

Understanding climate change finance flows and effectiveness – mapping of recent initiatives

Neil Bird with contributions from Tom Beloe, Jan Corfee-Morlot and Sáni Zou



*CAPACITY DEVELOPMENT FOR
DEVELOPMENT EFFECTIVENESS
FACILITY FOR ASIA AND PACIFIC*



Contents

Introduction	3
Mapping of different knowledge management initiatives	3
(i) Tracking international climate finance flows.....	3
Country-led Reporting	4
International Organisations	4
Multilateral Development Banks	5
Bilateral Financing Institutions	6
Civil Society Organisations	6
Joint International Efforts	7
(ii) The aid effectiveness of climate finance.....	8
Country Studies.....	8
Civil Society Organisations	9
(iii) National delivery of climate finance	10
UNDP Climate Public Expenditure and Institutional Reviews (CPEIRs)	10
World Bank Climate Public Expenditure Reviews (CPEIRs).....	10
World Bank initiative on Climate Change and Public Expenditure Review Sourcebook	10
UNEP supported studies	10
Other national climate finance studies.....	11
Conclusions	11

Introduction

This paper is aimed primarily at government officials who are involved in decision making over how to utilise climate finance¹ in support of relevant national actions. It provides an overview of the large number of initiatives that have been implemented to assist developing countries manage their response to climate change, both through information provision and policy-relevant analysis. It is hoped this brief stock-take can be updated periodically, possibly through a web-based portal to manage information on this fast moving agenda.

Mapping of different knowledge management initiatives

A number of initiatives are underway by a range of donor, civil society and academic actors to improve understanding of climate finance. A progression in this analytical work can be charted as:

- (i) ***Tracking international climate finance flows:*** Much of earliest work, from 2009 onwards, was focused on understanding the international architecture for the delivery of climate finance, with an emphasis on the tracking of climate finance flows. This remains a major field of enquiry and research that generates much international policy attention.
- (ii) ***The aid effectiveness of climate finance:*** The next wave of analytical work began in 2010, with the intention of learning lessons from the experiences of development finance. In 2011, the Busan Partnership for Effective Development Co-operation denoted climate finance as a development priority, indicating that the principles by which the quality of aid delivery has been judged can be used as a lens through which climate finance delivery can also be assessed.
- (iii) ***National delivery of climate finance:*** The most recent wave of climate finance analysis began in mid-2011, with the study of national climate finance moving to an approach that focused on the national delivery system, using the government budgetary system as the principal mechanism whereby climate change policies are resourced and finance is channelled.

The following sections, whilst not necessarily exhaustive, describe the main initiatives that have been involved in the provision of these knowledge management tools.

(i) Tracking international climate finance flows

Various aspects of climate finance flows are reported upon, monitored and tracked via a number of websites, ranging from efforts led by contributor countries, to those of international organizations and multilateral development banks, to several civil society efforts. A number of for-profit commercial data providers, such as Deutsche Bank Research, PointCarbon and Bloomberg NEF, concentrate on tracking and providing information on private sector and carbon market finance flows.

These climate finance reporting and tracking efforts are listed below, with a brief description of the information tracked. This listing indicates the considerable investment made at the international level to identify and track climate finance that is going to developing countries. However, it also shows the bewildering complexity of initiatives, which can act as a barrier to developing country

¹ Climate finance remains an imprecise term that has no commonly accepted definition. However, it is generally understood to mean those financial resources that are directed at supporting climate change related actions in developing countries (i.e. both adaptation and mitigation as well as relevant reporting activities). It covers a wide range of sources (both public and private) and mechanisms (e.g. grant finance and concessional loans).

governments in their effort to see ‘the wood for the trees’, and secure a coherent oversight of international commitments. This continues to be the first issue of major concern in many developing countries.

Country-led Reporting

- **Faststartfinance.org** – This [website](#), initiated by the government of the Netherlands and supported by other contributor governments as well as international organizations, came online mid-2010 and provides information on the funding that individual developed countries are providing as part of the Fast Start Finance commitments made at the 2009 Copenhagen COP meeting. Information provided by contributing countries is ‘mirrored’ on pages for receiving countries where actions are carried out. The information is provided by the contributing countries and reflects their description of actions and programs in receiving countries. However, the last update of the website was made in December 2011, so the information is rapidly becoming out-of-date.

International Organisations

- **Development Assistance Committee (OECD DAC) and other work of the Organisation for Economic Co-operation and Development** – Since 1998, the OECD DAC has monitored aid targeting the objectives of the Rio Conventions through its [Creditor Reporting System \(CRS\)](#), using the so-called ‘[Rio markers](#)’. These markers include one on climate change mitigation, which was developed by the DAC in collaboration with the UNFCCC Secretariat. Since 2010, there has also been a Rio marker for adaptation. With the Rio markers for mitigation and adaptation, contributor countries’ policy objectives for climate-relevant aid are marked as having a climate objective that is ‘principal’ (would not have been funded but for this objective) or ‘significant’ (formulated to help meet this objective). A central OECD [website on climate finance](#) features other relevant OECD work.
- **Climate Change Expert Group (CCXG supported by the OECD and IEA)** - The CCXG has issued [a series of papers](#) on questions relating to data availability, quality and consistency on different sources of international climate finance to support developing country action on climate change. Early work focuses on how to build on existing information and systems to develop a comprehensive system for tracking climate finance. The most recent 2012 study [‘Tracking Climate Change: What and How?’](#) reports findings on two questions related to the tracking of international climate finance: ‘How the international community counts both public and private financial flows towards the \$100 billion commitment?’ and ‘How to track these flows?’. Examples of different types of funding for mitigation and adaptation activities in developing countries are presented to illustrate some of the challenges identified for tracking. While citing that significant gaps and data quality issues, it estimates that North South flows of climate finance are in the range of 70 to 120 bn USD (from public and private sources).
- **United Nations Framework Convention on Climate Change (UNFCCC)** – the UNFCCC Secretariat launched its [Finance Portal](#) under the UNFCCC website in November 2011. This site aims to provide information on the financial flows mobilized to achieve the objectives of the Convention, via three distinct information modules: (i) data and information derived from UNFCCC Parties National Communications (the reported financial contribution of industrialized countries under existing commitments); (ii) a ‘fast start finance’ module presenting information also provided by developed country Parties; and (iii) flows of funds under GEF management (the LDCF, SCCF and the climate change portion of the GEF Trust Fund). The UNFCCC Secretariat also provides a sub-page [Funding for Adaptation](#) that lists 25 multilateral and bilateral adaptation funding options with links to respective funds’ and programs’ websites. These include existing adaptation finance mechanisms under the

UNFCCC and the Kyoto Protocol, such as the Adaptation Fund, together with the SCCF and the LDCF housed at the GEF².

- **UNEP-SEFI** – UNEP’s Sustainable Energy Finance Initiative (SEFI) is a web-based platform providing private sector financiers with support to develop and manage investments in clean energy technologies. Together with commercial data provider Bloomberg New Energy Finance, this initiative releases [a yearly report on global trends in sustainable energy investments](#), which provides aggregate global, regional and national figures on combined private and public sector investments in key clean energy sectors and subsectors.
- **UNDP MPTF Office Gateway** – Since 2010, the [UNDP Multi-Partner Trust Fund Office Gateway](#) provides real-time information on the balance of resources committed, deposited, budgeted, transferred, and spent within a large number of UNDP-administered funds. This portfolio includes funds that support humanitarian, recovery, reconstruction and development processes. It covers a small number of climate change initiatives (including the recently established [Mali Climate Fund](#)).

Multilateral Development Banks

- **The World Bank Group** – The World Bank has developed a system to measure funding that contributes to climate-change adaptation and mitigation, enabling comprehensive, transparent and consistent reporting on its climate-related lending. This system covers the World Bank’s own resources (IBRD and IDA) as well as a number of external resources, including climate finance (e.g. funding from the Climate Investment Funds flowing through the World Bank). Data (available from FY11 on) show expanding support for climate change, particularly adaptation (see [here](#)). This is a first step to provide open and transparent information about the World Bank’s engagement on climate change and complementary efforts are underway to measure impacts (e.g. GHG accounting to be piloted in select sectors in 2013). The World Bank also reports to the OECD DAC Secretariat on its climate relevant outflows (through the use of Rio markers). The IFC, the World Bank’s private sector arm, has been tracking its climate-related financing since 2005. IFC also measures project GHG emissions as well as reductions. More information is available on the IFC [Climate Business](#) website.
- **Climate Investment Funds (CIFs)**: With USD 7.2 billion in pledges, the CIFs aim to support transformative adaptation and mitigation at scale in 48 countries. The CIFs are implemented by a group of Multilateral Development Banks and information about financial pledges, commitments and projects is provided on the CIF [website](#).
- **Forest Carbon Partnership Facility (FCPF) Dashboard** – The World Bank’s [FCPF Dashboard](#) provides periodic updates of country status concerning progress under the Forest Carbon Partnership Facility, with figures on grants signed and/or disbursed, as well as a financial summary.
- **Regional Development Banks (ADB, AfDB, IDB, EBRD, EIB)** – The regional development banks (together with the WB and IFC) are implementing agencies for investments by the CIFs. They also report on climate-related ODA flows not going through the CIFs but handled via their own programs and projects based on their own mandates and operations. However, they use different indicators to classify projects (relevant information is available as part of their respective annual reports or under ‘climate change’ webpages). Most have public project databases with search engines, although the capacity of these to search for climate-

² SCCF: Special Climate Change Fund, for which all developing countries are eligible; LDCF: Least Developed Countries Fund, for which only LDCs are eligible.

related projects is in general limited. (See also below – Joint Multilateral Development Bank).

Bilateral Financing Institutions

- **Individual Country BFI reporting** – bilateral financing institutions such as the French development agency, the Japanese development agency, or Germany’s development bank disclose information on their climate-related investments individually to varying degrees of detail. This information is contained within their respective annual reports. Their numbers generally provide some sectoral and regional differentiation as well as information on different financial instruments used. These contributions are reported exclusively as ODA.
- **UNEP-BFI Working Group** – Since 2009, a UNEP Climate Change Working Group for Bilateral Finance Institutions has been in operation. It has reported on collective climate change financial flows of participating BFIs, presently comprised of Agence Française de Développement (AFD), KfW Entwicklungsbank (Development Bank, Germany), Japan International Cooperation Agency (JICA), Nordic Environment Finance Corporation (NEFCO), and the European Investment Bank (EIB) to developing countries. The term ‘climate financing’ is broadly defined as finance flowing from developed to developing countries, including support for mitigation, adaptation, policy and capacity-building. The report covers both concessional and non-concessional (public) development finance. The Group’s most recent [Annual Report](#) mapped out the participating BFIs 2009 climate-related ODA flows.

Civil Society Organisations

- **ODI/Heinrich Boell Foundation** – the [Climate Funds Update](#) website provides an aggregate picture of all climate change finance flows from North to South through 26 dedicated climate change funds. While other information sources provide detail on individual funds and contributions, CFU’s aggregated data of both bilateral and multilateral funds allows for comparability, cross-checking and global stock taking. CFU’s current framework on financial flows allows stakeholders to assess global contributions by funders, the landscape of supported projects, and the allocation of support across themes, regions, and countries. CFU represents the first open source data set in the world providing aggregate data on climate finance disbursements.
- **World Resources Institute (WRI)** – WRI is tracking the public financing commitments made by developed countries at the Copenhagen COP meeting in 2009 and their allocation for the period 2010-2012 (Fast Start Finance). Data on individual contributor countries is compiled in a table available [online](#) (last updated 2012). WRI is also involved in working on methodologies and guidelines for the [MRV of public climate finance](#) as well as future work on the MRV of climate mitigation action and the provision of climate finance through a collaborative project, the [Open Climate Network](#).
- **Climate Policy Initiative (CPI)** – In [‘The Landscape of Climate Finance’](#) in 2011, CPI estimated international global climate finance (with a mid-range estimate of USD 97 billion in total) and broke down its components according to sources, intermediaries, instruments and uses of finance. It also highlighted a number of challenges encountered in the tracking of climate finance, including its definition, and issues in data gathering and coordination. The 2012 updated report on the ‘Landscape of Climate Finance’, which is about to be published, gives greater attention to private sector flows and broadens the scope. The updated report covers domestic climate finance flows and South-South flows as well as a wider variety of actors, e.g. including coverage of national development banks.
- **Project Catalyst** – [Project Catalyst](#), an initiative launched in 2008 by the NGO ClimateWorks, compiles data on public Fast Start Finance and international climate finance flows, as well as

future global total climate finance needs (by both public and private climate finance contributions). This information is presented via a variety of analytical papers and briefings, but not in tabular or graphical format on a continually updated basis.

- **Ecosystem Marketplace** – [The Ecosystem Marketplace](#), a project of Forest Trends, is a source of news, data, and analysis on markets and payments for ecosystem services (such as water quality, carbon sequestration, and biodiversity). It covers carbon markets, specifically Kyoto-related carbon markets (the EU ETS, CDM and JI) as well as voluntary and regional carbon markets and exchanges. Together with Bloomberg New Energy Finance, it publishes a yearly [report](#) on the state of the voluntary carbon market.
- **Voluntary REDD+ Database** – The [Voluntary REDD+ database](#) was launched at the Ministerial Meeting of the REDD+ Partnership in Nagoya, Japan in October 2010. Jointly managed by FAO and UNEP-WCMC, the database provides information on REDD+ financing, together with actions and results that has been reported to the REDD+ Partnership. The core data consists of agreements to undertake REDD+ related actions, involving funders and recipients.
- **REDD Countries Database** – The REDD Desk’s [REDD Countries Database](#) provides information on REDD activities in a number of tropical countries. An initiative of the Global Canopy Programme and the Forum on Readiness for REDD, it is organised by country and summarises key information across a range of areas including national policies, plans, laws, statistics, activities and financing.
- **Germanwatch** – [Different Tales from Different Countries](#) is the first third-party assessment on the OECD adaptation markers. Based on the Creditor Reporting System dataset published in March 2012, the paper examines the validity of these results and the credibility of the marker, and makes recommendations on ways to improve the current reporting system.

Joint International Efforts

- **Climate Finance Options** – This [website](#), launched at the Cancun COP meeting in December 2010, is a joint World Bank-UNDP initiative. It aims to provide information on the financial options available for climate action in developing countries by describing how to access the wide range of funds available from multilateral and bilateral institutions, as well as public and private sources. The website also features a database of best practices examples of the use of climate finance sources. The website provides detailed search functions on sector, thematic focus and funding mechanisms for both funding sources and projects on the ground, but does not track or aggregate funding disbursements under the initiatives and financial options listed.
- **CCAPS Climate Codebook** – This joint [exercise](#) was completed in 2012 by the University of Texas at Austin and the Development Gateway, to track climate change adaptation related aid in Malawi. The exercise coded all ODA projects and activities in the country’s Aid Management Platform, according to the Rio markers’ definition of primary and significant adaptation objectives. These projects are geo-coded on the CCAPS [website](#), along with AfDB and World Bank projects in Africa.
- **Joint MDB Reporting Initiative on Climate Finance** – A group of MDBs are joining efforts to develop a common approach for climate finance reporting. Comprising the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the World Bank (WB), and the International Finance Corporation (IFC), an initial [report](#) on mitigation finance was released in 2012. These MDBs

are engaged in a parallel initiative to develop a joint approach for adaptation finance tracking with initial results to be released at the 2012 UN Climate Change Conference in Doha, Qatar.

- **Adaptation Learning Mechanism (ALM)** is an [online platform](#) for tracking climate finance and network of practitioners jointly provided by the GEF, UNDP, World Bank, UNFCCC, UNEP and FAO. The online platform tracks the amount of funding and co-financing for projects and initiatives by country, funding source, theme, type and leading organisation.
- The **Research Collaborative on Tracking Private Climate Finance**, launched in 2012, is a partnership co-ordinated by the OECD with participation by other international research institutes and non-governmental organisations, as well as a range of national governments, aiming to develop a systematic approach and methodologies for tracking private financial flows relevant for climate change and will also aim to advance understanding of the interactions of public and private finance flows.

(ii) The aid effectiveness of climate finance

Country Studies

The second wave of studies primarily reflects a contributor country perspective to learn from the experiences of the development cooperation relationship between developed and developing countries. It builds on a considerable body of analytical work on aid effectiveness that has been carried out since the signing of the 2005 Paris Declaration on Aid Effectiveness. The Paris Declaration was a joint undertaking by developed and developing country governments to fulfil five key commitments to improve aid effectiveness; the appropriateness of applying these principles³ to climate finance, however, remains a continuing source of debate. The Paris commitments involved supporting national ownership of the development process, promoting donor harmonisation, aligning donor systems with national systems, managing for results, and mutual accountability between donor and recipient. These principles of aid effectiveness provide the analytical framework by which the first country studies on climate finance delivery were undertaken.

- **European Commission (by ODI, IDS and DIE)** – Under the EDC2020 project’s [climate change component](#), ODI together with the Institute for Development Studies (IDS) and the German Development Institute (DIE) evaluated the approach taken by the European Union at both Member State level (e.g. Germany’s International Climate Initiative, ICI) and through the European Commission (e.g. the Global Climate Change Alliance, GCCA), to help support climate change actions in developing countries through development cooperation. In addition to the principles that help guide development cooperation, the project’s [analysis](#) identified principles derived within the UNFCCC negotiations to guide the application of climate finance. Two country case studies were undertaken: in [Bangladesh](#) and [Indonesia](#).
- **CDDE Facility (by Agulhas, WRI and UNDP)** – in 2010, five country studies were commissioned by the Capacity Development for Development Effectiveness (CDDE) Facility, supported by the Asian Development Bank, Government of Korea, Government of Japan, Swedish SIDA and UNDP as part of a regional dialogue process in the Asia-Pacific region, also supported by the OECD DAC. The purpose of the initiative was to develop a set of recommendations regarding the programming of climate change finance at the national level. The initiative sought to strengthen the management of climate change finance by

³ Ownership, alignment, harmonisation, managing for results and mutual accountability

national governments and donors through a consideration of the five Aid Effectiveness principles. Country studies were completed in [Bangladesh](#), [Cambodia](#), [Indonesia](#), [Philippines](#), [Vietnam](#), and a synthesis report - [Realising Development Effectiveness: Making the Most of Climate Change Finance in Asia and the Pacific](#) - was also prepared.

- **African Development Bank and OECD (by Agulhas)** - together with the African Development Bank, the OECD DAC commissioned country case studies on climate change finance management in several African countries ([Cameroon](#), [Ghana](#), [Kenya](#), [Morocco](#), [Tanzania](#), [South Africa](#)). Having these reports as inputs, a regional dialogue was organised in Nairobi in 2011 with broad participation from African governments, development partners, civil societies and media. The workshop concluded with a statement - [The Nairobi Call for Action: An African Approach to Accountable and Effective Climate Finance](#), which identified actions for both African countries and development co-operation to ensure the effective channelling of international climate finance.

Civil Society Organisations

There are also a large number of international and regional civil society analyses and commentaries on channelling climate finance using development effectiveness principles. These range from studies that have assessed existing monitoring and evaluation systems for international climate finance in bilateral and multilateral intermediaries to more descriptive information notes aimed at non-government actors and advocacy-related commentaries and analytical research. Some recent examples include:

- **EDF, CPI, ODI, Brookings** – the 2011 report [‘Improving the Effectiveness of Climate Finance: Key Lessons’](#) provides a literature review on international public, private and market-based finance, as well as broader development finance. It also summarises lessons for policymakers to address two key questions: ‘What makes climate finance effective?’ and ‘What tools, methods, or systems might improve the effectiveness of climate finance?’
- **Oxfam** – the 2011 report [Minding the Money](#) took Nepal as a country case study to examine the governance of adaptation finance and the challenges facing delivering support to those most vulnerable to climate change.
- **IBON International** – the 2011 policy brief [Climate Finance: Key Issues for Durban](#) highlighted the international funding gap and the need to transform climate finance governance and delivery.
- **Lowy Institute** – the 2011 policy brief [Turning the Tide](#) focused on the challenge of improving access to climate financing in the Pacific Islands.
- **IDASA** – the 2011 paper [Beyond the jargon: the governance of climate finance](#) called for funding for adaptation and mitigation to be aligned with development objectives and national strategies.
- **Aidinfo** – the 2012 report [Towards Climate Finance Transparency](#), which was a joint collaboration with Publish What You Fund, examined the general principles at the intersection between aid transparency and climate finance.
- **CPI** – the 2012 report [‘Public Climate Finance: A Survey of Systems to Monitor and Evaluate Climate Finance Effectiveness’](#) examines the monitoring and reporting systems of eight multilateral and bilateral intermediaries that play an important role in the distribution of international public climate finance.

- **Global Witness** – the 2012 report [Safeguarding REDD+ Finance](#) examined the transparency of international financial flows, primarily through multilateral funds, in support of the REDD+ forest protection mechanism.

(iii) National delivery of climate finance

The third, and most recent, wave of analytical work on climate finance delivery has moved thinking beyond a context defined by the relationship between contributor and recipient countries, to one that focuses on the national system. It emphasises the policy, institutional and budgetary framework through which climate change actions need to be identified, financed and implemented within developing countries. It attempts to support country efforts in an explicit way by identifying where capacities require strengthening in order to respond to climate change.

UNDP Climate Public Expenditure and Institutional Reviews (CPEIRs)

- **ODI** – the first national study of climate finance delivery that examined public expenditure and the national budgetary system in detail was carried out in [Nepal](#) in 2011. This study was followed by one in [Bangladesh](#). Three further country studies, in [Thailand](#), [Cambodia](#) and [Samoa](#), were undertaken in 2012 using the same approach (termed Climate Public Expenditure and Institutional Reviews, CPEIRs).

World Bank Climate Change Public Expenditure Reviews (CCPERs)

WB – the World Bank is currently working with the Governments of [Morocco](#), [the Philippines](#) and Vietnam on Climate Change Public Expenditure Reviews. The Reviews address the expenditure implications of national climate change policies.

World Bank initiative on Climate Change and Public Expenditure Review Sourcebook

- **WB with UNDP and DFID** – are preparing a Climate Change Public Expenditure Review Sourcebook. The Sourcebook seeks to provide public expenditure management practitioners and climate change specialists with the information and tools needed to respond to the public expenditure policy and management challenges arising from climate change. The Sourcebook will: a) consolidate and facilitate access to research and international practice, and b) identify potential applications for developing countries. The Sourcebook addresses climate change as it relates to: fiscal policy; planning; decision-making; risk management; finance; financial management; and inter-governmental relations. The Sourcebook will be published in 2013.

UNEP supported studies

- **WRI** – The [‘Monitoring the Receipt of International Climate Finance by Developing Countries’](#) report by WRI identified existing country systems tracking ODA and other international climate finance in three Asian-Pacific countries (Indonesia, the Philippines and Vietnam). The report also explored capacity gaps and other challenges faced by these systems and potential areas for future development.

DFID supported studies on promoting effective national climate finance

- **ODI** – ODI is carrying out further national climate finance analysis in several East African countries (Uganda, Tanzania, and two others). These country studies will provide detailed information on how key government agencies utilise their existing budgets and resources to address climate change issues.

GIZ supported studies on climate finance readiness

- **ODI and the Africa Climate Finance Hub** - have begun a programme of work to understand readiness for the effective use of climate finance in three countries: Namibia, Zambia and Tanzania.

Other national climate finance studies

- **TNC** – The Nature Conservancy has worked with a number of recipient countries (Brazil, Costa Rica, Indonesia, Micronesia, Mexico and Peru), to evaluate the design and implementation of the national institutional arrangements that determine the [effectiveness of climate finance delivery](#).

Conclusions

The analysis of climate finance is a rapidly evolving field of enquiry, where the initial focus on the sources of such finance has given way to a more holistic evaluation of its delivery. In addition to the continuing interest to identify the scale of such flows, questions are now being asked of the effectiveness of this spending (including methodological questions about how to assess effectiveness). Information provision comes from a wide range of actors, including donor agencies, civil society organisations, international organisations and academia, and maintaining an overview of this wealth of information is a major challenge for those involved in determining national policy as well as for development partners.

There is a wealth of development partner activity now underway in support of national climate change actions in most developing countries. There is a vast literature on such activity, much of it project based, across the themes of both mitigation and adaptation, where the continuum is broad, ranging from support for ‘hard’ adaptation investment to ‘soft’ investments in capacity building for climate resilience and sustainable development. Development finance and co-operation captures an ever expanding list of activities.

New themes are also appearing. First, there is increasing interest to understand the process whereby national resources (including development finance) are allocated and transferred down through different tiers of government, so as to ensure financial support is received by those most vulnerable to climate change. Second, there is interest to understand private sector flows, now that it is recognised that a major source of climate finance can be expected to come from private capital. This will present quite different analytical challenges from the previous focus on public finance. A third emerging theme is on national policy coherence challenges, for example, directed at public investments that may hasten climate change through increased carbon emissions.

Such analysis is needed over both the short and medium-term as climate change will remain an issue for public policy into the foreseeable future. This suggests that early investment in national and regional centres of excellence for policy analysis on climate change would provide national governments with the evidence to develop robust climate change policies and advance sustainable development.

For more information:

www.climatefinance-developmenteffectiveness.org

All comments or queries on this overview should be directed to:

Neil Bird, ODI, n.bird@odi.org.uk

Last updated 28 November 2012



*CAPACITY DEVELOPMENT FOR
DEVELOPMENT EFFECTIVENESS
FACILITY FOR ASIA AND PACIFIC*

