

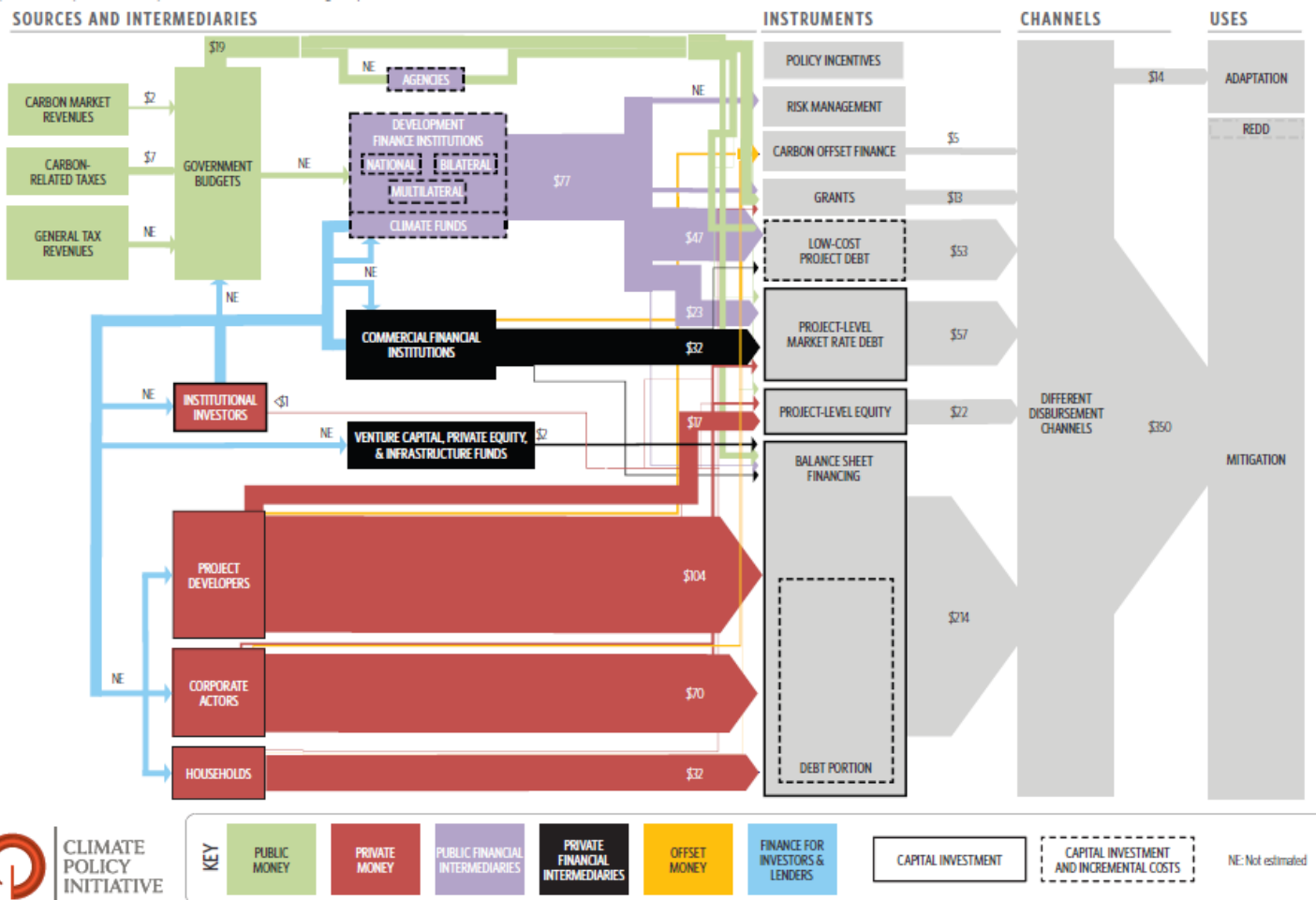


# **Readiness for Climate Finance: Access and Budgeting**

**Building Pathways to Greener Growth**

June 3-4, Bogor, Indonesia

# Global Climate-related Flows (2011)



- ✓ \$364 billion globally (inc. \$171 billion in developing countries)
- ✓ \$350 billion for mitigation, \$14 billion for adaptation
- ✓ 75% of private origin; Public sector a catalyst for private finance
- ✓ \$112 billion in north-south flows; public intermediaries important multipliers and channels

Source: CPI (2012)

# Investments Needs and Additional Costs in Dev'ing Countries

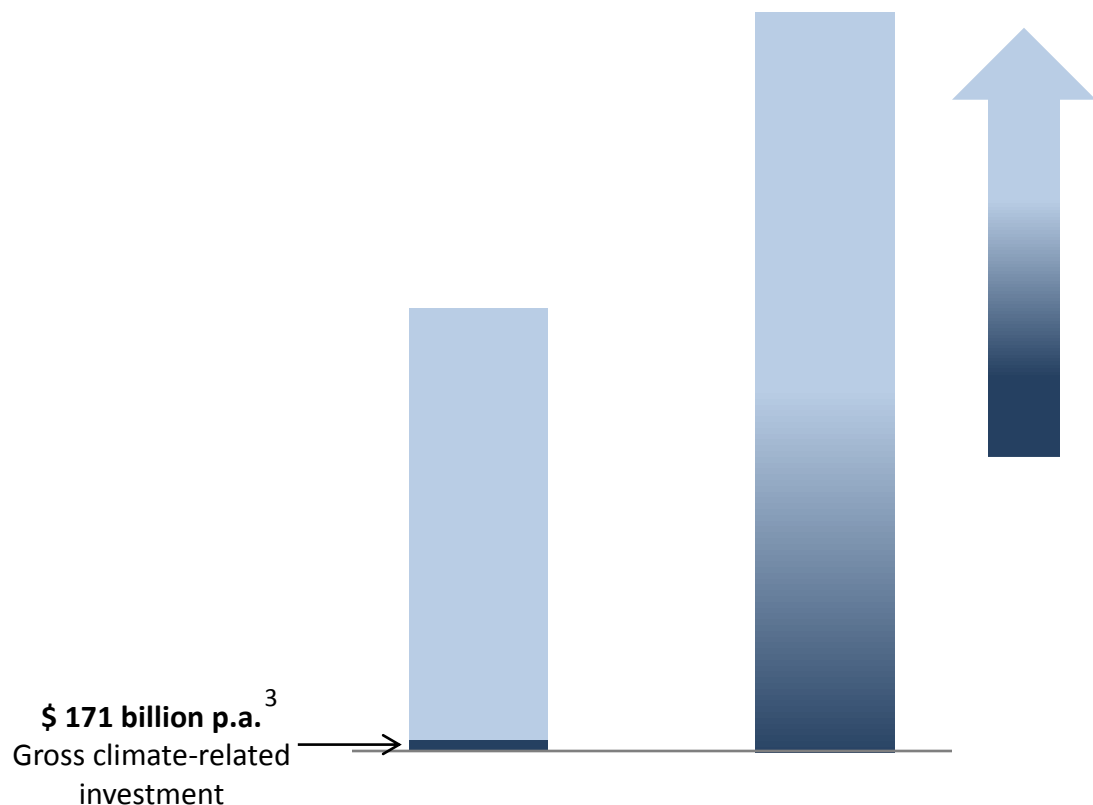
## Gross Investment in Developing Countries

Today<sup>1</sup>

\$ 6,000 billion p.a.

By 2020<sup>2</sup>

\$ 10,000 billion p.a.



### Climate finance to:

- cover additional costs<sup>4</sup>
- shift to greener investment
- mobilize additional sources (mostly private) to fill the investment gap

Sources:

1: WB (2012). *World Development Indicators*

2: WB et al. (2012). *Mobilizing Climate Finance*

3: CPI (2012). *The Landscape of Climate Finance 2012*

4: \$100 billion p.a. for adaptation and \$200 billion p.a. for mitigation as per WB (2010). *World Development Report: Development and Climate Change*

# Five Dimensions of Climate Finance Readiness

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# Climate Public Expenditure and Institutional Reviews (CPEIRs)

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- **Objective**

- ✓ Assess how public expenditures reflect climate priorities (trends, scope, impact)
- ✓ Analyze policy and institutional framework to prioritize, allocate, monitor resources for climate action
- ✓ Establish an historical reference against which future expenditures and impact of policy can be monitored

- **Asia at the forefront**

- ✓ Completed CPEIRs in Nepal, Bangladesh, Cambodia, Indonesia, Morocco, Samoa, Thailand, the Philippines
- ✓ Starting in Vietnam
- ✓ CPEIR-like assessment on going in Ethiopia, Kenya and Uganda, as well as Mexico and Chile, with expanded focus to include private flows
- ✓ UNDP and WB key partners

# Climate Public Expenditure and Institutional Reviews (CPEIRs)

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- **Key outcomes and benefits**

- ✓ Institutional and policy landscape more aware and responsive to climate change: broad platforms to engage Finance, Planning, Environment and other key line Ministries and possibly other stakeholders (local governments)
- ✓ Inputs to development of climate change strategy and plans: reference point to adjust policy and institutions
- ✓ Integration of climate change policy into government planning and budget process: climate strategies are prioritized, costed and monitored; resources are allocated and tracked
- ✓ Improved governance and decision-making on climate policies: recommendations on institutional framework for more efficient and effective coordination and implementation
- ✓ Mobilization of external resources: credible climate strategy and plans and demonstrated frameworks to measure resource flows and impacts vis a vis needs can facilitate access to international climate finance sources

## Questions for discussion

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Need for knowledge and experience sharing, guidance and tools/approaches to:

- appraise projects and programs and prioritize decisions?
- identify and monitor climate expenditures within budget?
- monitor progress through indicators and results frameworks?
- set up climate finance institutional mechanisms?



# Helpful Resources

Climate Finance Options

[Climatefinanceoptions.org](http://Climatefinanceoptions.org)

Climate-Smart Planning platform

[Climatesmartplanning.org](http://Climatesmartplanning.org)

GIZ Climate Finance Readiness Portal

[Giz.de/climatefinance](http://Giz.de/climatefinance)

UNDP website on CPEIRs

[Aideffectiveness.org/ClimateChangeFinance](http://Aideffectiveness.org/ClimateChangeFinance)

WB CPEIR Sourcebook (*forthcoming*)

