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# Climate Finance Architecture

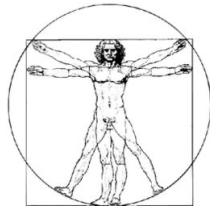
## An overview and outlook for COP30

**Janine Felson**

Ministry of Foreign Affairs - Belize

[www.ecbi.org](http://www.ecbi.org)

# Outline

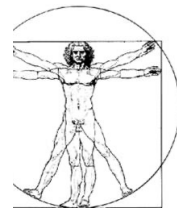


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- Global climate finance architecture
- Key principles and provisions
- Definition(s)
- Climate change agenda
- COP30 Belem

# 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



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**1.3** TRILLION USD ANNUAL AVERAGE

## SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?

## INSTRUMENTS

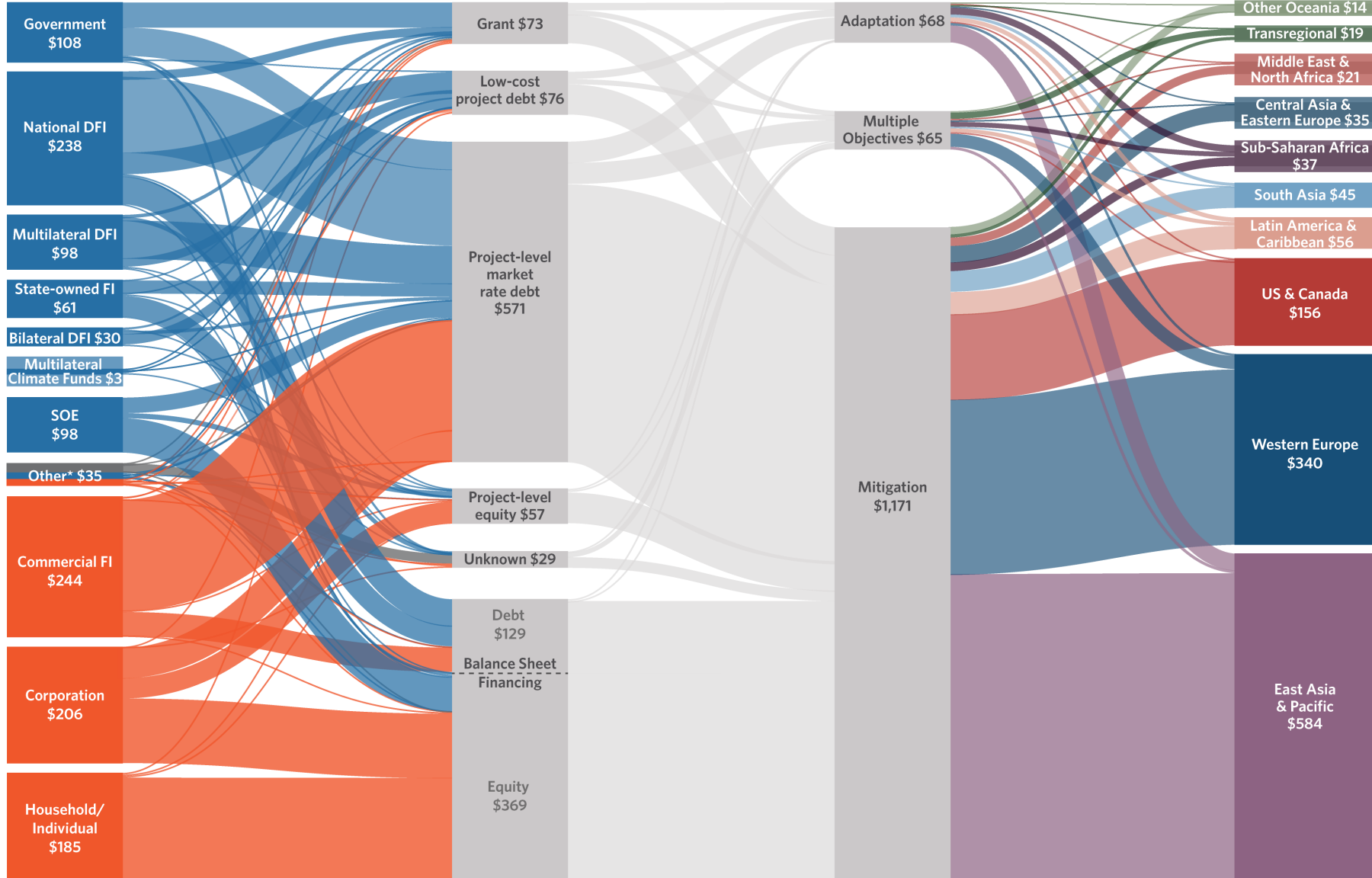
What mix of financial instruments is used?

## USES

What types of activities are financed?

## DESTINATION

Where are the flows directed by region?

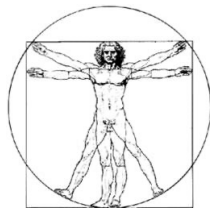


PRIVATE PUBLIC

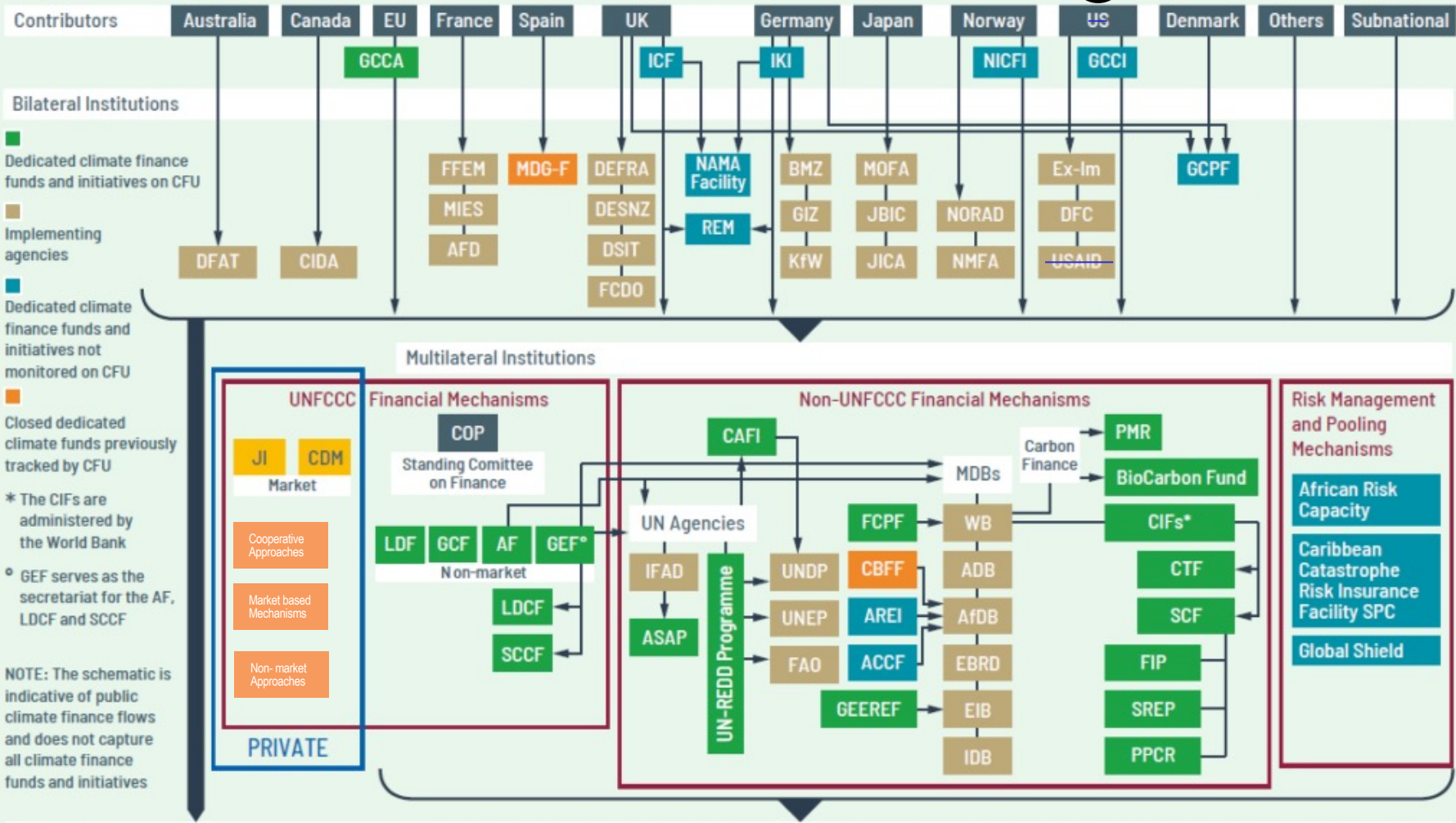
\*"Other" public sources include export credit agencies and unknown public funds  
 \*"Other" private sources include institutional investors, funds, and unknown

Source: Climate Policy Initiative

# Figure 1: Global climate finance architecture



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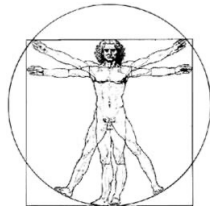
**Recipients**

Regional and National Accredited and Implementing Entities	National, Regional and Country-Collaborative Funds						
	Amazon Fund	Benin National Fund for the Environment and Climate	Cambodia Climate Change Alliance Trust Fund	CVF and V20 Multi Donor Fund	JETPs (Indonesia, Senegal, South Africa and Vietnam thus far)	Mexico Climate Change Fund	South Africa Green Fund
	Bangladesh Climate Change Resilience Fund	Brazilian National Fund on Climate Change	Climate Resilient Green Economy - Ethiopia	Guyana REDD+ Investment Fund	Maldives Climate Change Trust Fund	Philippines People's Survival Fund	
	Bangladesh Climate Change Trust Fund		Indonesia Climate Change Trust Fund	Mali Climate Fund	Rwanda's Green Fund		

NOTE: The schematic is indicative of public climate finance flows and does not capture all climate finance funds and initiatives

\* The CIFs are administered by the World Bank  
 ° GEF serves as the secretariat for the AF, LDCF and SCCF

Legend:  
 ■ Dedicated climate finance funds and initiatives on CFU  
 ■ Implementing agencies  
 ■ Dedicated climate finance funds and initiatives not monitored on CFU  
 ■ Closed dedicated climate funds previously tracked by CFU

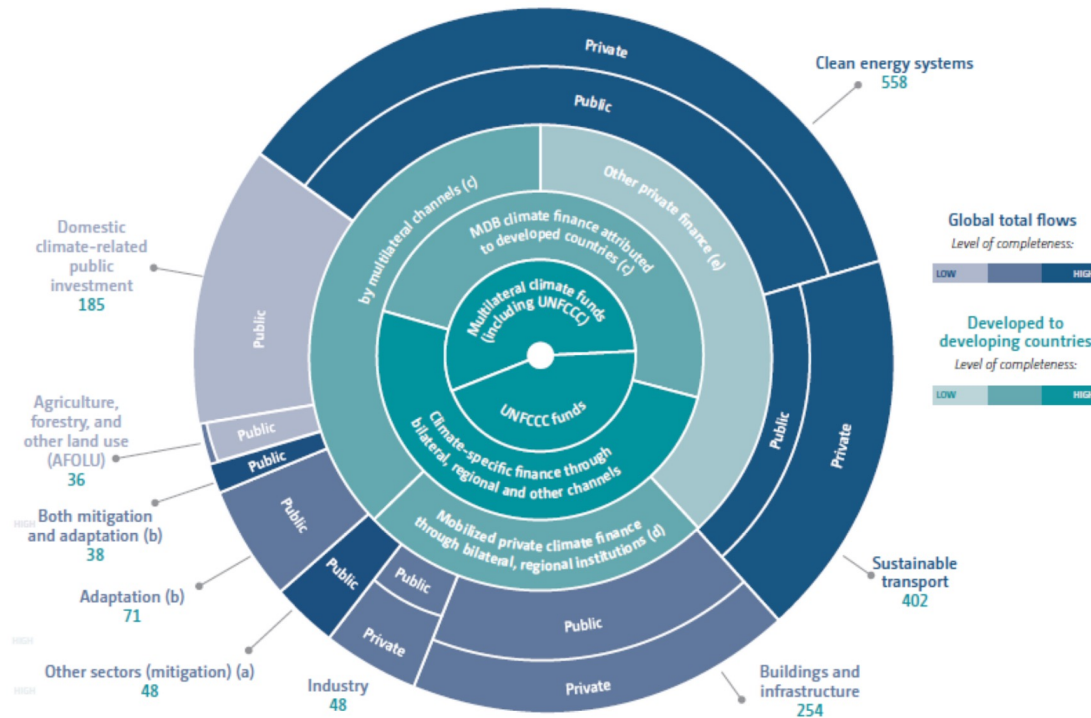


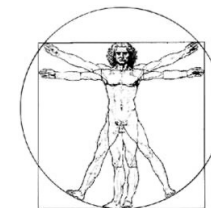
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# The onion of climate finance (SCF, BA6)

Figure 2: Climate finance flows in 2021-2022

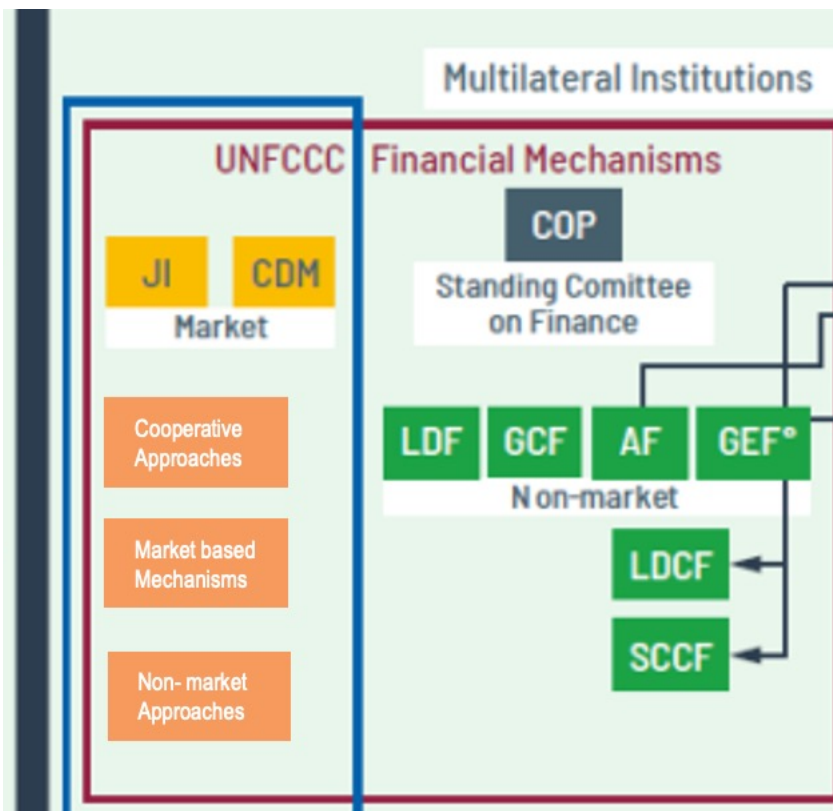
Climate finance flows in 2021-2022  
Billions of United States dollars, annualized



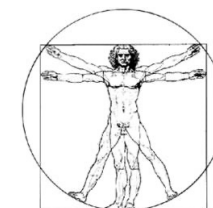


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# UNFCCC FINANCIAL INSTITUTIONS



# Principles and provisions

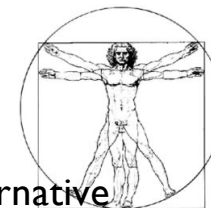


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UNFCCC	KYOTO PROTOCOL	PARIS AGREEMENT
Article 3 CBDR, developed countries take the lead	Article 11.2 developed countries to provide agreed full incremental costs	Article 9 developed countries shall provide and take the lead in mobilization of financial resources
Article 4 developed countries shall provide new and additional financial resources, agreed full incremental costs, need for adequacy and predictability	Article 12.8 share of proceeds to assist developing countries to meet adaptation costs	Article 2(1)(c) making finance flows consistent with low ghg emissions and climate resilient development pathway
Articles 11 and 21 establish the Financial Mechanism and GEF as interim operating entity. Later GCF (2010) and FRLD (2022) established as OE.		Other – 6.4 (SOP) 10 (Tech), 11 (CB), 13 (transparency of support), 14 (GST), Support for implementation in 4.5, 7.13, 13.14, and 15.

*But, what is climate finance? ...*

# Climate Finance: Any definition?



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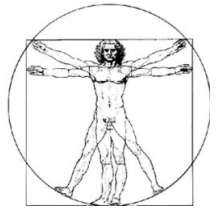
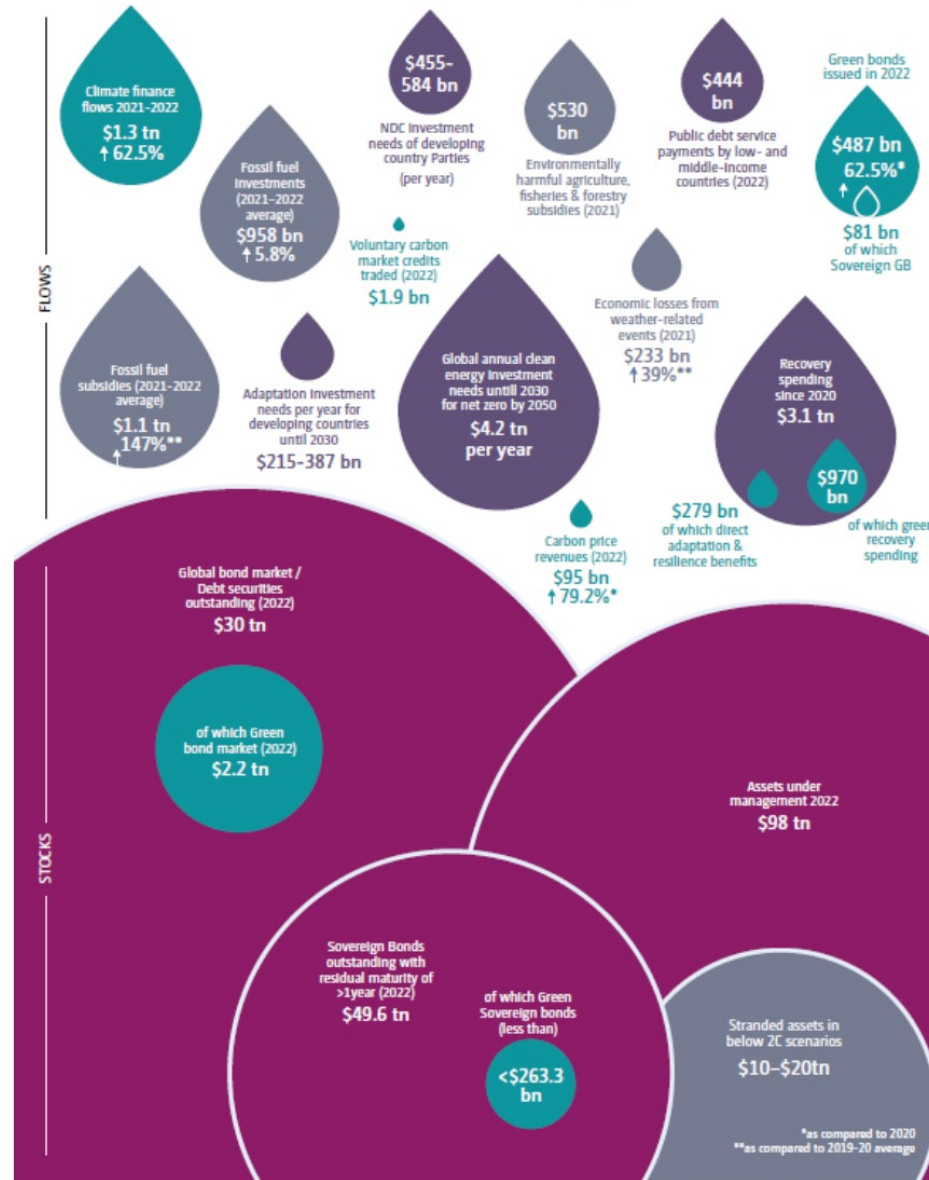
- UNFCCC and PA bottom-up approach to reporting climate finance
- Climate finance refers to local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change. (UNFCCC)
- Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases and aims at reducing vulnerability of, and maintaining and increasing the resilience of, human and ecological systems to negative climate change impacts. (SCF, BAI 2014)
- A wide variety of climate finance definitions and approaches to definitions are in use [SCF Technical Report 2023]:
  - A list of specific concepts that together provide clarity of climate finance
  - Descriptions of provision, mobilization, source, channel, public and private finance, terms such as new and additional, and instruments as applicable to a definition of climate finance
  - Detailed guidance, classifications or taxonomies of concepts or activities that may be relevant as part of the definition (for example, see OECD DAC handbook on the Rio markers for climate change mitigation and adaptation, the MDB climate change tracking framework, the European
  - Union taxonomy on sustainable finance and China’s green bond catalogue.
  - Guidance for developed country Parties reporting on finance provided
- Climate finance aims at reducing emissions and enhancing sinks of greenhouse gases, aims at reducing vulnerability, **increasing adaptive capacity**, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, **and includes financing for actions identified in a country’s nationally determined contribution, adaptation communication, national adaptation plan, long-term low-emission development strategy or other national plan for implementing and achieving the goals of the Paris Agreement and the objective of the Convention** [SCF, BA6, 2024]



# Global climate finance in context

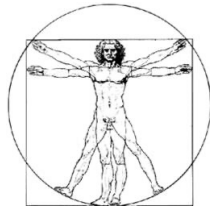
The scale and speed needed for transitions to low-emission, climate resilient development pathways suggest that a sole focus on positive climate finance flows will be insufficient to meet the goals of the Paris Agreement. [SCF, BA6 2024]

Figure 3: Global climate finance in the context of broader finance flows, opportunities and costs

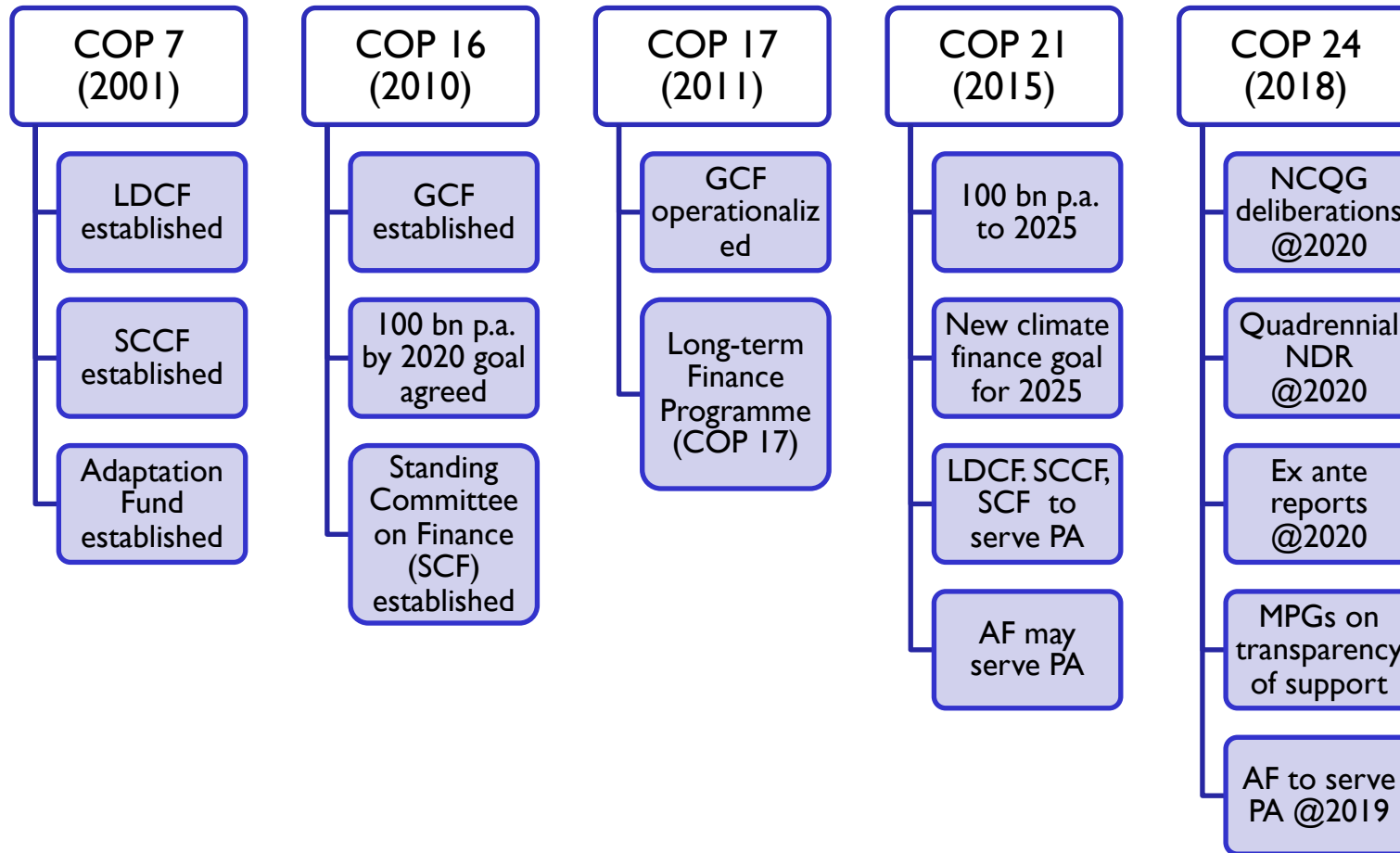


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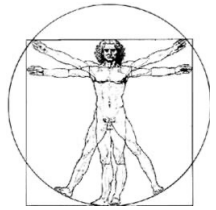
# Key Decisions



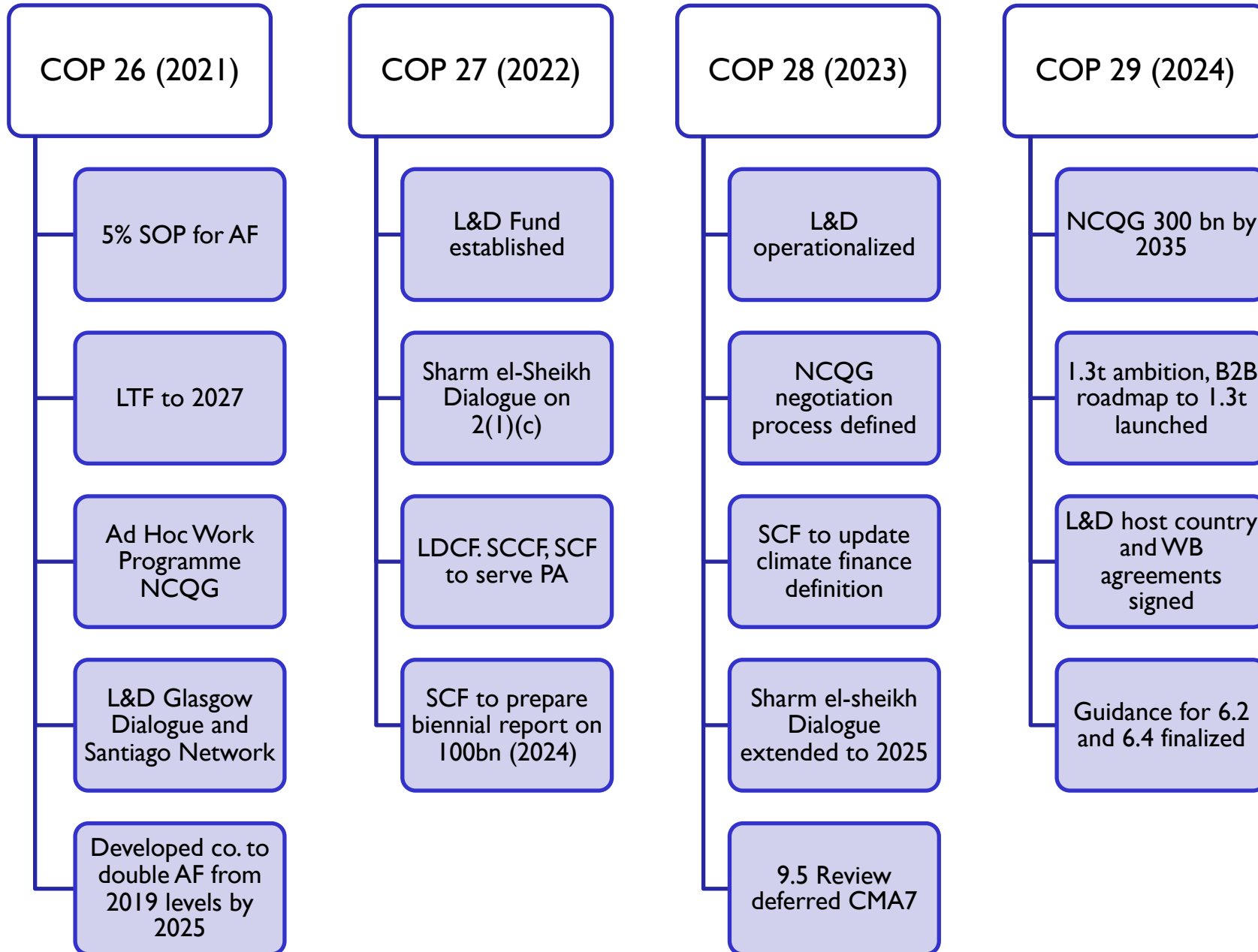
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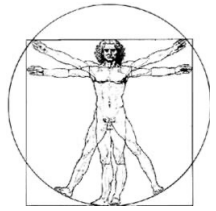
# Key Decisions



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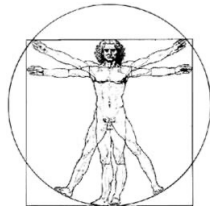


# Agenda



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- Long-term Climate Finance
- Reports of the Standing Committee on Finance
- Seventh Review of the Financial Mechanism
- Report of the Green Climate Fund
- Report of the Global Environment Facility
- Report of the Fund for responding to loss and damage
- Report of the Adaptation Fund
- **Ex ante Article 9.5 Reports**
- **B2B Roadmap to 1.3t**
- **Doubling adaptation finance**
- **UAE Dialogue for implementing GST outcomes (2024-2028)**



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Thank you!