

AIT Seminar on Sustainable Urban
Development and Climate Change
AIT, Bangkok, Thailand

Overview of Climate Finance

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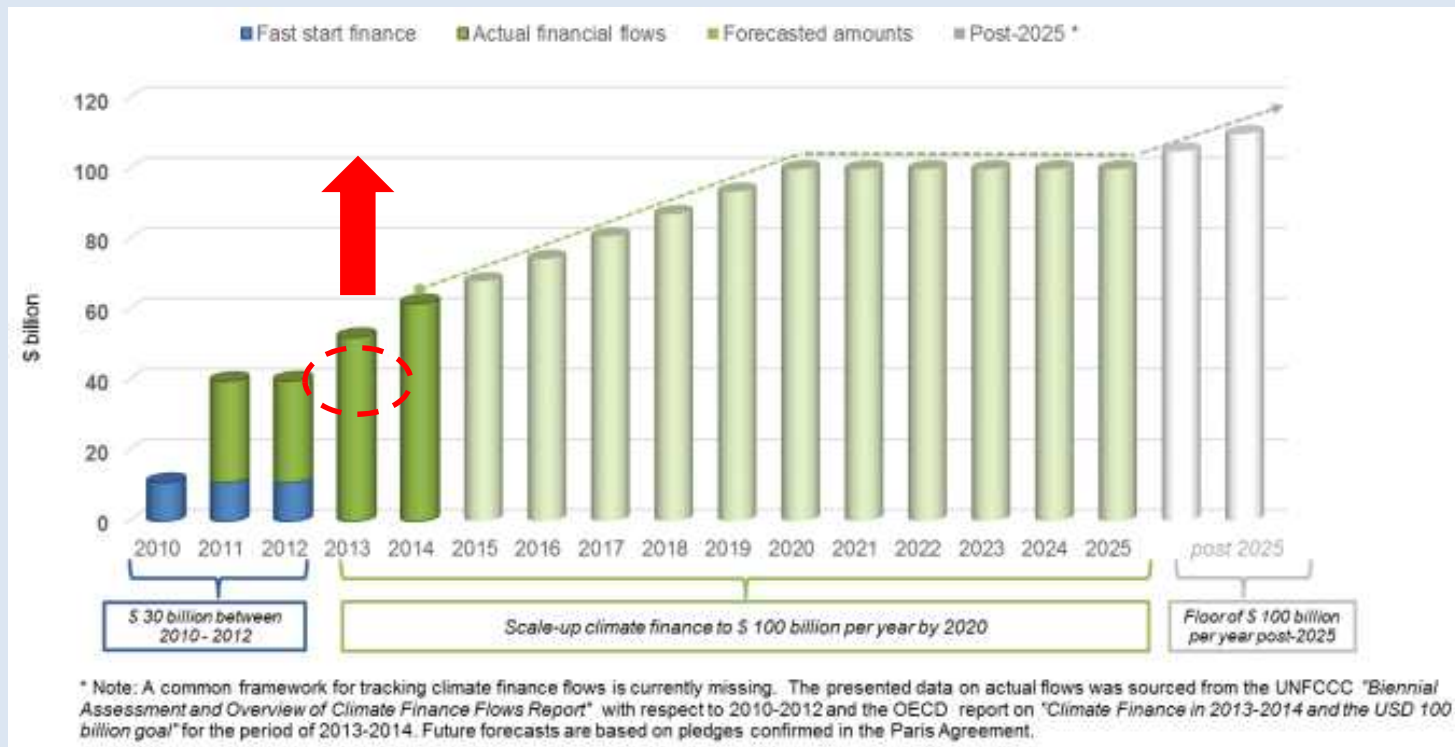
1. Paris Agreement (Article 10.5)

5. Accelerating, encouraging and enabling innovation is critical for an effective, long-term global response to climate change and promoting economic growth and sustainable development. Such effort shall be, as appropriate, supported, including by the **Technology Mechanism and, through financial means, by the Financial Mechanism of the Convention**, for collaborative approaches to research and development, and facilitating access to technology, in particular for early stages of the technology cycle, to developing country Parties.

1. Paris Agreement

‘Strongly urges developed country Parties to scale up their level of financial support, with a concrete roadmap to achieve the goal of jointly providing USD 100 billion annually by 2020 for mitigation and adaptation.

Identifying the gap

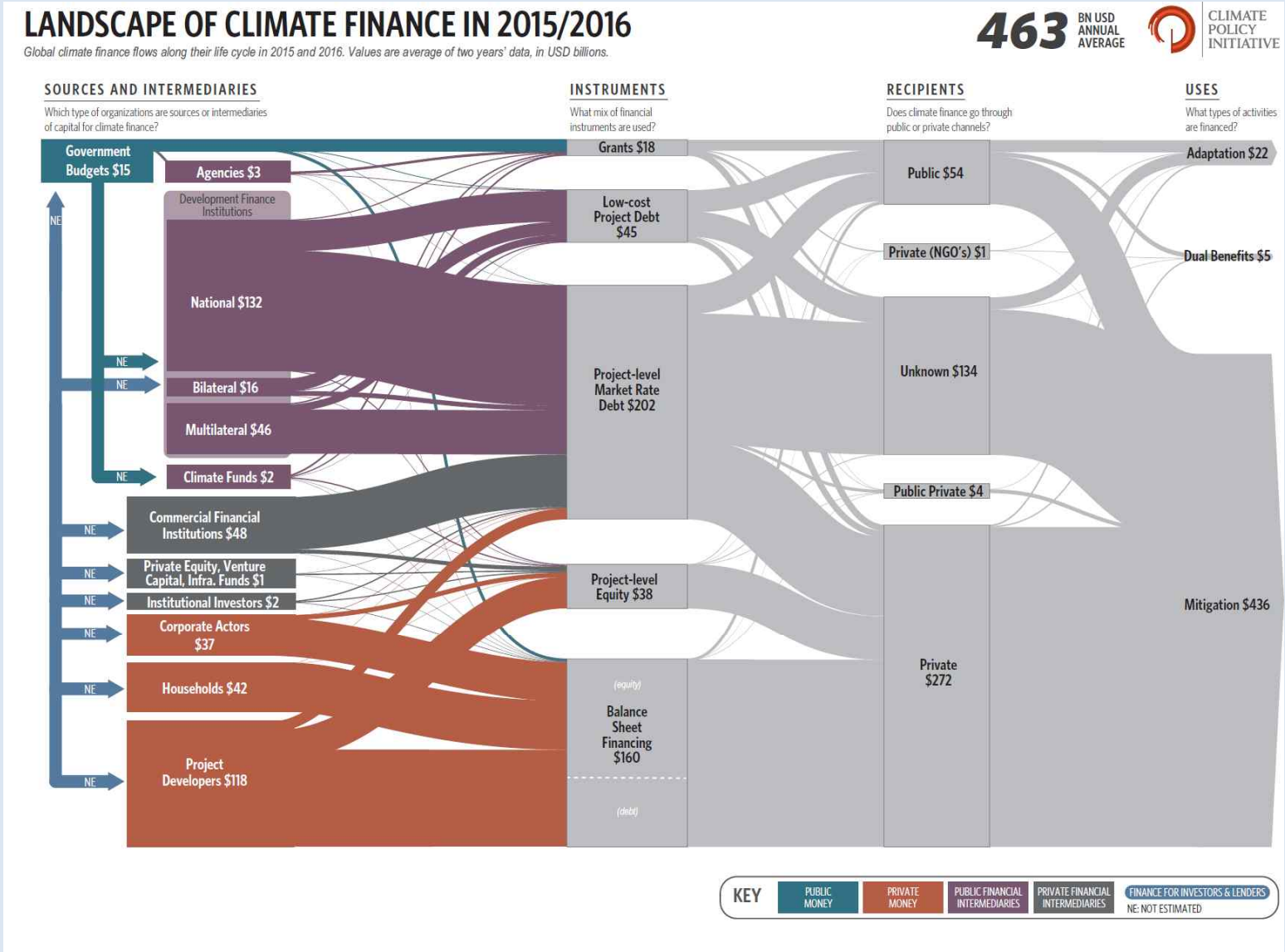


Source: GCF and the Paris Agreement (2016)



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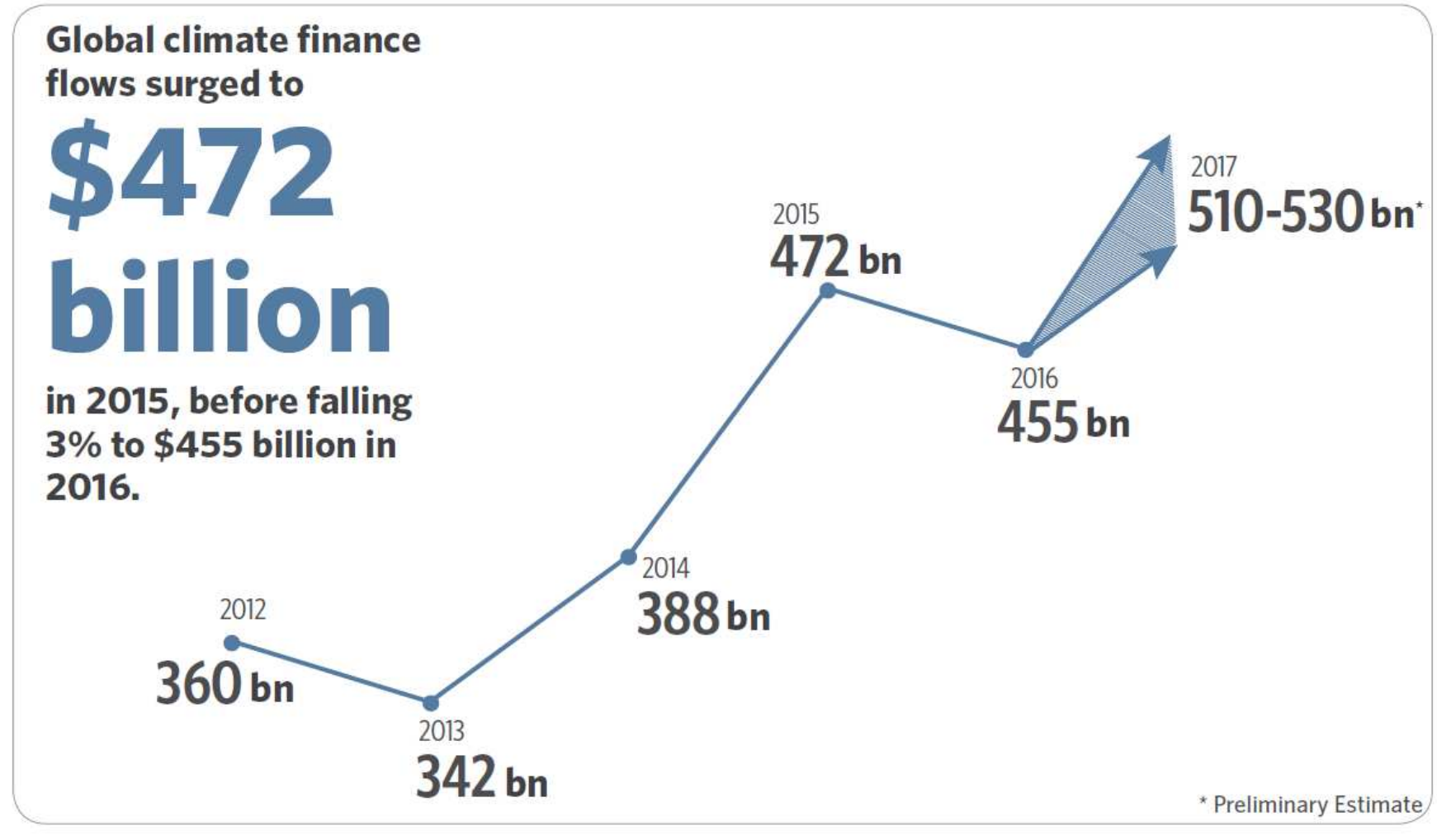
2. Climate Finance



Source: CPI. 2018. Global landscape of Climate Finance

2. Climate Finance

Figure 1: Amount of global climate finance 2015-2017* (*estimate)



Source: CPI. 2018. Global landscape of Climate Finance



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2. Climate Finance

Climate Finance Actors



2. Climate Finance

MDBs Total Climate Finance
28,345 million

Public source/ MDB

Split of MDB Climate Adaptation and Mitigation Finance, 2014 by MDB respectively (USD millions)

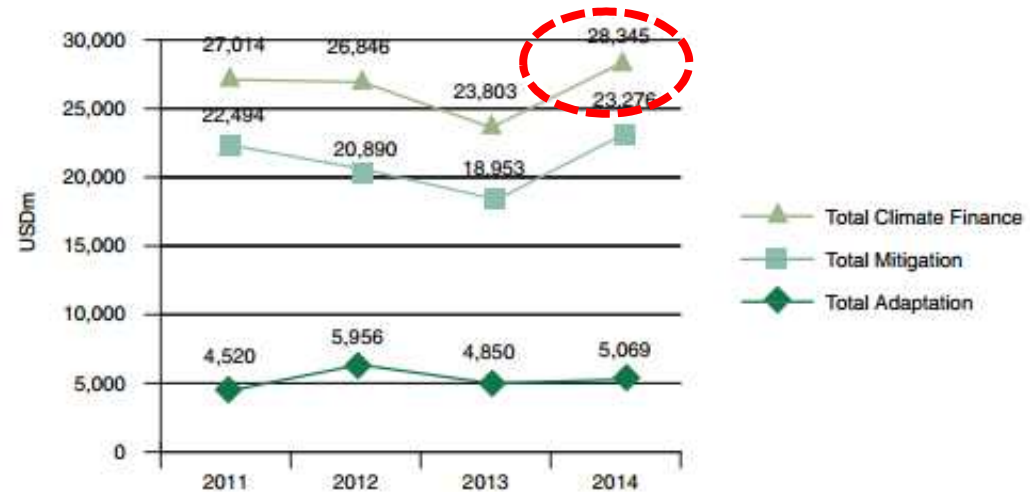
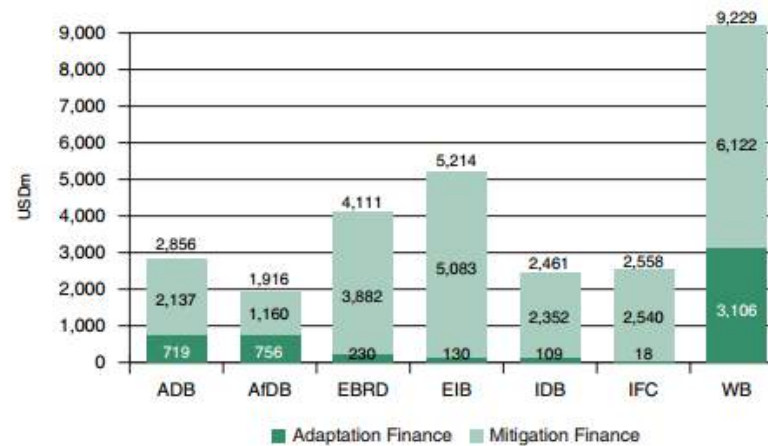


Figure 12: Total MDB Mitigation and Adaptation Finance, 2011-2014 (USD millions)

Total MDB Mitigation and Adaptation Finance (USD millions)

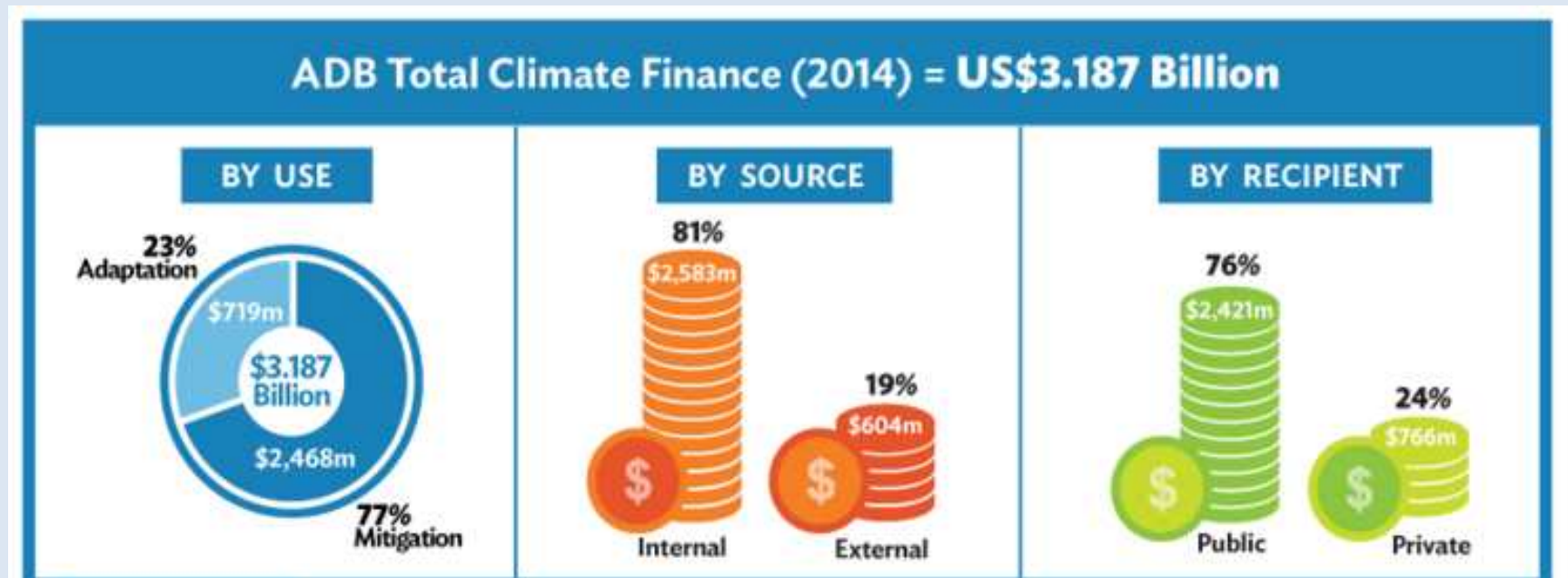


Source: 2014 Joint Report on MDB's Climate Finance, World Bank, 2015



2. Climate Finance

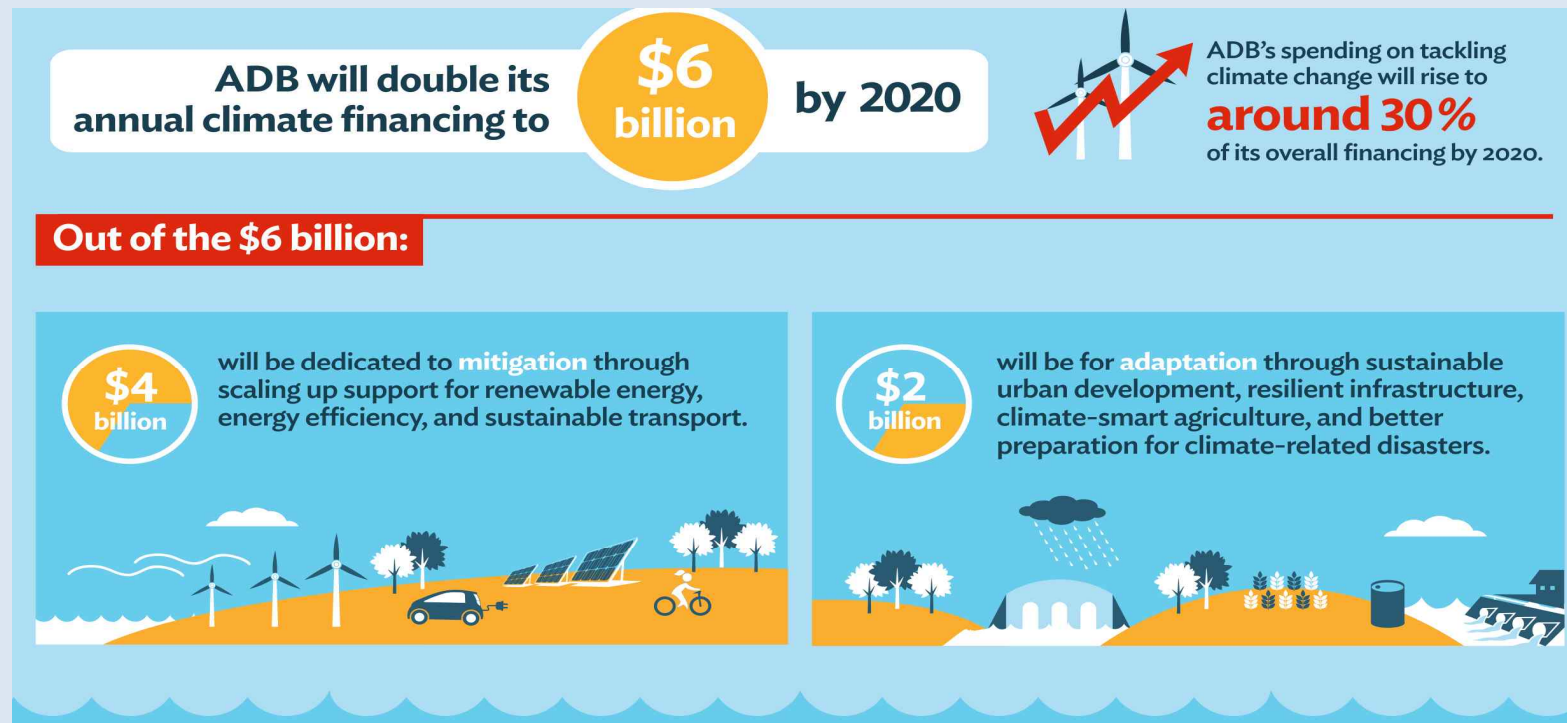
Asian Development Bank



Source: ADB Homepage

2. Climate Finance

Asian Development Bank

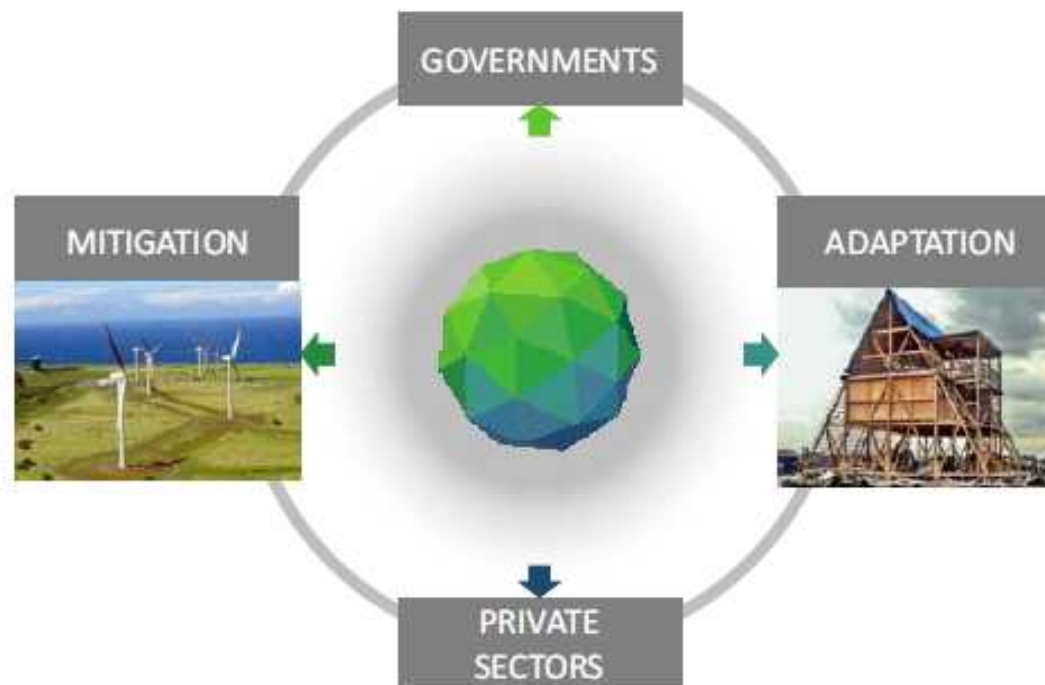


Source: ADB Homepage

2. Climate Finance

Green Climate Fund

Under the UNFCCC, heads of state of developed countries committed to jointly mobilize funds to advance the global paradigm shift towards low-emission and climate-resilient development pathways.



Source: GCF



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2. Climate Finance

Green Climate Fund

GCF Resource Mobilization (as of April 2018)

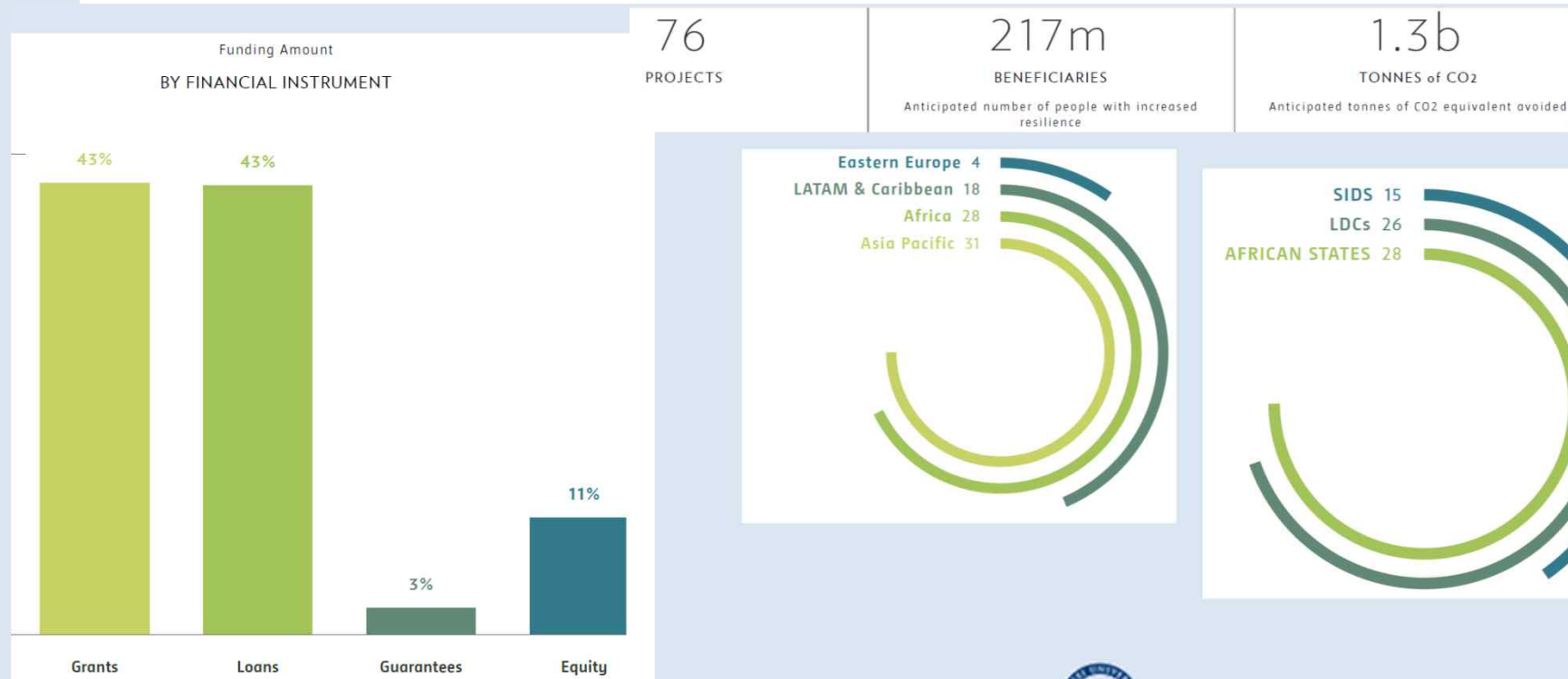
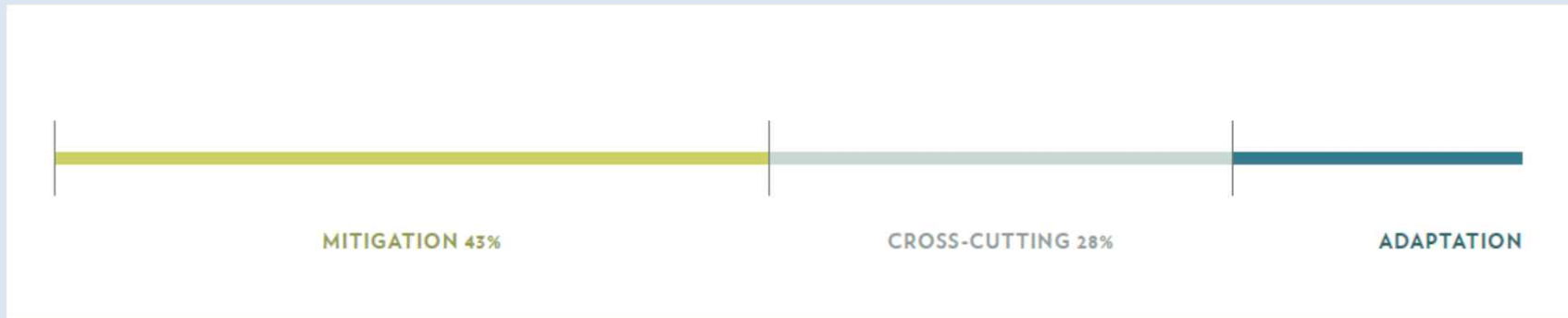
PORTFOLIO DASHBOARD



Source: GCF official website

2. Climate Finance

GCF Project Allocation



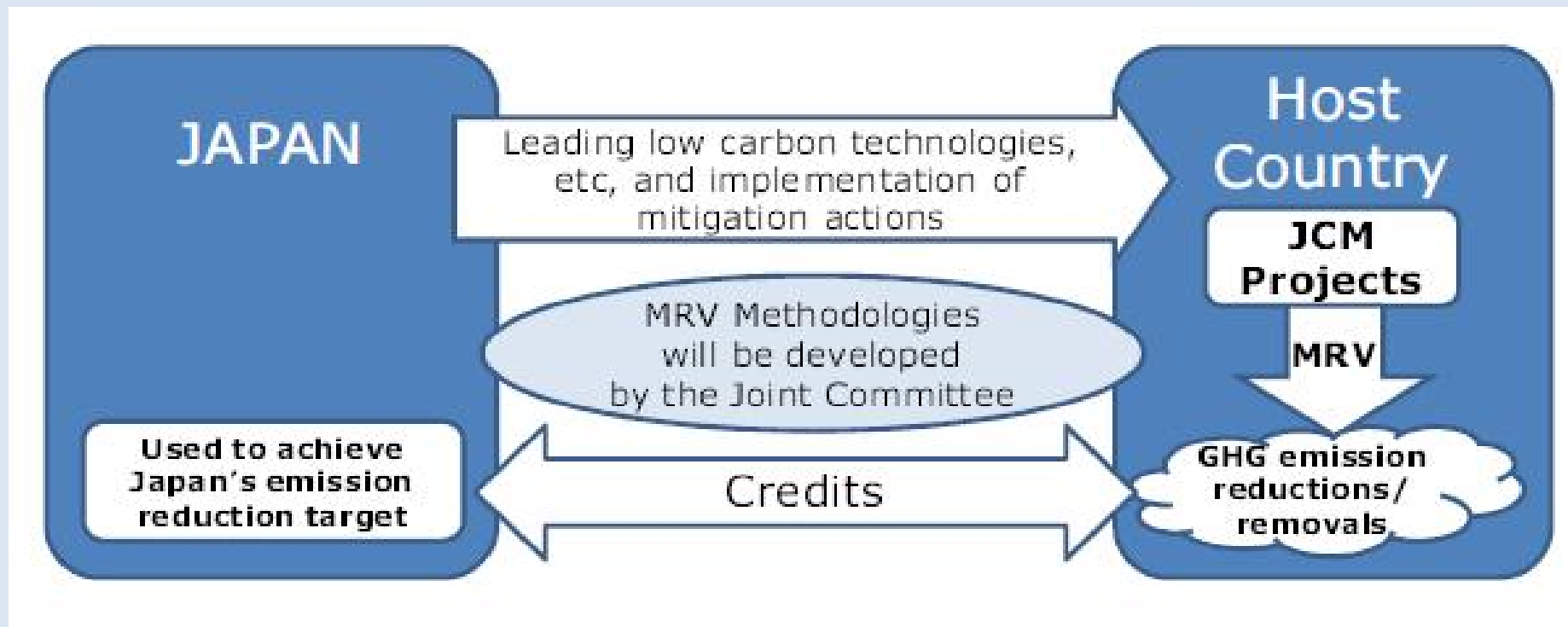
Source: GCF



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2. Climate Finance

Bilateral Climate Financing (Japan) - Joint Credit Mechanism -



Source: Carbon Forum Asia 2013, Overseas Environmental Cooperation Centre, Japan

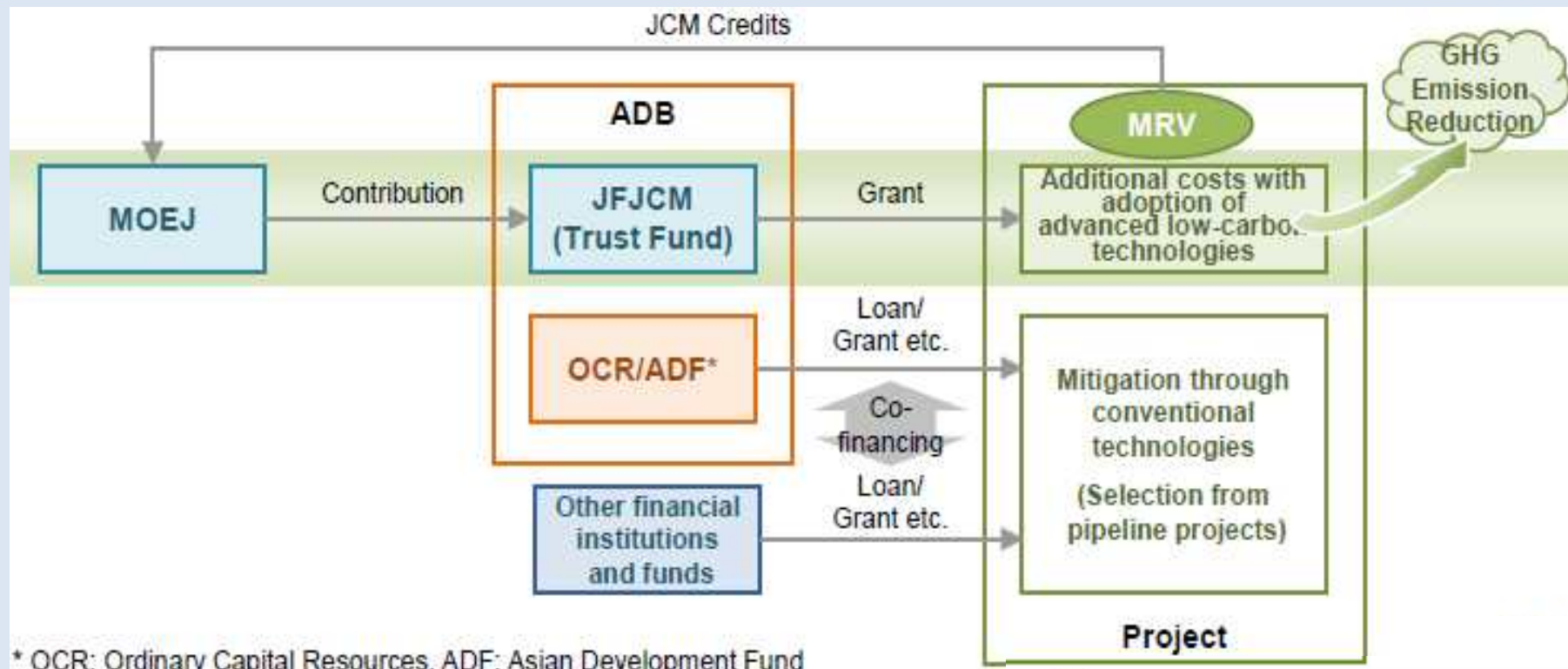


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2. Climate Finance

Bilateral Climate Financing (Japan) - Joint Credit Mechanism -

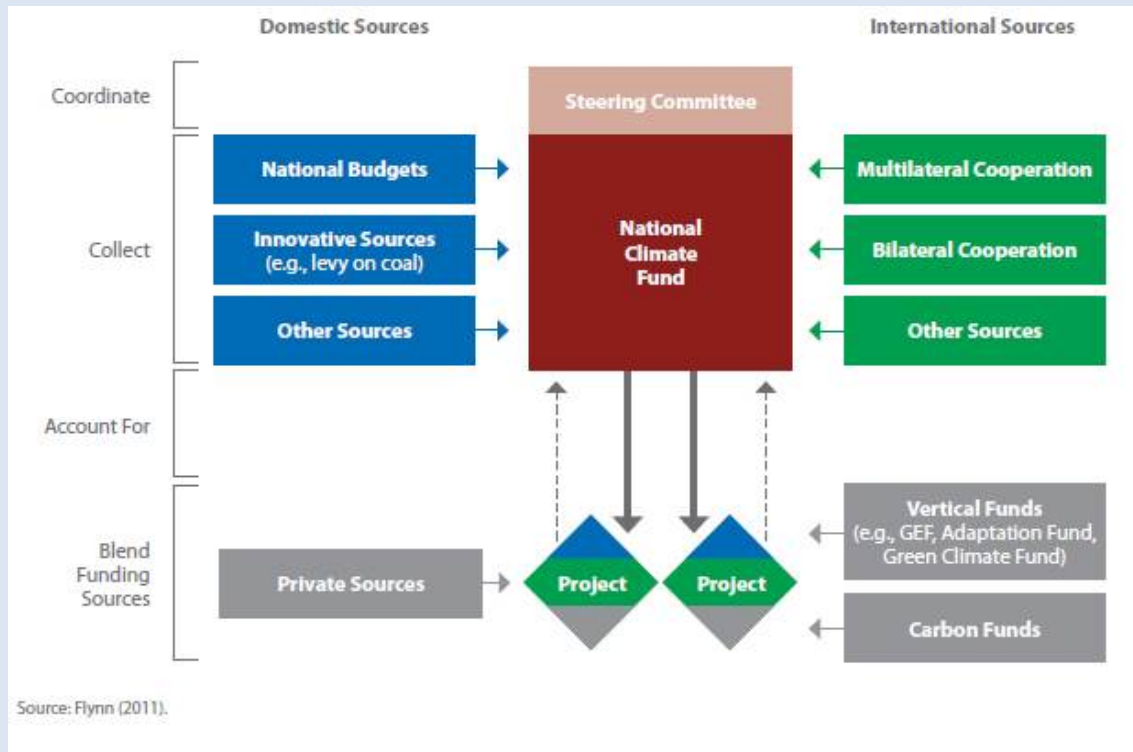
JCM program and feasibility studies by MOE and METI:
ADB Trust Fund



2. Climate Finance

Domestic sources

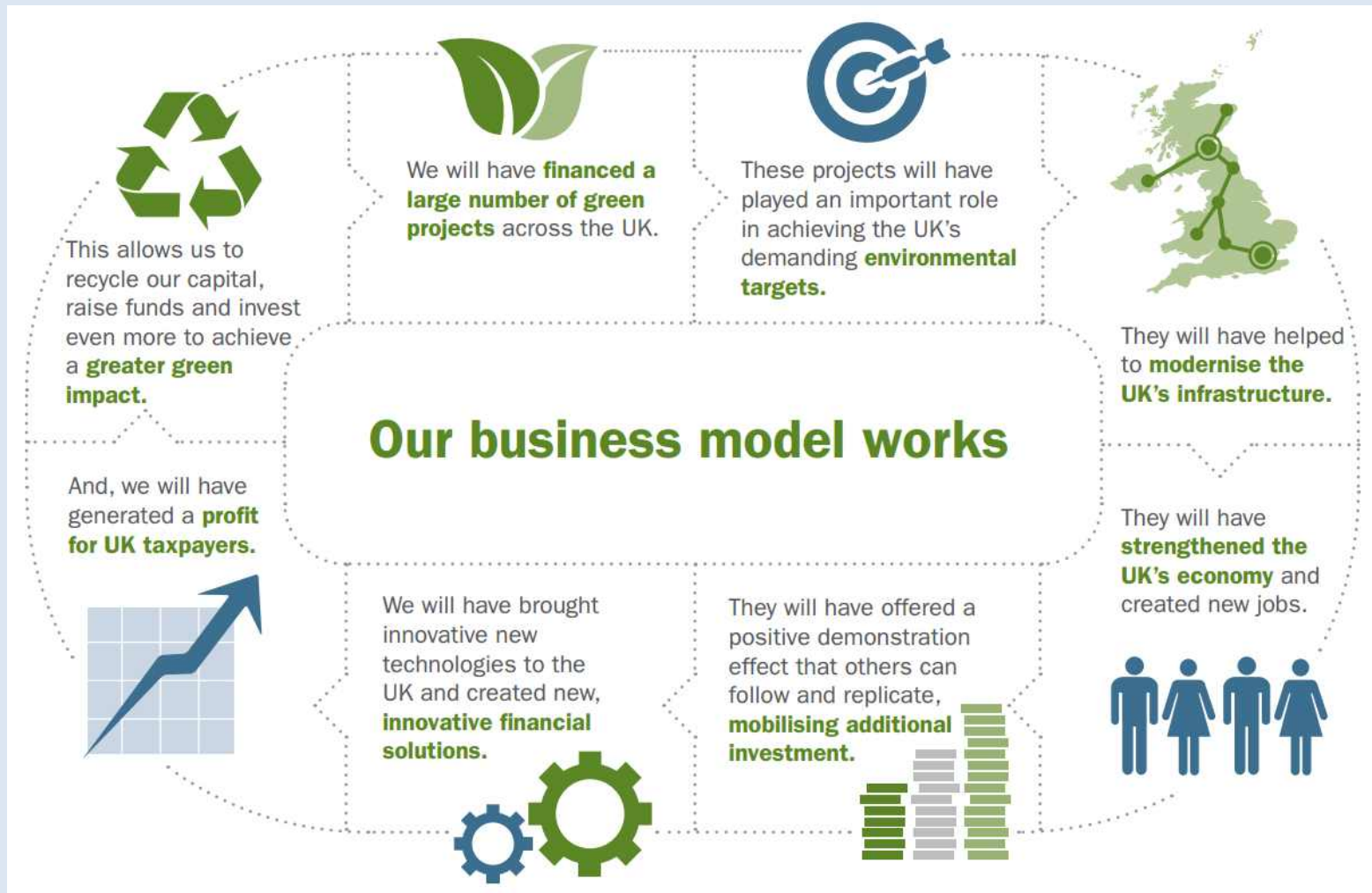
National climate fund landscape



- Fundraising
- Provide a mechanism for Managing partnerships
- Coordinated project approval and implementation structure
- Important source of knowledge and information management

2. Climate Finance

Green Investment Bank (GIB): UK



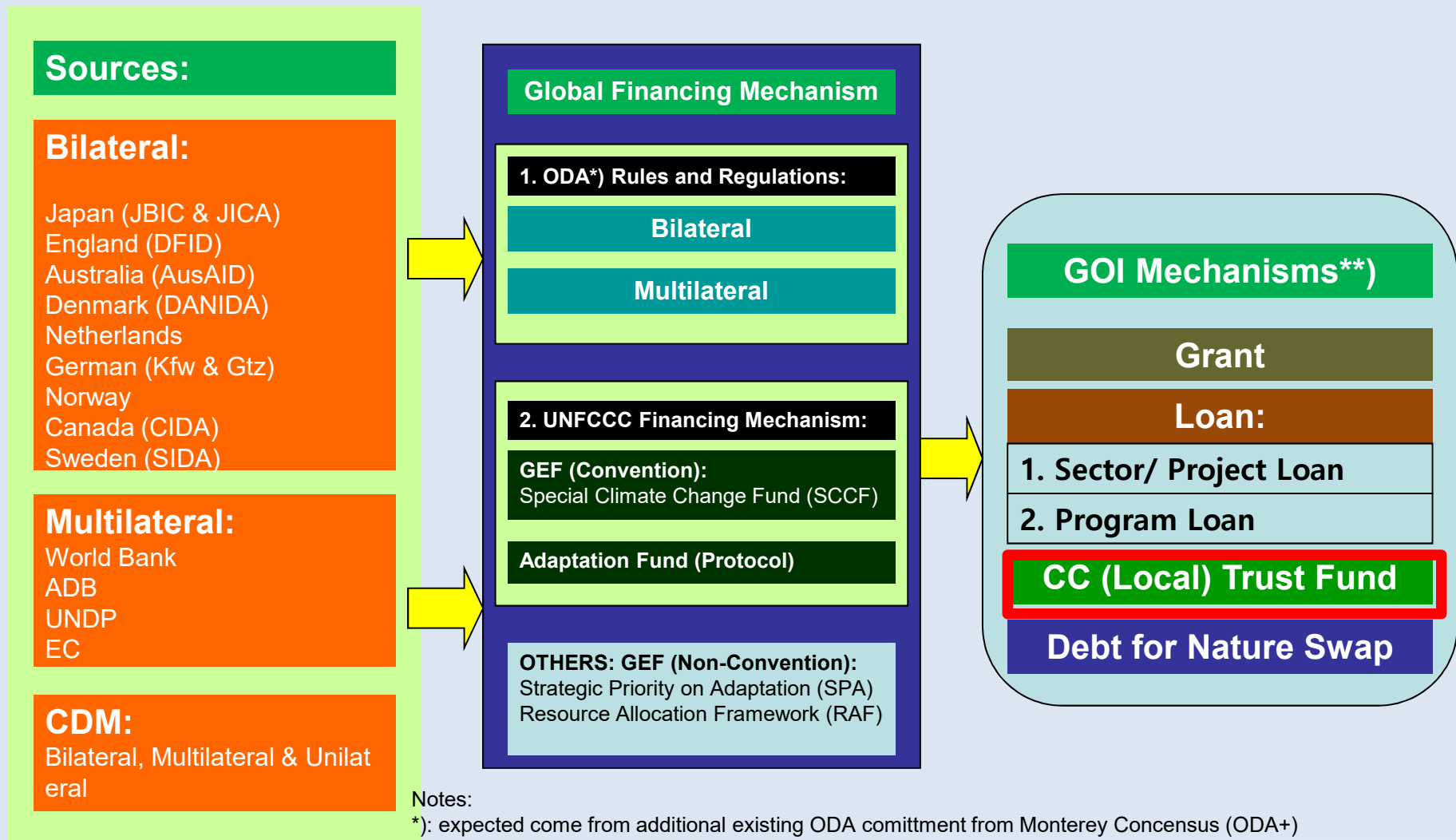
Source: GIB, Homepage



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2. Climate Finance

National Climate Fund (ICCTF: Indonesia)



Notes:

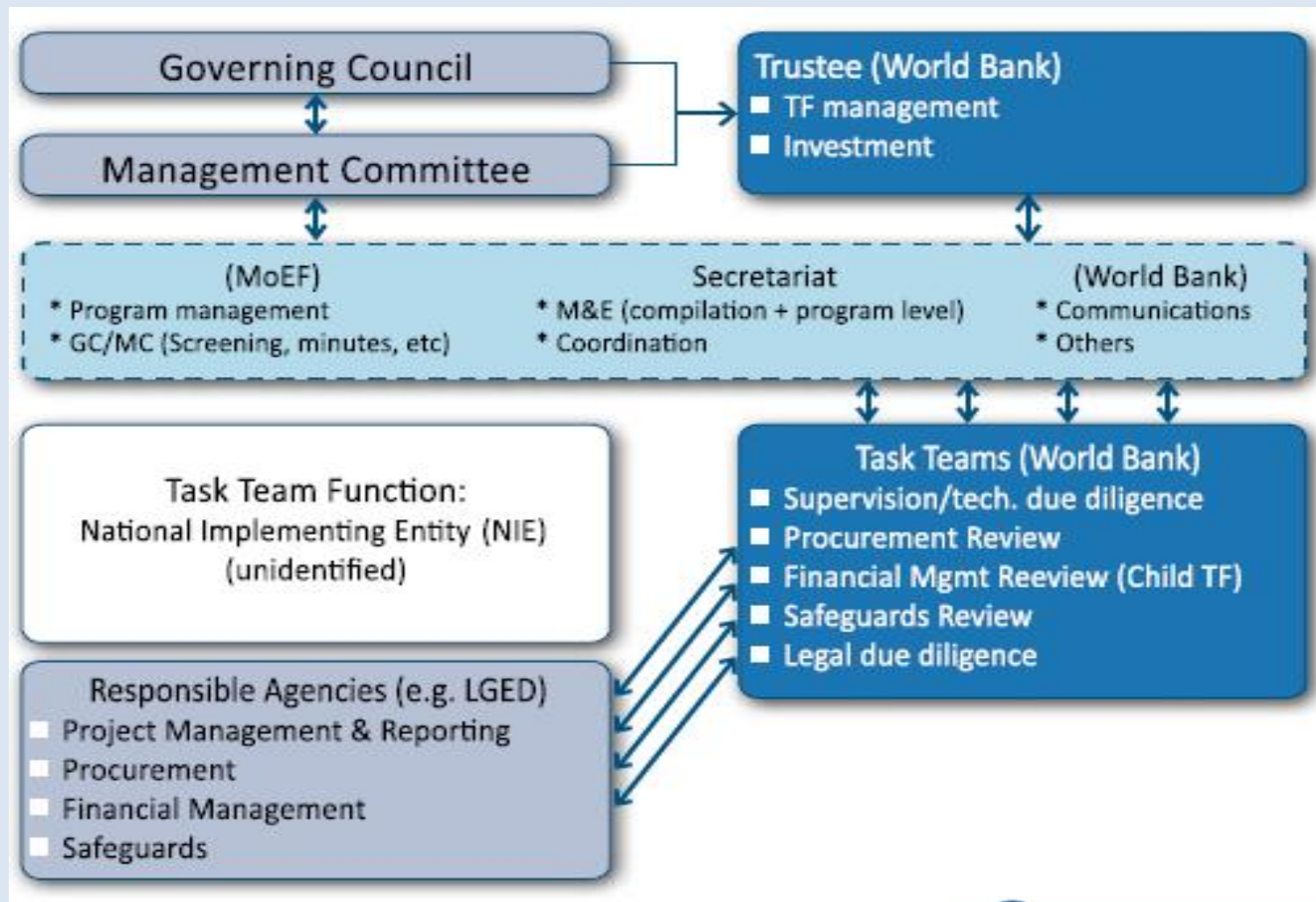
*) : expected come from additional existing ODA comittment from Monterey Concensus (ODA+)

**): comply with Government Regulation No.10/2011

: Climate Change Program Loan

2. Climate Finance

Bangladesh Climate Change Resilient Fund (BCCRF)



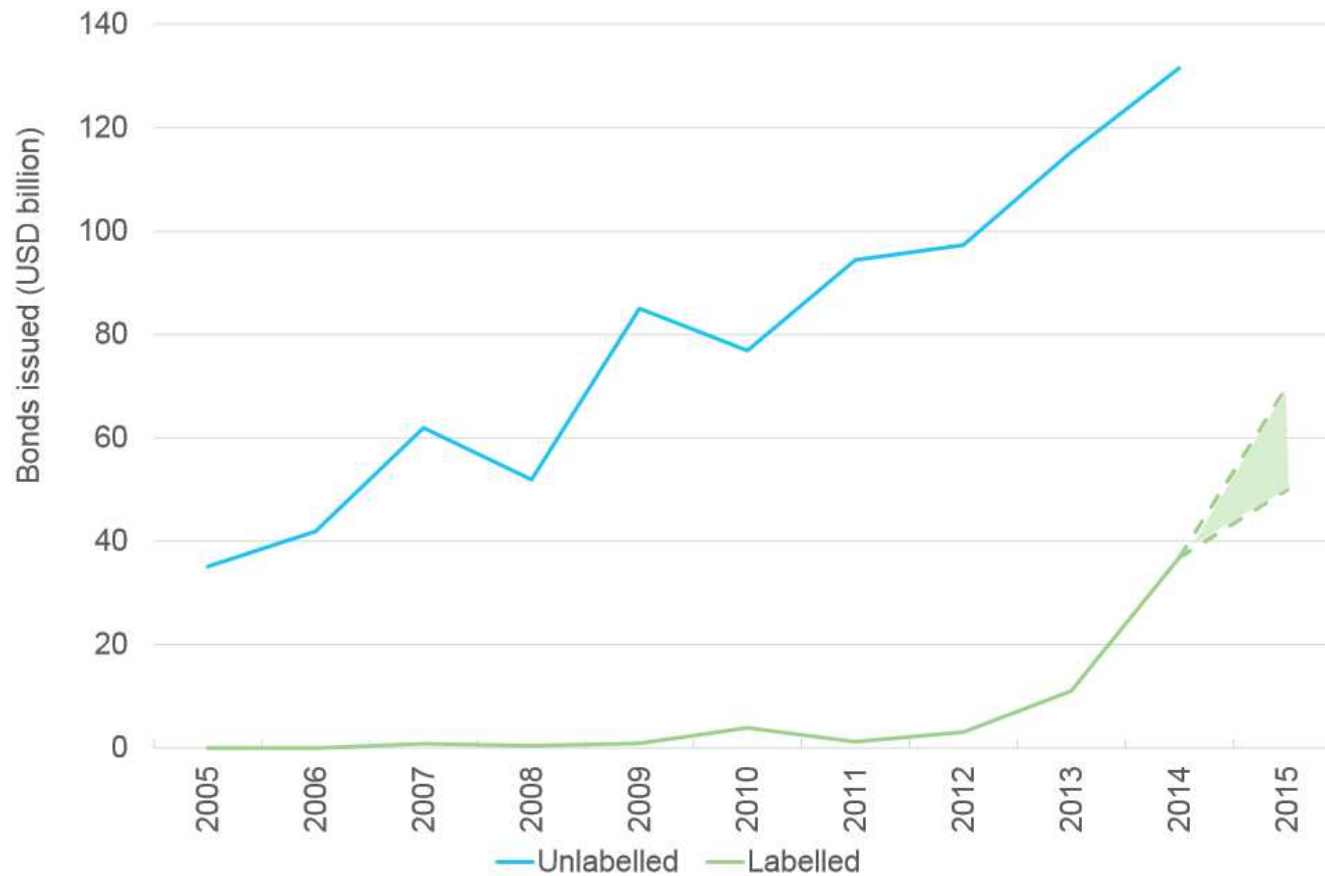
Source: BCCRF, Annual Report



2. Climate Finance

Green Bonds Trend

FIGURE 4 - The issuance of labelled and unlabelled green bonds has risen substantially in recent years



Source: Climate Bonds Initiative



2. Climate Finance

Green and Climate Bonds

- The emergence of green bonds represents one of the most significant developments in the financing of low-carbon, climate resilient investment opportunities.
- Green bond issuance has grown rapidly in recent years: practically no green bonds in 2009, **\$36 billion** of labeled green bonds were issued in 2014.
- In the period to 2011, all labeled green bonds were issued by either **development banks or local and municipal governments**.
- These issuers played a crucial role in demonstrating proof of concept. However, the market is now developing rapidly with corporates, banks and green asset-backed securities collectively accounting for more than 40 % of issuance in 2014.¹



3. Issues

Climate Financing Challenge

- At least \$40 trillion will be needed to meet urban infrastructure needs in the next 20 years
- \$350 billion/yr for climate action probably a gross underestimate – it is based on a 2 degree world at end of the 21st century – discussions in Doha
- Green Climate Fund to save the day?
- Role of ODA- CIFs and GEF experience
- Crowding in innovative finance and private sector for low carbon mitigation projects



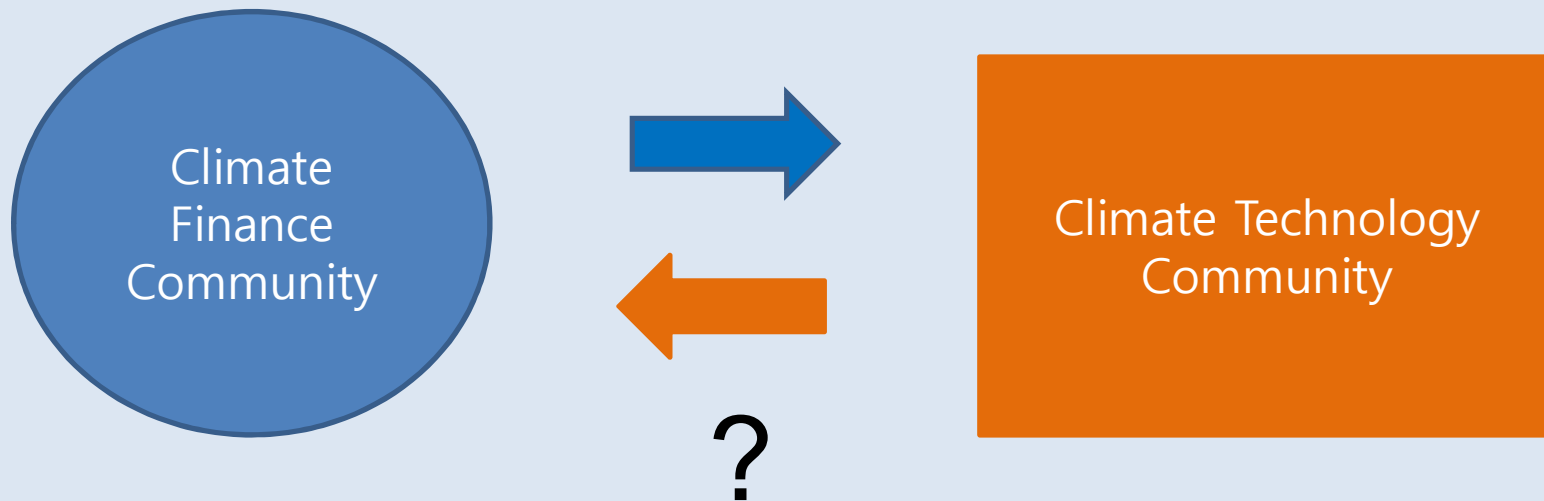
3. Issues

Climate Technology Challenge

- How to secure innovative, adaptive climate technologies with reasonable and affordable prices for developing countries?
- How to assess appropriate climate technologies for developing countries? → Current CTCN/TEC are enough?
- How to invite private sectors who may have more sets of technology? → How to scale-up climate business?
- How to promote climate adaptation technology?

3. Issues

Linkage between Climate Finance & Technology



Thank you