



COP 21 Paris

Climate Finance: Obligations and Opportunities

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Nations Unies

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The Paris Agreement

▪ General remarks

- Importance of CF - Finance flows consistent with pathways to low greenhouse gas emissions and climate resilient development
- Assistance to Developing country Parties - means of implementation (finance, technology transfer, capacity building) as key to successful transformation into green economies
- Adaptation finance - adaptation efforts and the provision of support as an important element of the PA

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- **Source of finance:**
 - Developed country Parties continue to **lead** in mobilizing finance (from a variety of sources). Climate finance should progress beyond previous efforts.
 - Mobilisation of climate finance from a **variety** of sources / significant role of public funds
 - Others may contribute on **voluntary** basis.

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▪ Finance is targeted to..:

- take into account the needs and priorities of developing country Parties; should enhance the implementation of policies, strategies, regulations and action plans...
- Climate finance should achieve a **balance** between adaptation and mitigation. Special focus on countries that are particularly vulnerable and have capacity constraints (LDCs and SIDS)
- Recognition of importance of financial resources for reducing emissions from deforestation and forest degradation / enhancement of forest carbon stocks

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▪ Level of finance:

- pre-2020 provision of urgent and adequate finance (technology transfer and capacity building) support.
- Developed country Parties strongly urged to scale up level of support with a concrete roadmap to achieve \$100bn annually by 2020; enhancement of adaptation support
- Developed country Parties continue the collective \$100bn/year goal to 2025.
- Prior to 2025 a new quantified goal (from \$100bn floor) shall be set.

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▪ Transparency and ambition:

- Developed country Parties provide transparent and consistent information on support (biennially communicated; modalities and procedures to be adopted at COP 22).

- Global Stocktake:

2018

Facilitative dialogue

2023

First global stocktake to consider progress including financing

2028+

Stocktake every 5 years; progression on previous efforts

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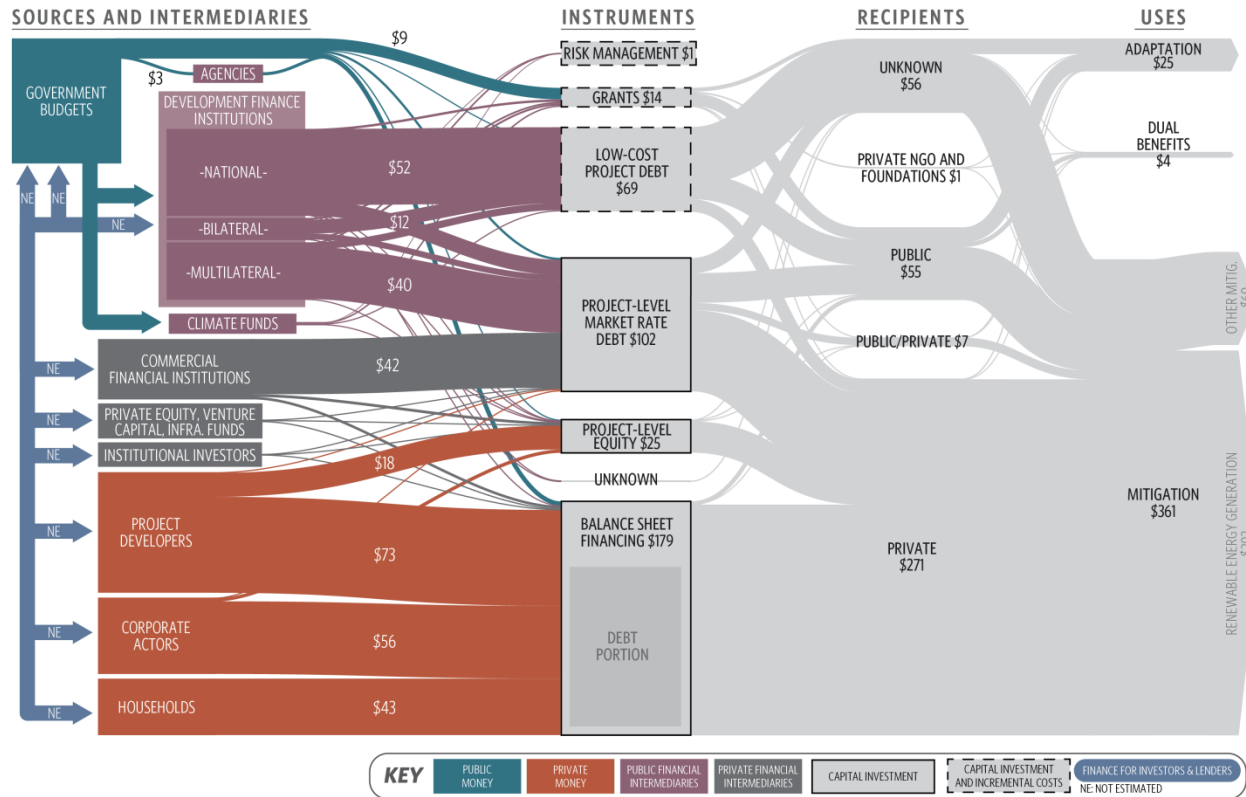
▪ Institutions:

- GCF and GEF (including LDCF and SCCF) as operating entities of the Financial Mechanism, shall ensure access to financial resources in particular for LDCs and SIDS.
- Decision on Adaptation Fund open; recommendation shall be made at COP 22

Climate finance flows

GLOBAL LANDSCAPE OF CLIMATE FINANCE 2015 USD 391^{BN} TOTAL

Landscape of Climate Finance 2015 illustrates climate finance flows along their life cycle for the latest year available, mostly 2014, in USD billions



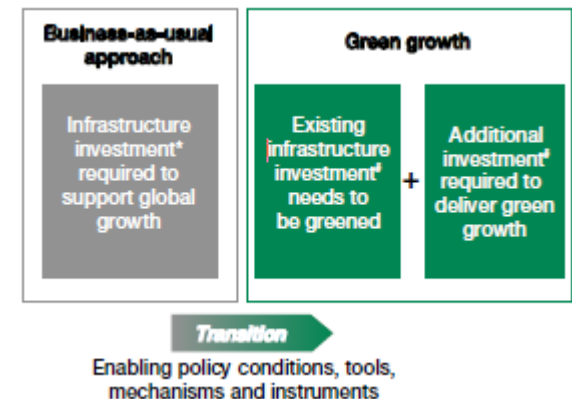
- some observations:
- 38% public money
- 33% of total flows from DFIs
- private sector money mostly RE
- 93% mitigation – 7% adaptation money
- adaptation finance mostly for water and WW management
- 55% of CF into Asia & Pacific, Europe

Outlook

How to translate the Paris Agreement into reality:

▪ Momentum of the Paris Agreement

- PA signals the market that investment in fossil fuels may no longer be a low-risk business case
- PA indicates that investors and project developers should shift their assets into green growth



Outlook

How to translate the Paris Agreement into reality:

- **need for,...**
 - policy frameworks and enabling environments as a key
 - public money as „seed money“ (guarantees, insurance, incentives, policy support) to attract private finance
 - the importance of DFIs and Funds (GCF) as front-runner
- **issues to address**
 - ...scaling up of climate finance...
 - ...increasing finance flows into adaptation...
 - ...climate finance investments to cross borders...



Thank you !

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