IKI Brown Bag Lunch

Tracking Global Climate Finance Flows

Insights from the Global Landscape of Climate Finance 2024

IKI Office

Online, *13 May 2025*

The Federal Government

IKI INTERNATIONAL CLIMATE INITIATIVE

Welcome

IKI Brown Bag Lunch

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Agenda

IKI Brown Bag Lunch

1. **Welcome Remarks: Hendrikje Reich, Head of Division, Financing International Climate Action, Multilateral Development Banks, Sustainable Finance and Forests, Federal Foreign Office**

2. **Presentation: Tracking Global Climate Finance Flows - Insights from the Global Landscape of Climate Finance 2024**
    - Dharshan Wignarajah, Director UK, Climate Policy Initiative (CPI)
    - Baysa Naran, Senior Manager, Climate Policy Initiative (CPI)

3. **Q&A, moderated by Dr. Mareile Drechsler, Desk Officer, Federal Foreign Office**

Welcome Note: Hendrikje Reich, Head of Division, Financing International Climate Action, Multilateral Development Banks, Sustainable Finance and Forests, Federal Foreign Office

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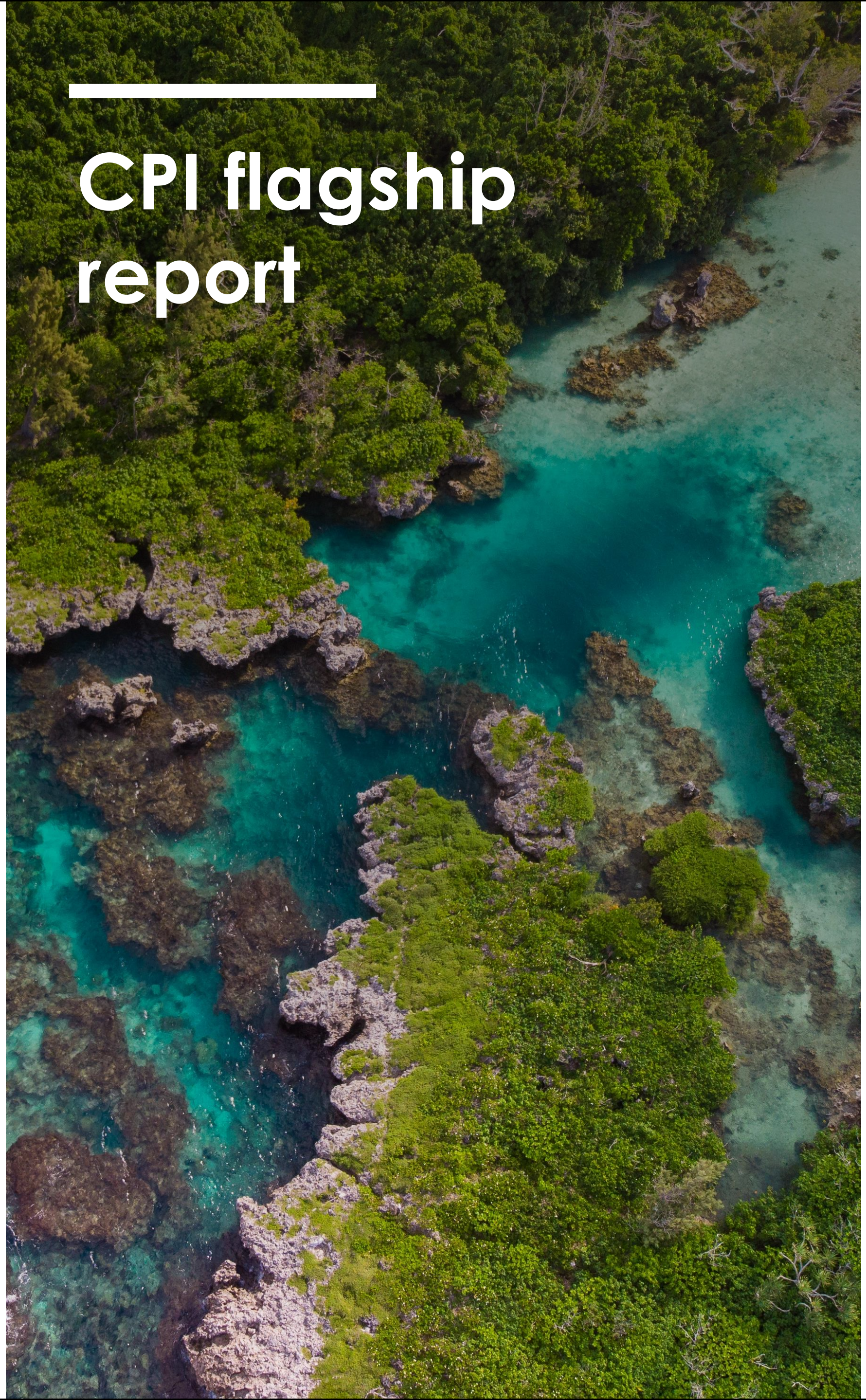
CLIMATE POLICY INITIATIVE



CPI flagship report

The most comprehensive assessment of climate finance flows

Informs policy makers and investment leaders including UNFCCC, IPCC, G7 and others

This edition reflects on key trends observed between 2018 and 2022

What is the coverage of the Land and how it is different?

	International	Domestic
Public Finance	**Global North-North** (Bilateral DFIs, ECAs) **Global South-South** (Bilateral or Regional DFIs, development cooperation agencies in the Global South) **Global North-South** (Bilateral Donors, MDBs, Bilateral DFIs, climate funds etc) incl. Mobilised private finance	**Domestic public finance** (domestic public budget, National DFIs, government subsidies/direct support, state-owned financial institutions or state-owned enterprises)
Private Finance	**International Private Finance** (FDI flows, institutional investors, philanthropy, commercial banks, corporate investments etc.)	**Domestic Private Capital** (corporations, households, commercial financial institutions, domestic philanthropy, institutional investment etc.)

Overall Findings

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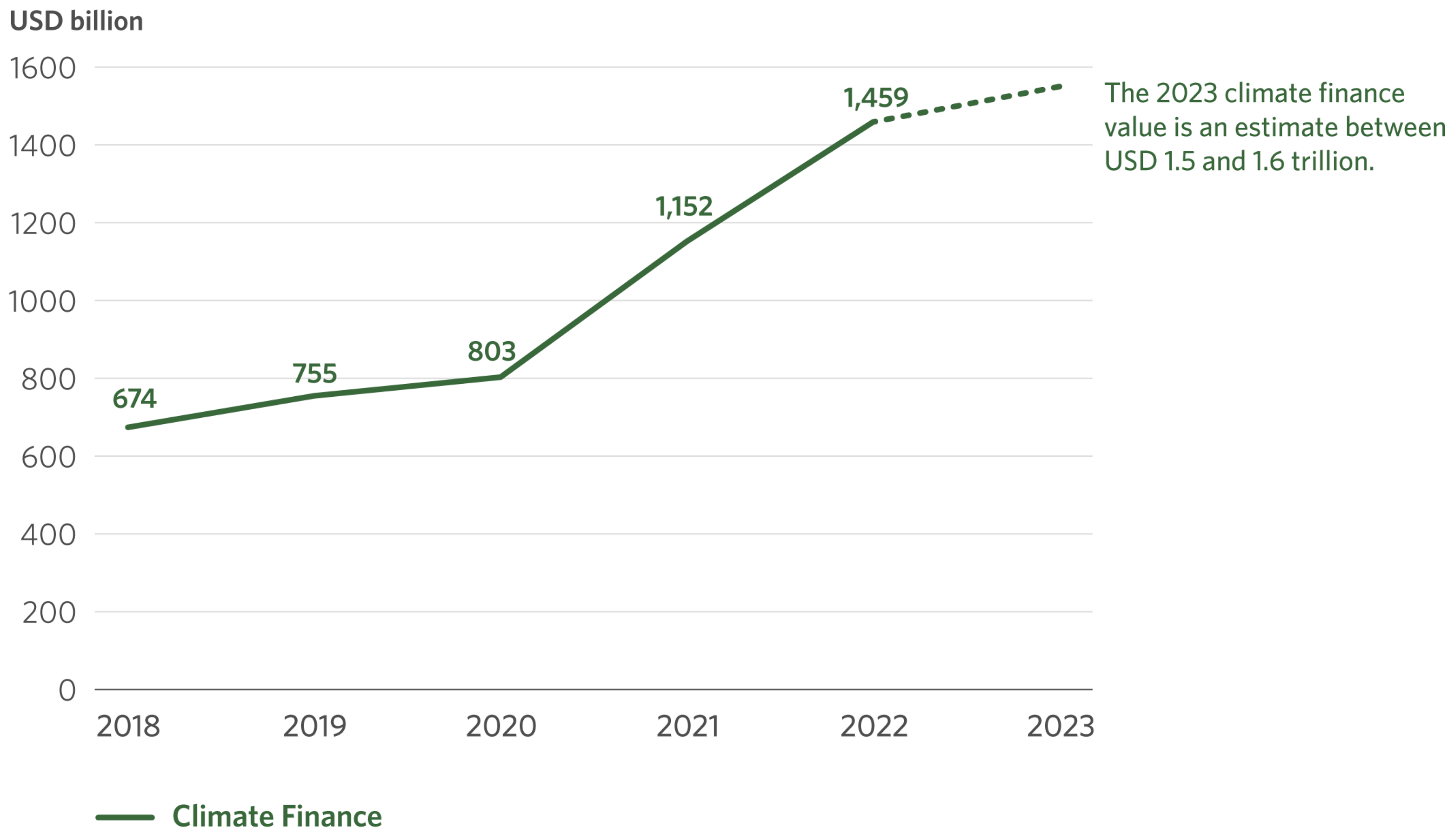
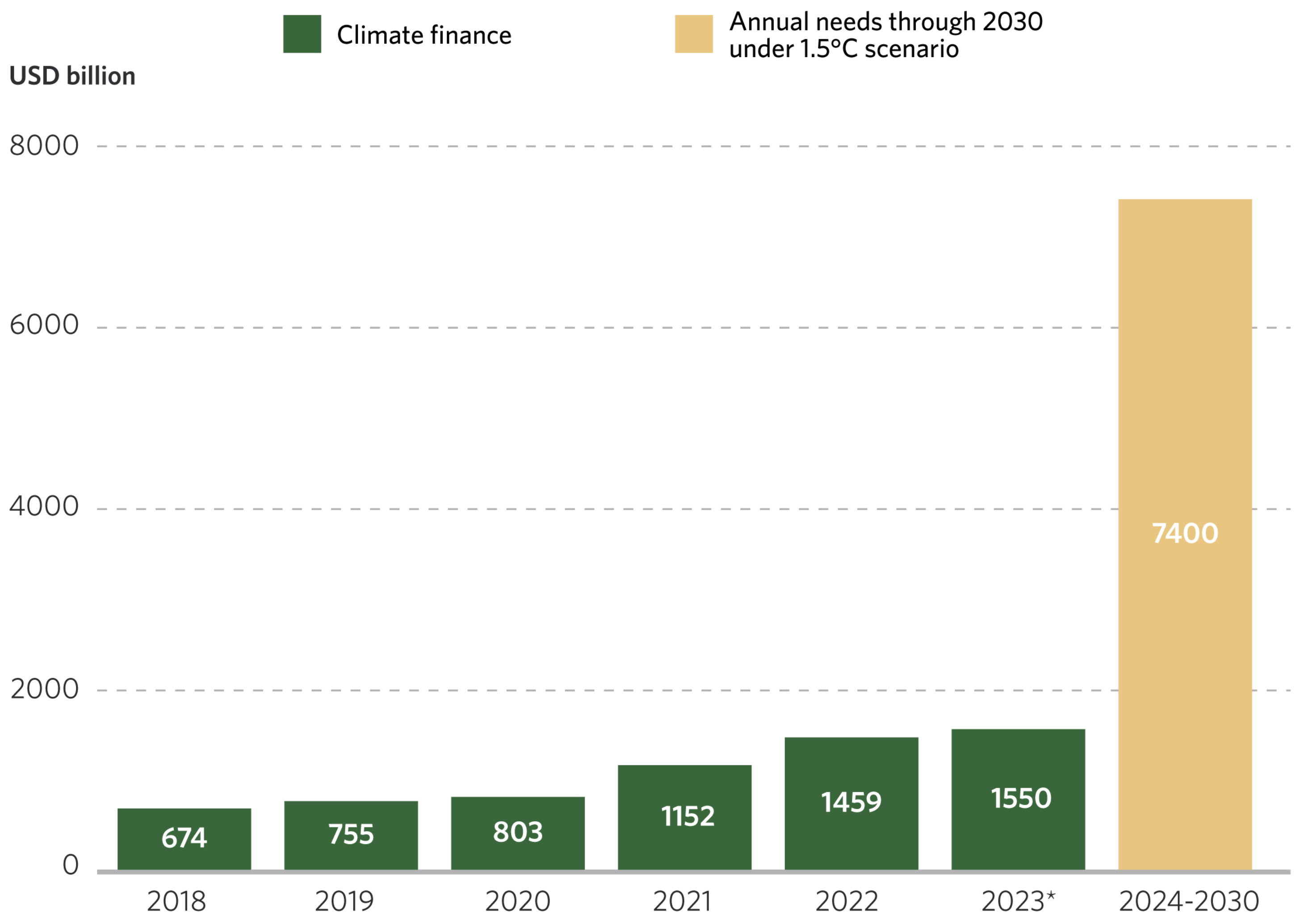
Global climate finance flows almost doubled between 2018 and 2022

Global climate finance flows between 2018 – 2022, annual

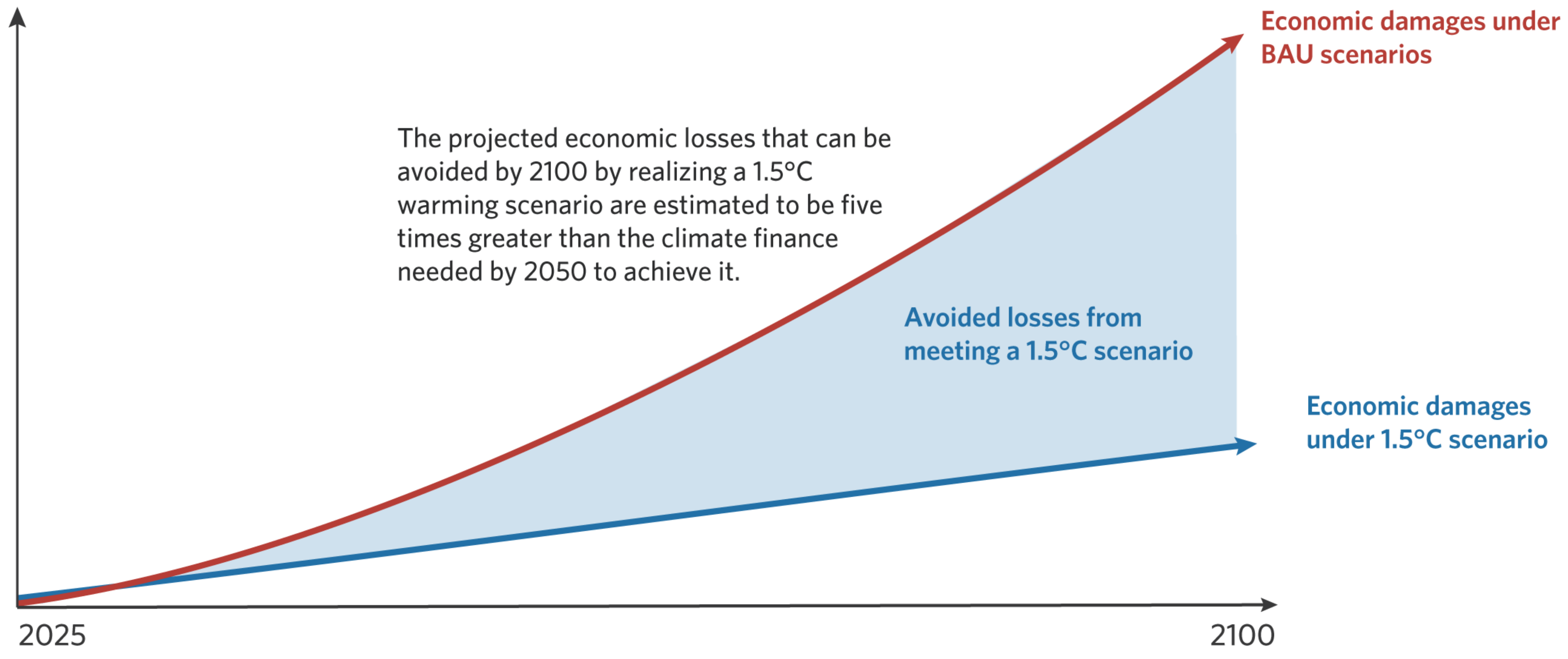


Fivefold increase in climate finance is required through 2030



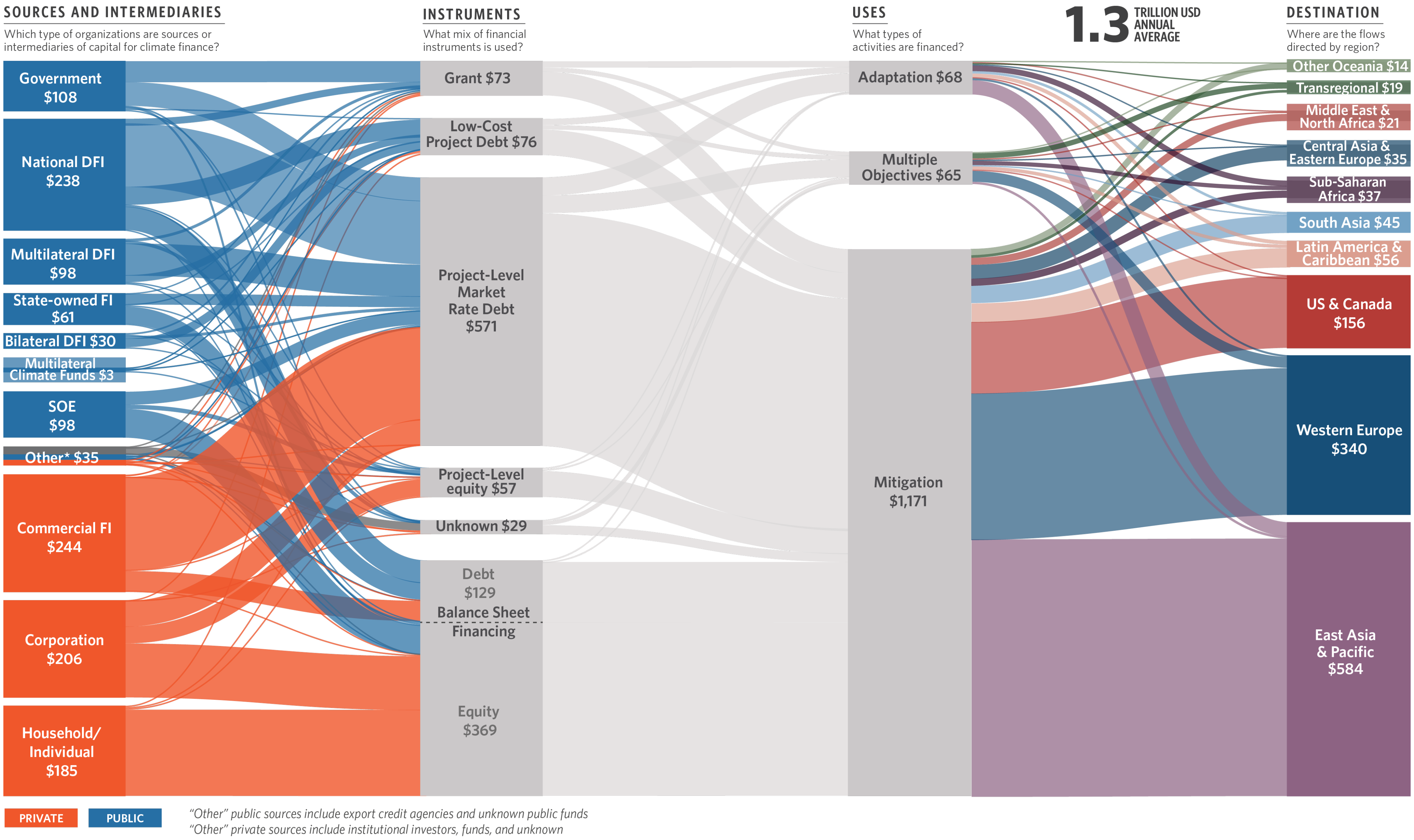
*The 2023 climate finance value is an estimate between 1.5 and 1.6 trillion USD.

Delaying action will result in higher costs and increased financing needs in the future



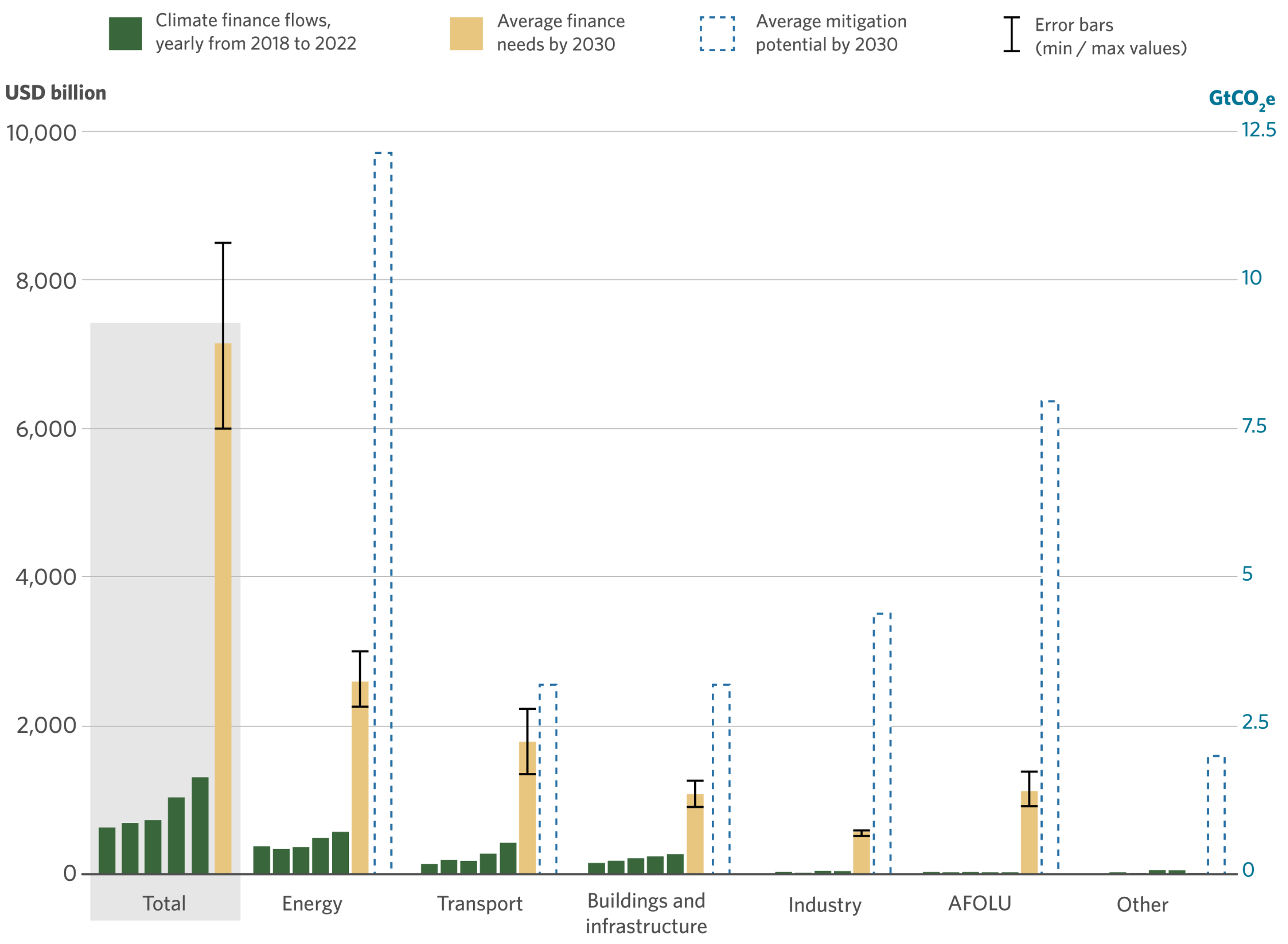
LANDSCAPE OF CLIMATE FINANCE IN 2021/2022

Global climate finance flows along their life cycle in 2021 and 2022. Values are averages of two years' data to smooth out fluctuations, in USD billions

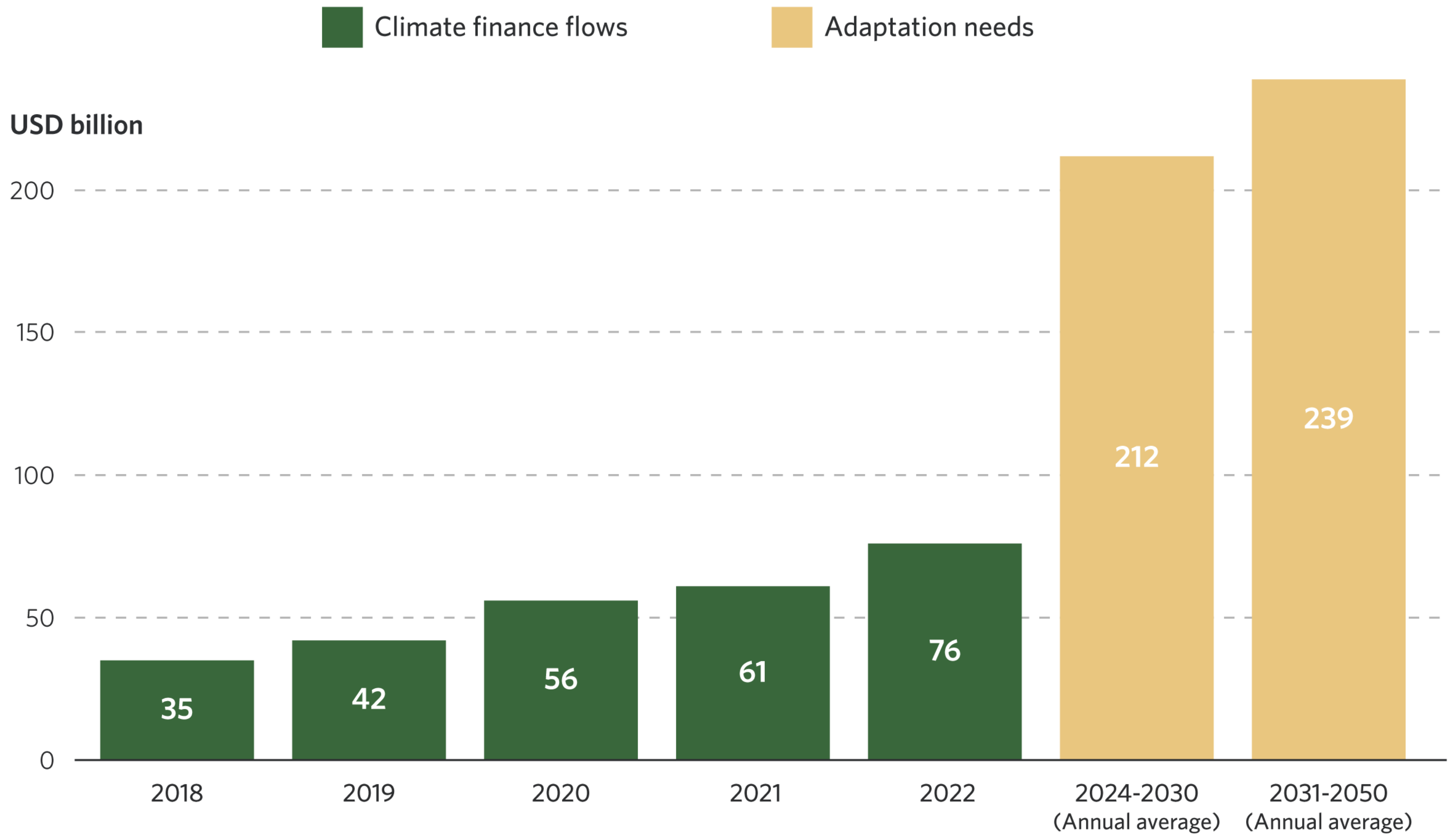


"Other" public sources include export credit agencies and unknown public funds
"Other" private sources include institutional investors, funds, and unknown

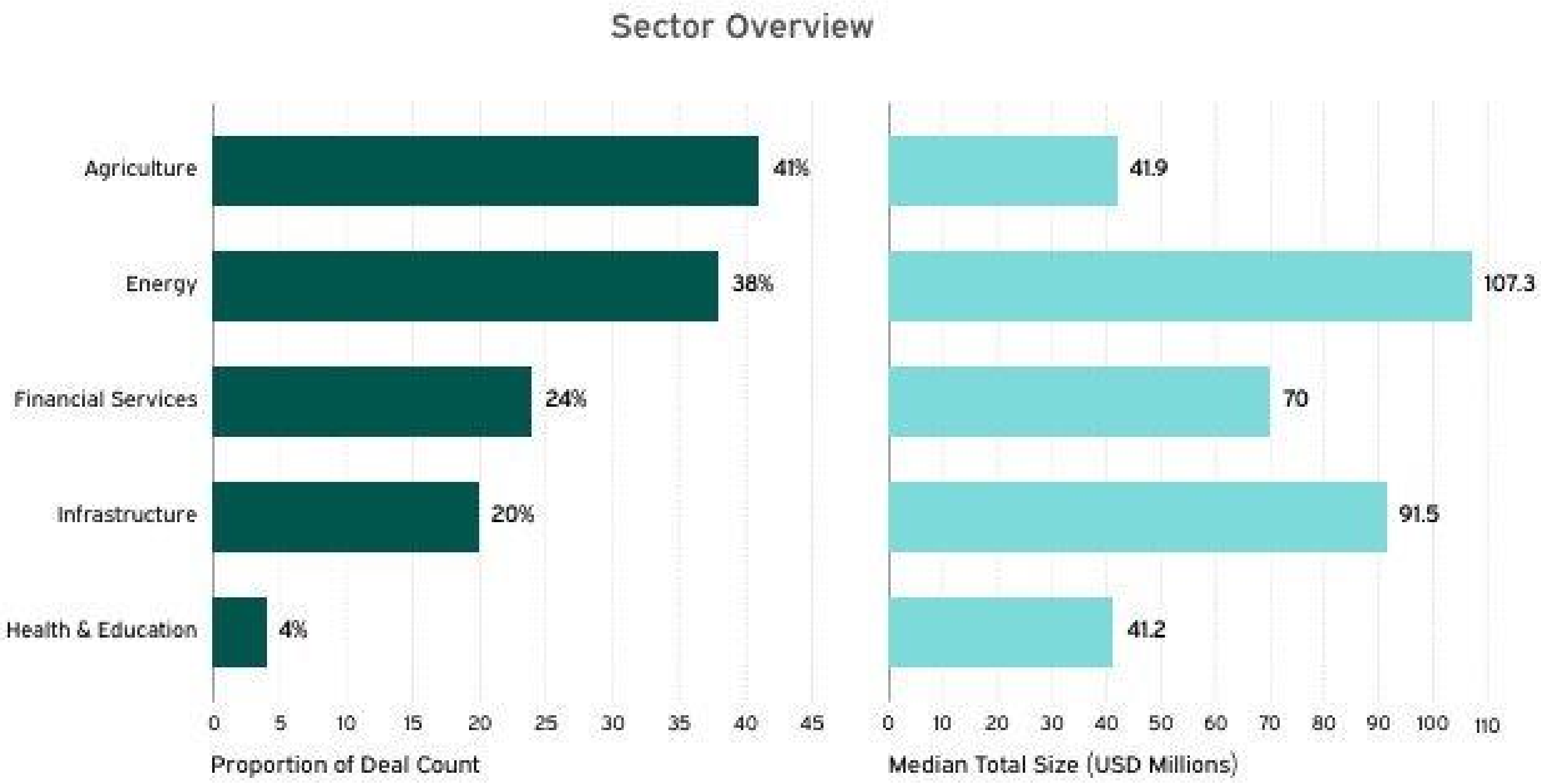
Energy, industry, AFOLU and waste sectors have high mitigation potential but are starkly underfunded



Despite more than doubling between 2018 and 2022, adaptation finance is currently at just one-third of the volume required

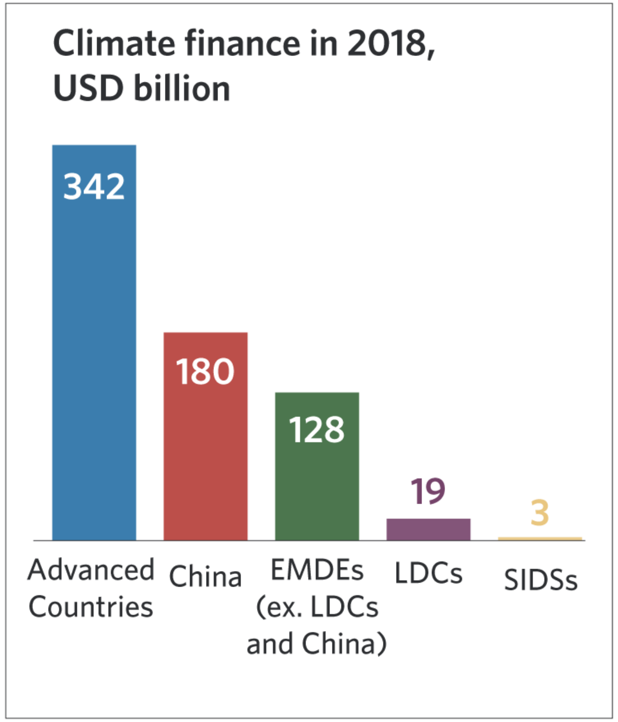


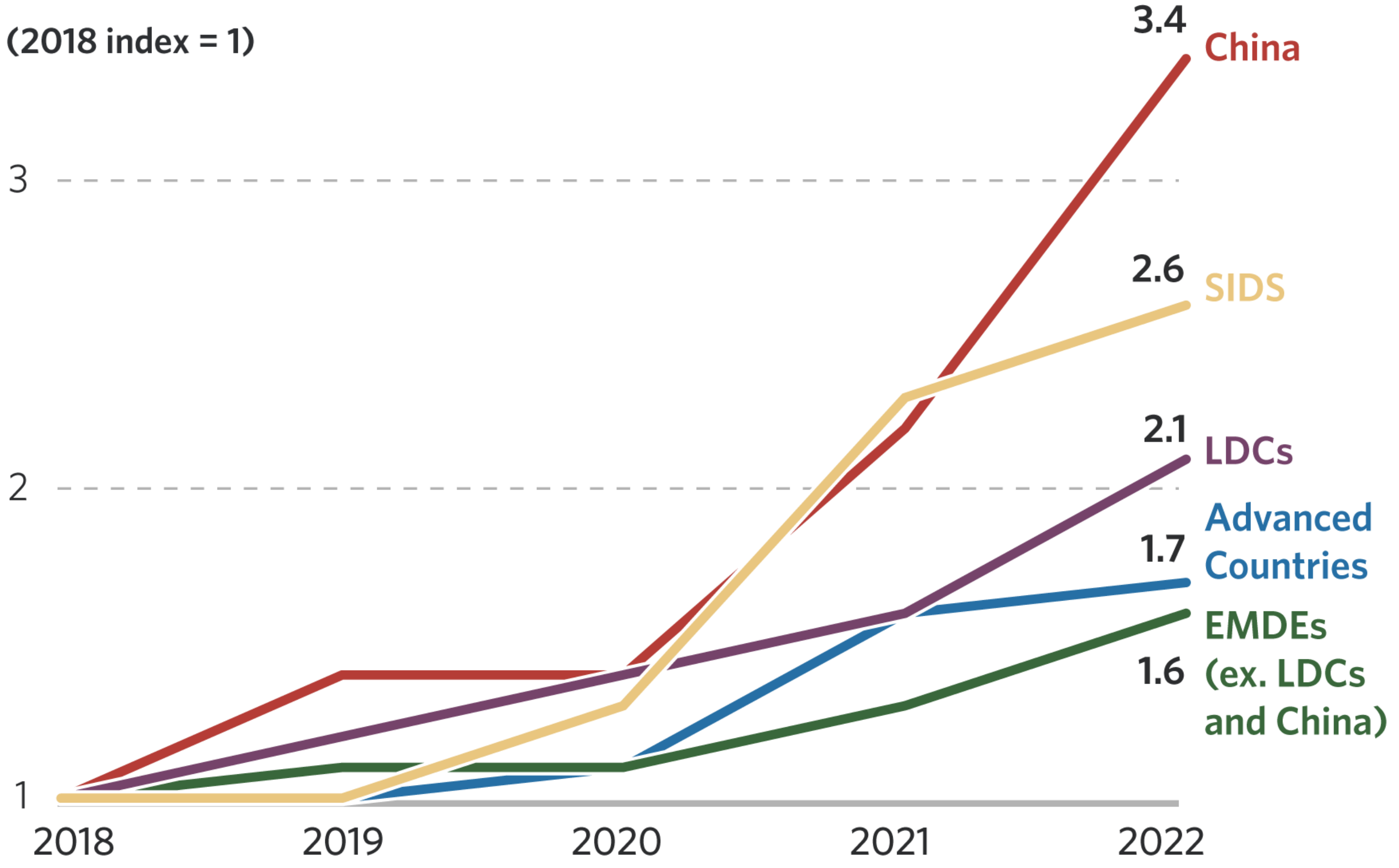
Agriculture and energy are the dominant sectors for gender responsive climate deals



Climate finance gap narrowed marginally, driven by increased flows in advanced economies and some EMDEs

Growth in climate finance (right) compared to 2018 absolute values (left), by country grouping





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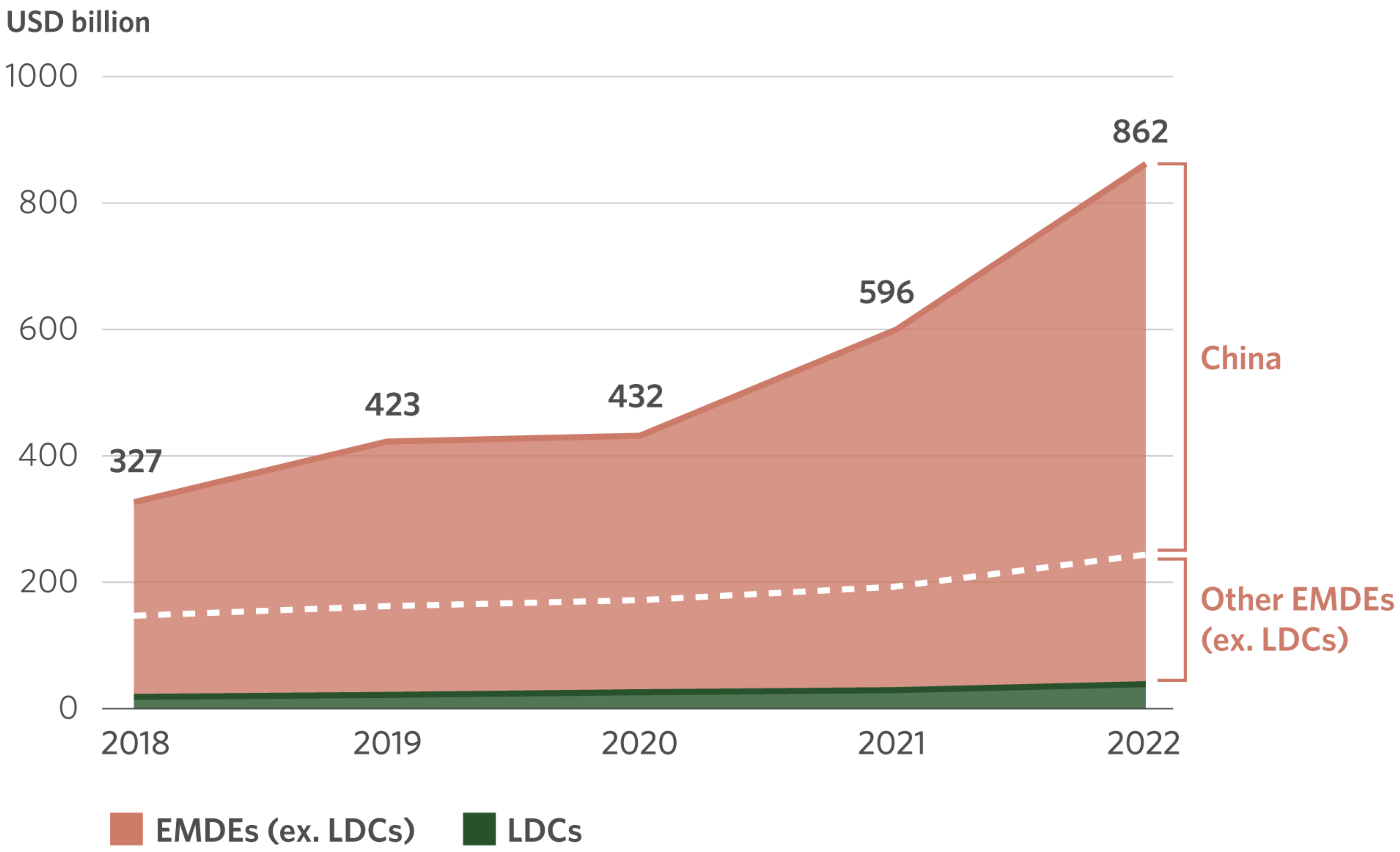
EMDEs: a diverse group of 163 countries



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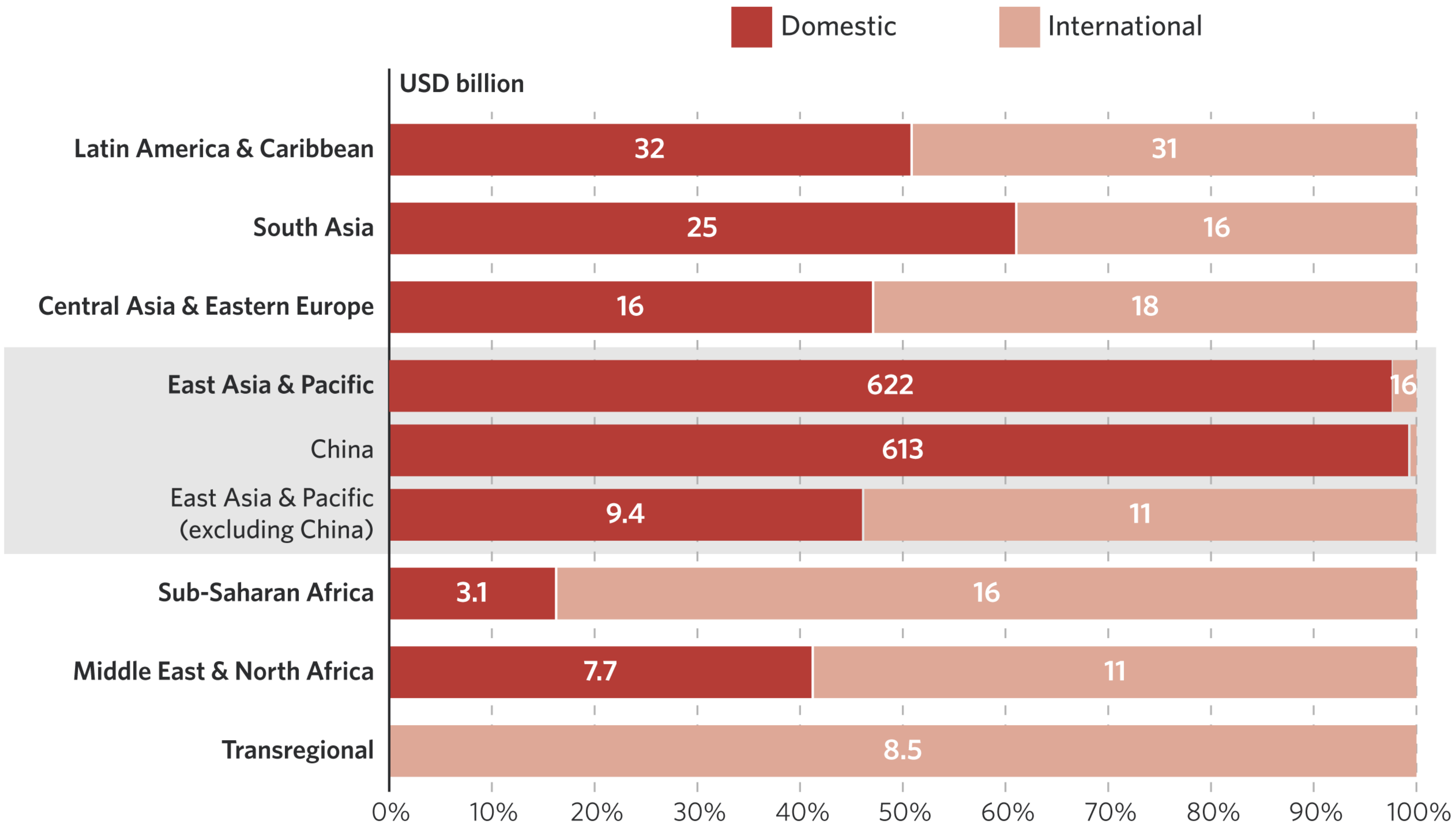
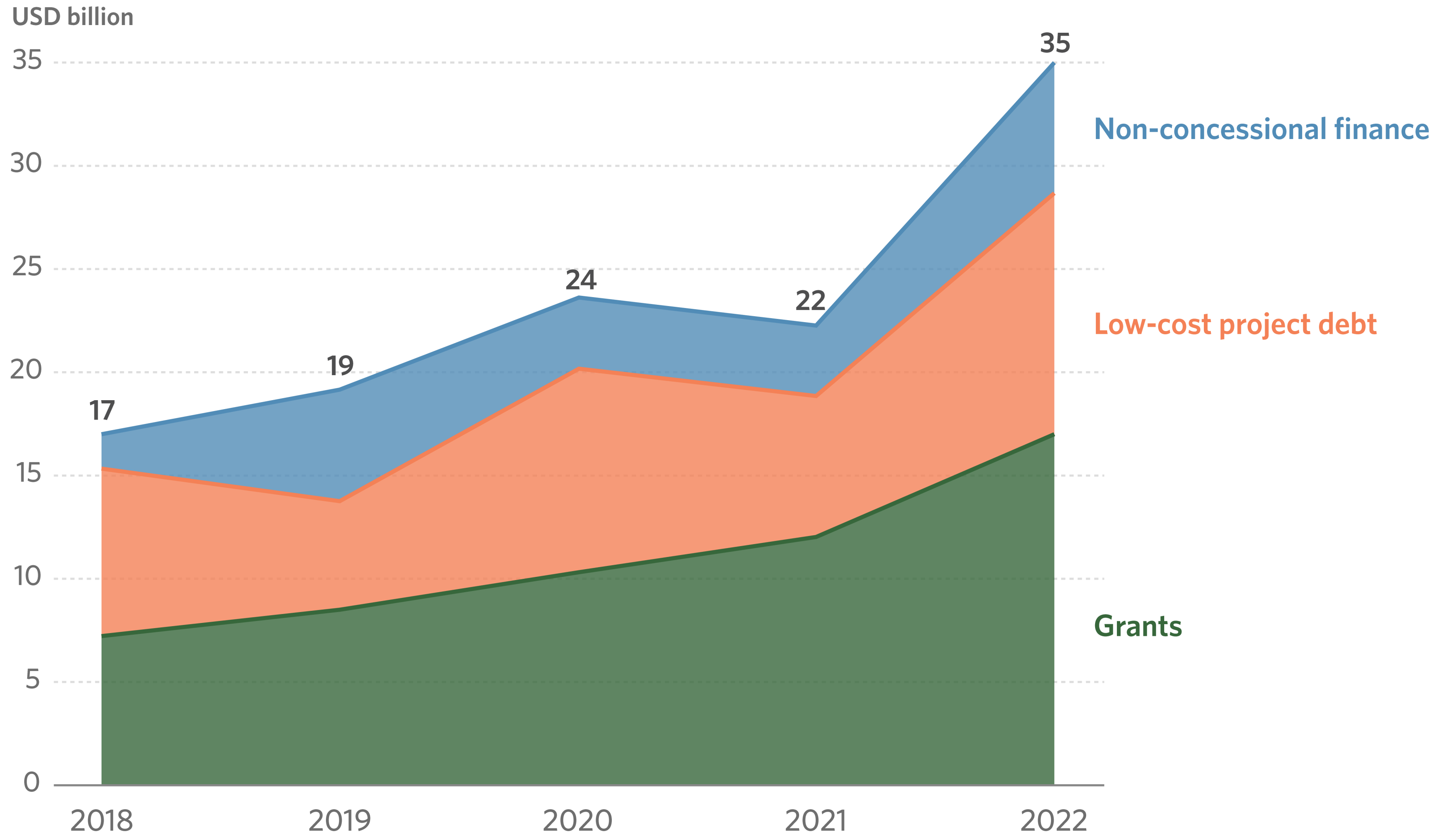
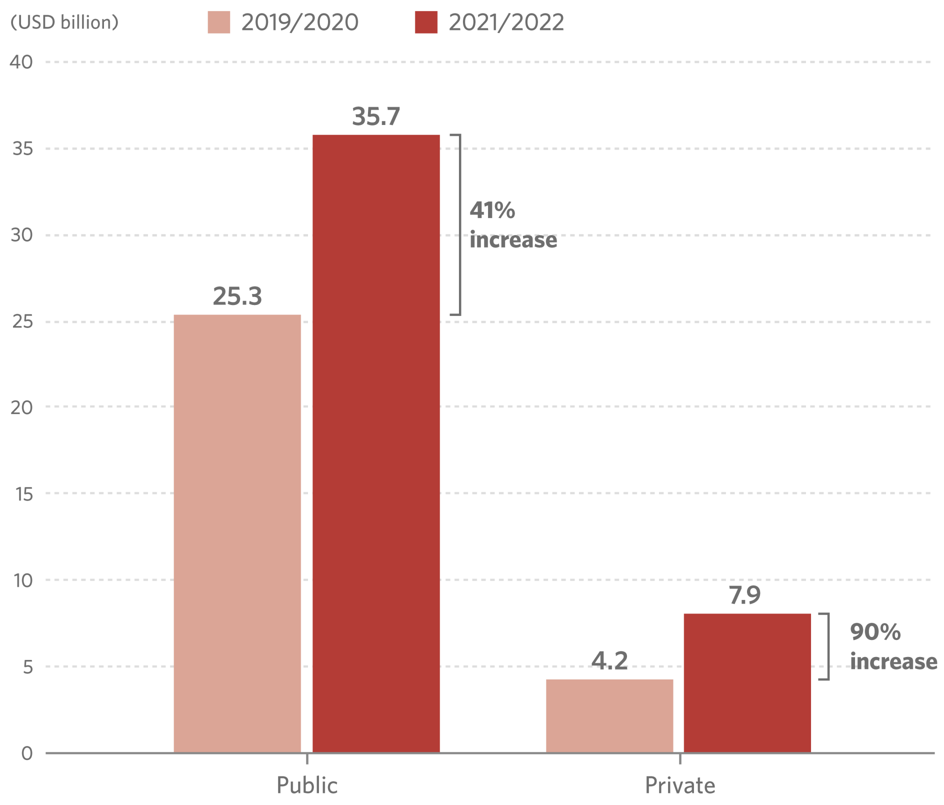
Many EMDEs (excl. LDCs) made significant progress in mobilizing domestic climate finance

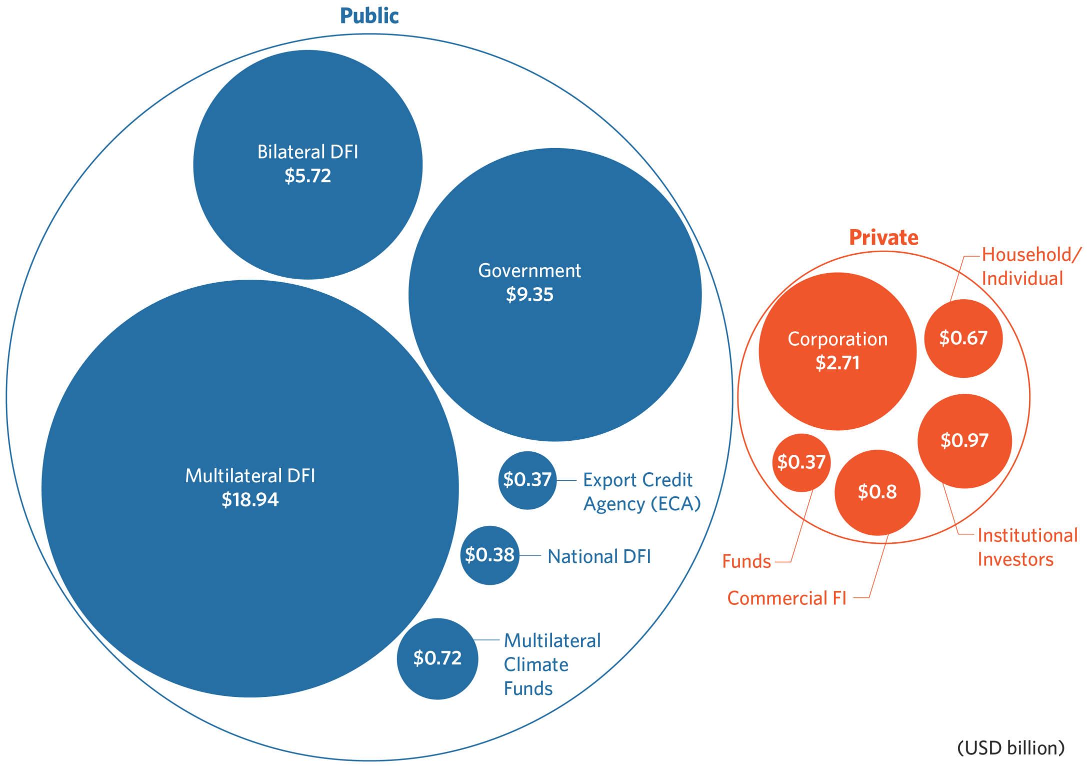


Grants increased from 42% to 49% of total international public finance to LDCs between 2018 and 2022

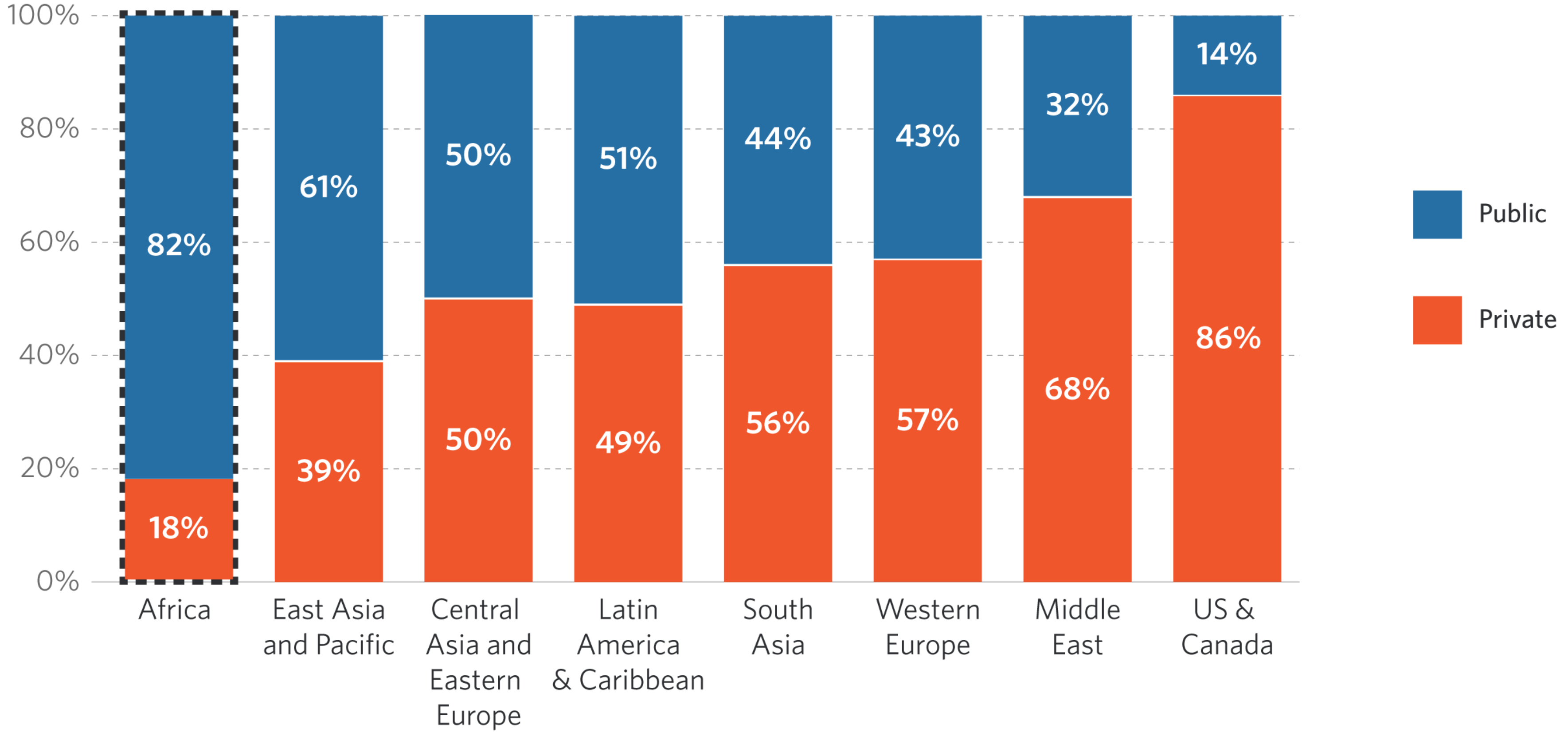


In Africa, public sources accounted for 82% of climate finance, led by multilateral DFIs with increased grants and concessional lending





Private finance comprises only 18% of Africa's total climate flows, a far lower share than any other region globally



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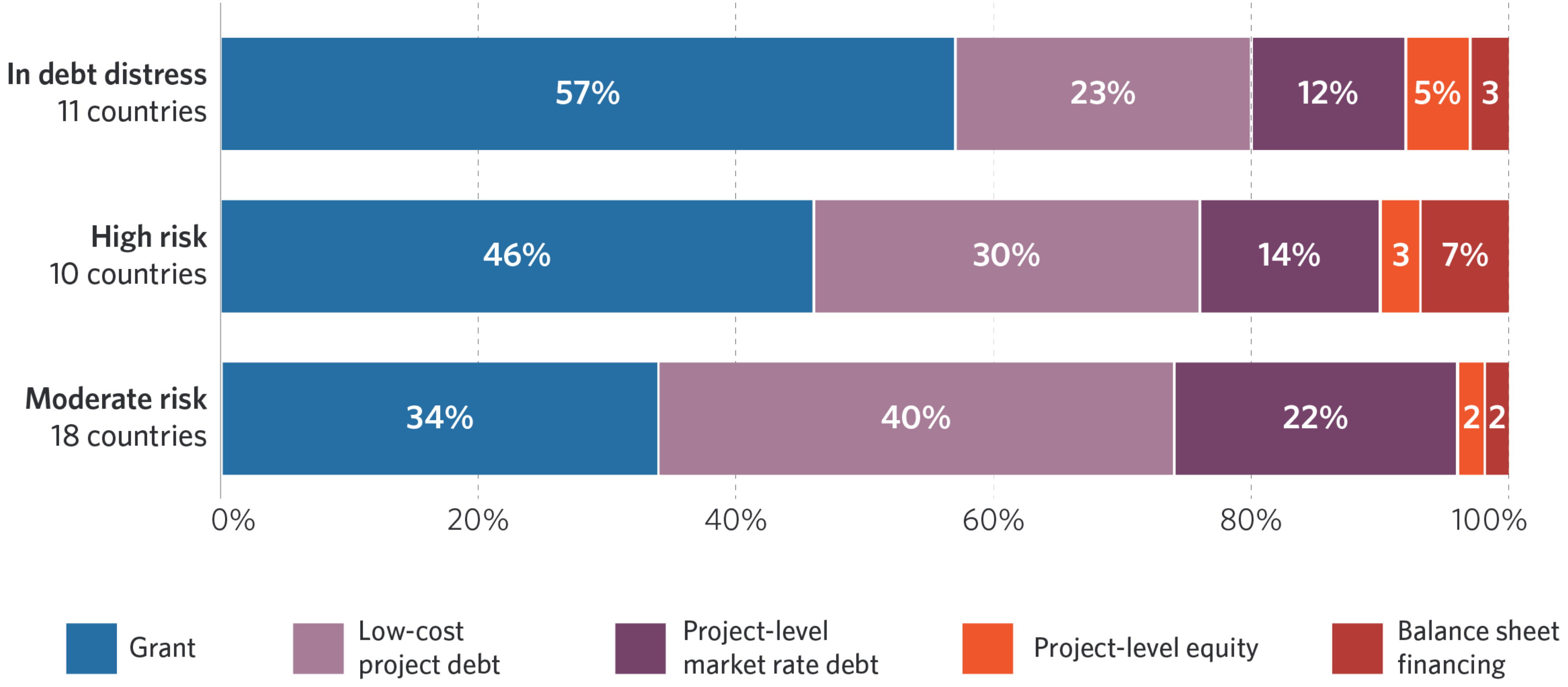
Debt-distressed countries receive significant grants, but debt still makes up 36%-43% of their climate finance



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Four priorities

Topic	Strategy Summary	Action Areas
Innovation & replication	Scaling finance through a fit-for-purpose global climate financial architecture, using both established and innovative financing approaches to support climate, nature, and development goals.	Concessional finance
		Capital adequacy frameworks
		Risk mitigation vehicles
		Project preparation facilities
		Private finance mobilization
		Carbon pricing
		Fiscal space and debt architecture
Targeting & allocation	Stepping up support for LDCs, SIDS, and low-income communities on the front lines of the climate crisis, as well as allocating finance to high-impact, hard-to-abate sectors or themes.	Outcomes and effectiveness
		Access criteria and requirements
		Deep decarbonization and systemic resilience
		Just transition
Domestic policies & ownership	Building the policy and enabling environment to mobilize domestic resources, bolstering domestic markets, and fostering country ownership of internationally funded climate action.	Whole-of-economy approaches
		Redirecting fossil fuel expenditures
		Climate action plans
		Country sector platforms
Cross-cutting & multi-stakeholder action	Providing data and mandating disclosures to build trust and communicate progress towards time-bound targets, with more alignment across the fragmented climate finance landscape.	Taxonomies, data, and disclosures
		Capacity building and technical assistance
		Coordination and accountability

We work to bring evidence base to support the $1.3 trillion goal in deploying the capital to where it is needed the most

FLOWS

Comprehensive analysis of finance flows

What is the current state of global climate finance flows?

- The most comprehensive data available on global climate finance flows
- Granular breakdown by sources, financial instruments, regions, uses, and sectors

NEEDS & ROADMAP

Clear data on progress against needs

How far are we to closing the climate investment gap?

- Key reference on regions, sectors, and solutions with significant investment gaps
- Understand the type of capital, the role of public and private investment in closing the investment gap

IMPACT

Understanding quality and impact of finance

What/who should be prioritized to improve impact and outcome?

- Framework to understand impact and outcome of climate finance
- Assess historic data on finance flows and elicit lessons learnt on effectiveness and efficiency of finance

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Overview of the most recent and upcoming work by CPI

	Finance Flows What is the current state of real economy flows?	Climate Finance Needs How far are we to closing the climate investment gap?	Climate Finance Roadmaps How climate investment gap can be closed?	Impact and Outcome What evidence is on improving impact, efficiency and effectiveness of finance
Global Global progress of climate finance flows	Global Landscape UNFCCC BA	Top Down Needs Bottom Up Needs	Climate Finance Roadmaps	Scoping paper: frameworks on measuring impact
Sectoral Sectoral tracking	IRENA: Renewable Energy	Private adaptation finance tracking	Net Zero Nature Positive Finance	CLIC: Agrifood systems landscape
Thematic Thematic deep dive	Methane CBI, India, Indonesia, Brazil	Super Pollutants Landscape Climate and Clean Air	GFANZ equity investment roadmap IDFC Green Finance Mapping	Landscape of Concessional Finance
Regional Regional tracking	IRENA: RE Regional Deep Dives	Africa Landscape	LATAM livestock Roadmaps	GCA SIDS adaptation finance tracking
National National and sub-national	Nigeria South Africa Taxonomy	Power sector tracking in Vietnam	South Africa Landscape India GFM adaptation, sustainable agriculture	Brazil: land use, country level, international

Evidence Base, Open-Source Data & Analytics

Research Partnerships & Working Groups

Convening, Policy Discussions and Action Roadmaps

Contact –

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The Lab: climatefinancelab.org

USICEF: usicef.org

Global Landscape of Climate Finance:
climatefinancelandscape.org

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Thank You

Q&A SESSION

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