



The USD 100 billion goal and lessons learned for the future of international climate finance

Online Seminar, 26 November 2020
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1 | Introduction and moderation

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2 | The USD 100 billion goal and lessons learned for the future of international climate finance

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3 | Q&A



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1 | Introduction



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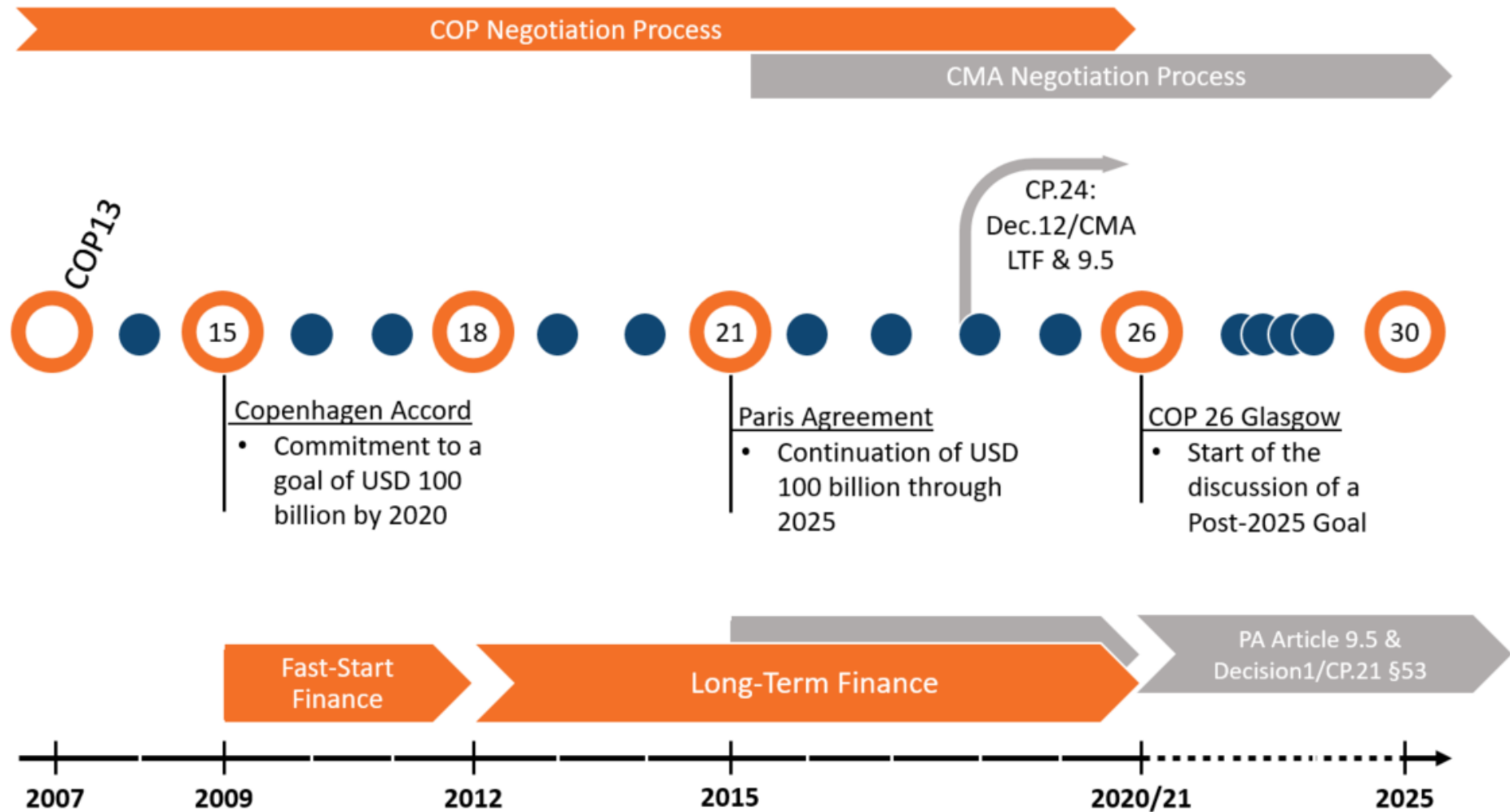


2 | The USD 100 billion goal and lessons learned



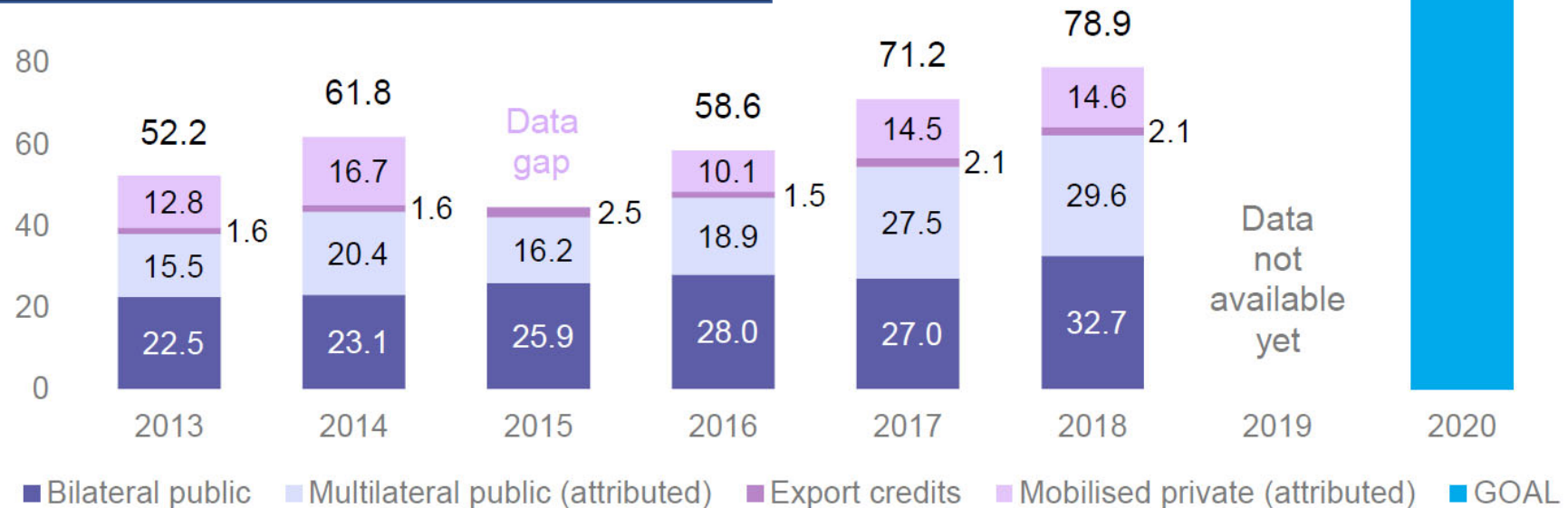
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2 | Background of the USD 100 billion goal



2 | Did developed countries fulfil their promise?

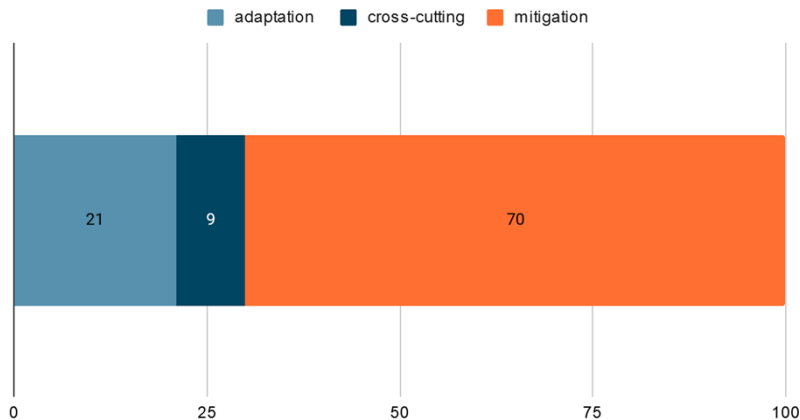
Total climate finance provided and mobilized (USD billion)



- OECD reporting trend suggests a close photo finish
- But:
 - COVID-19 uncertainty
 - A closer look at the numbers matters

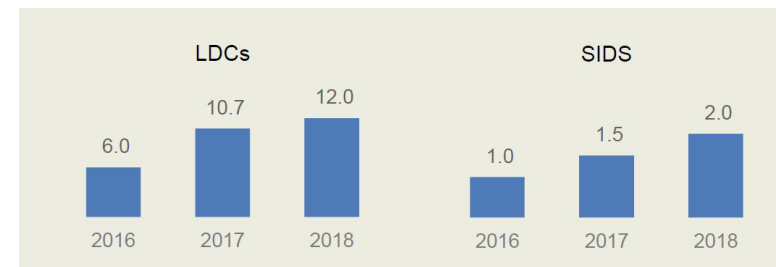
2 | Thematic and regional split

Thematic split (2018, in %)



Source: Adapted from OECD 2020

Climate finance to LDCs and SIDS (USD billion)

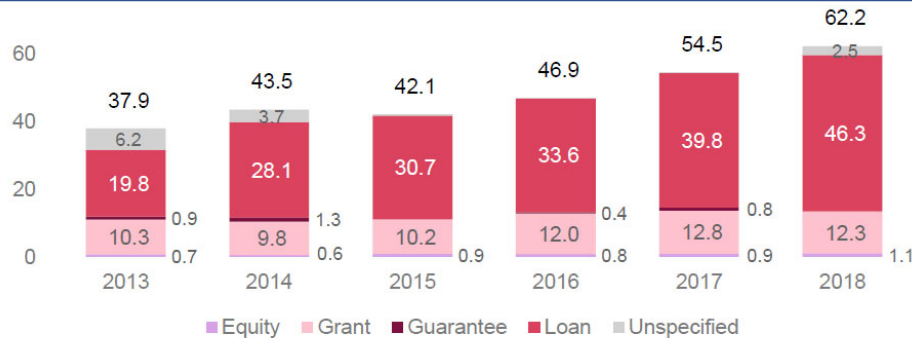


Source: OECD 2020

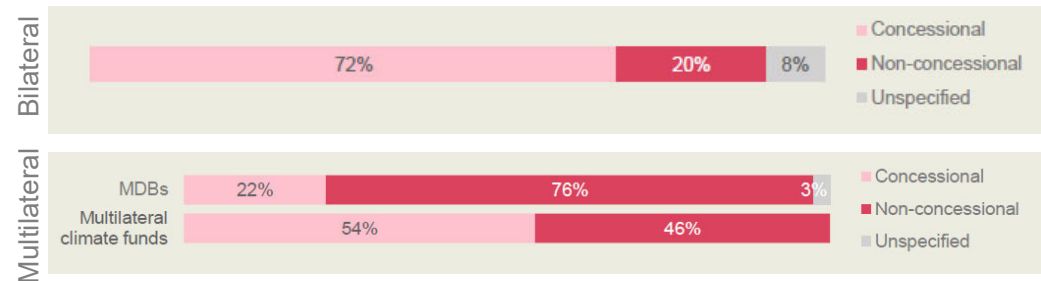
- Balance between adaptation and mitigation not achieved
- Besides multilateral funds (e.g. AF or GCF), additional considerations like gender are rarely reflected
- Flows to LDCs and SIDS doubled, but remain underrepresented

2 | Accounting and Instruments

Public climate finance by instrument (USD billion)



Concessionality of loans (2016-18, in %)



Source: OECD 2020

- OECD Rio Markers and MDB Joint Reporting main tracking approaches
- Lack of common guidance for tracking methodologies creates challenges:
 - impedes comparability
 - potentially leads to double-counting
 - broad application of non-concessional instruments
 - reporting of activities' non-climate related shares as climate finance
 - unclear attribution of private finance flows



Need for improvement of the UNFCCC/PA accounting rules

Arrangements and platforms for discussing climate finance under the UNFCCC post-2020

Article 9.5 PA

- Biennial communications
- Biennial in-session workshops
- Biennial high-level ministerial dialogues

Standing Committee on Finance

- guidance to the Financial Mechanism under the Convention
- Reports: BA and Needs Determination
- contributions to methodological debates

Other elements of the PA

- Article 6: Cooperative Action
- Article 13: Enhanced Transparency Framework
- Article 14: Global Stocktake

2 | The way forward for international climate finance



Remaining gaps and challenges:

- termination of LTF under the Convention
- voluntary nature of reporting
- methodological challenges and data availability
- no clear focus on the USD 100 bn goal in processes and platforms on climate finance

Opportunities on the way forward:

- new reporting formats under the PA deliver more data
- discussions on (aspects of) the USD 100 bn goal under existing platforms (e.g. in-sessions workshops)
- placing the USD 100 bn goal among the agenda items for the Global Stocktake

2 | Conclusions and recommendations



Accounting and instruments

- common definition of climate finance and more precise guidance on applicable accounting methodologies
- minimum benchmarks of tracking approaches and financial instruments for qualifying as appropriate for international climate finance flows under the UNFCCC
- substantial increases in grants and highly concessional climate finance are needed
- differentiating the finance flows and avoiding double-counting
- commonly take stock of progress towards the USD 100 billion finance goal prior to COP 26

Thematic split and geographical allocation

- special recognition of low-income and poor countries (LDCs and SIDS)
- increase in climate finance should not come at the expense of increased ODA spending, and vice versa

2 | Conclusions and recommendations



Processes for discussing climate finance

- debating a future role of LTF under the Convention
- including the USD 100 bn goal among the agenda for the Global Stocktake
- development of a roadmap for providing financial support in 2020–2025
- reflection of latest debates in climate finance under the arrangements and platforms under the UNFCCC and the PA (e.g. loss and damage finance)



3 | Q & A



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Thank you for participation !



The policy brief and the recorded Online Seminar can be found on our website:

www.cfas.info

Follow-up Online Seminar on post-2025 goal on 10th of December, 1pm GMT

Contact our CFAS experts for follow-up questions:

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