investments to develop capacity for transitioning to a climate resilient development path at the local, sectoral, and national levels; create a financing framework to support priority disaster risk reduction and climate change adaptation investments; and improve ecosystem resilience and climate-proof critical and vulnerable infrastructure.

PACIFIC REGION PPCR INVESTMENT FOCUS AREAS

MAINSTREAMING CLIMATE
RESILIENCE PLANNING

IMPLEMENTING CLIMATE
RESILIENCE MEASURES

DEVELOPING CAPACITY

Thank you!

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