

# XIII Encuentro anual de la RIOCC

## Sesión 3: Financiamiento Climático

### Global Landscape of Climate Finance

<http://www.climatefinancelandscape.org/>

### Financiamiento para el cambio climático en América Latina y el Caribe

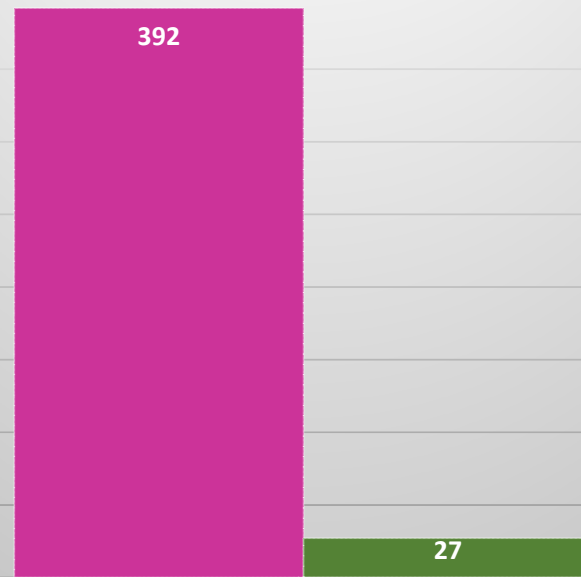
<http://repositorio.cepal.org/>

Subsidios (MMM\$) (2014)



Subsidios a comb fósiles

Flujos de Financiamiento Climático (MMM\$) (2014)



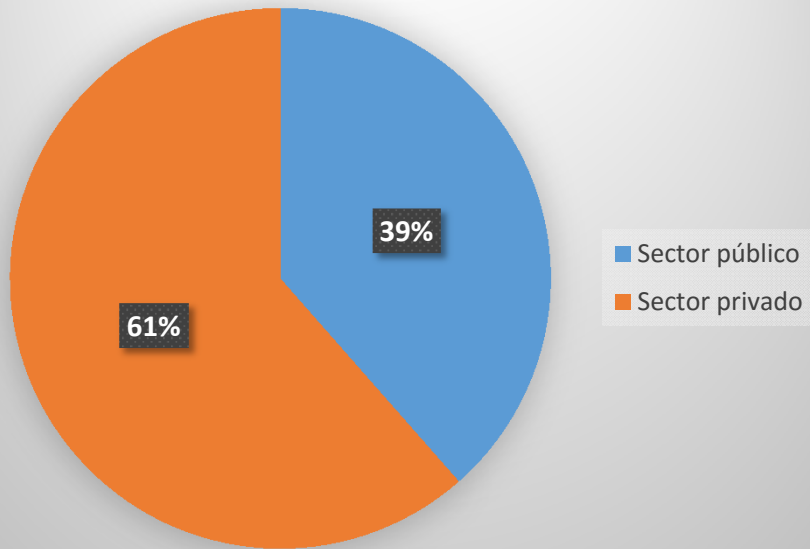
Inversión Global en CC Inversión CC en LAC

**NDCs a 2030 requieren 13,500 mmm.**

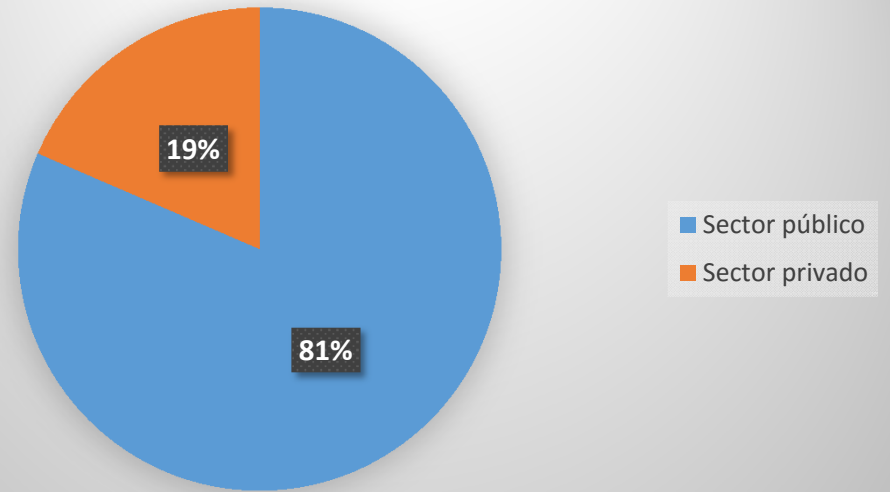
**Si se mantiene este nivel, harían falta 34 años de financiamiento para lograr las metas NDCs**

**Solamente quedan 14 años**

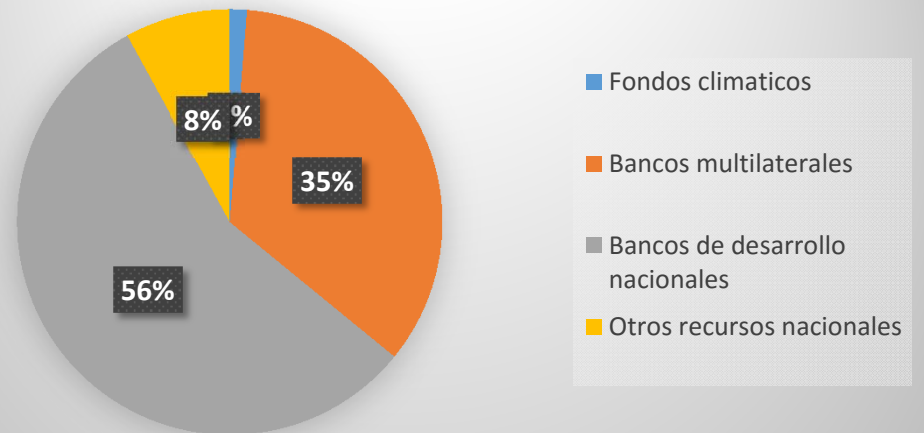
### Inversión global (%)



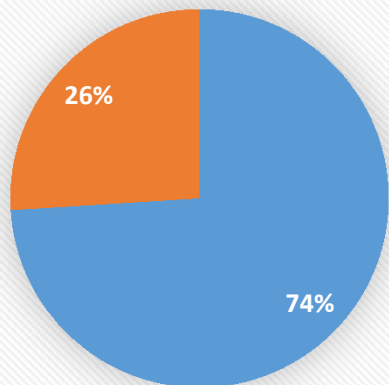
### Inversión LAC (%)



### Inversión LAC fondos públicos (%)

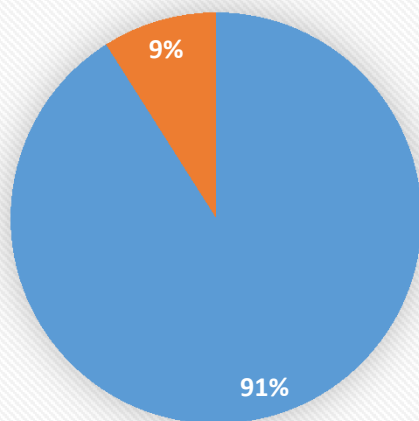


### Flujo de la inversión pública (%)



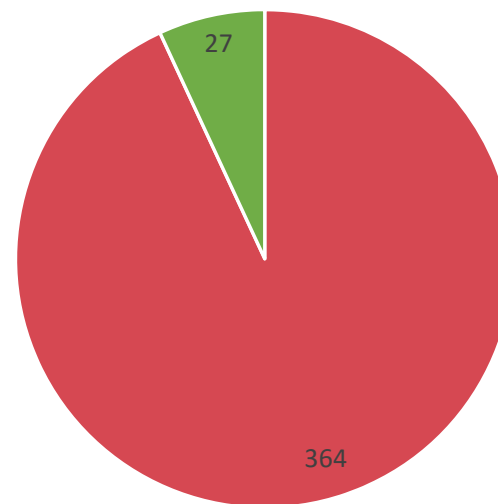
■ Inversión doméstica ■ Inversión internacional

### Flujo de la inversión privada (%)



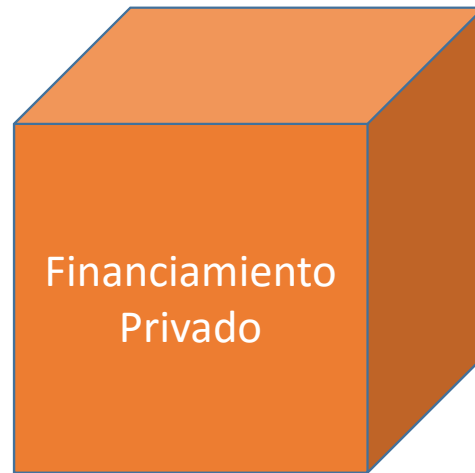
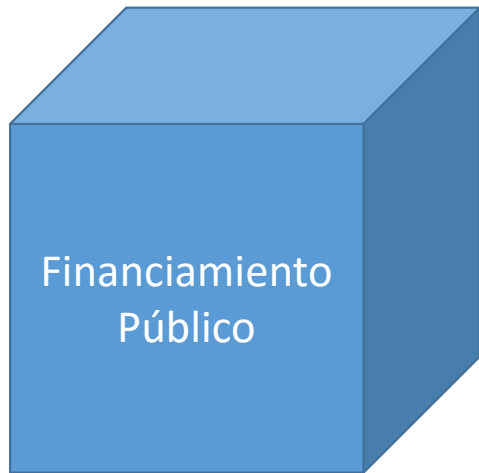
■ Inversión doméstica ■ Inversión internacional

### Inversión mitigación-adaptación (b\$)

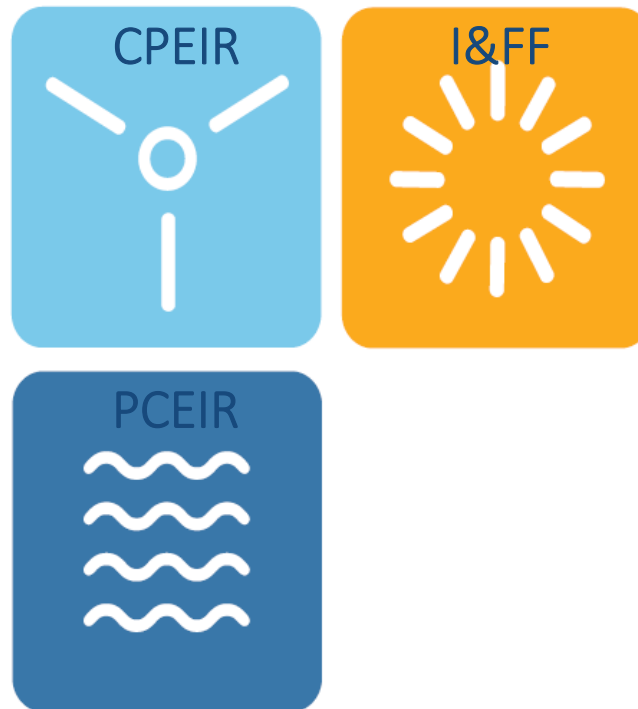


■ Mitigación ■ Adaptación

# FINANCIAMIENTO CLIMATICO



# Assessing & Planning Climate Finance Overview on UNDP Climate Finance Methodologies



# Climate Public Expenditure & Institutional Review



## What challenge does the approach address:

- Identify *current* amounts of **public** resources already spent on mitigation.

## Key features of methodology:

- Helps Ministries of Finance, Planning & Environment to gather evidence on the breadth of climate change related expenditures in their budgets.  
(MRV)

## More information on CPEIR:

- <http://www.aideffectiveness.org/CPEIR>

# Private Climate Expenditure & Institutional Review



## What challenge does the approach address:

- Identify *current* amounts of **private** resources spent on mitigation.

## Key features of methodology:

- Capture a full picture of private financial flows for climate change mitigation & to support decision making on the use of public funds to incentivize private sector investment.
- Methodology: Phase 1 - Scoping. Phase 2 - Data collection & reporting

## More information on the PCEIR:

- <https://undp.unteamworks.org/node/492813>



# Investment & Financial Flow Analysis (I&FF)



## What challenge does the approach address:

Costing *future* investment & financial flows needed to address climate change according to cc strategies or INDC.

- To implement existing cc strategies and commitments: questions regarding costs, potential funding sources, implementing entities & timing of investments.
- I&FF assessments address these questions, not only to quantify the costs of measures within their INDCs, but also analyze full national investment landscape to determine funding sources, implementation entities, investment timings.
- To structure finance efficiently & to budget additional mitigation efforts coherently.



## Investment & Financial Flow Analysis (I&FF)

- Engage key ministries & identify key sectors
- Organize National Inter-Ministerial Dialogue
- Organize training on I&FF methodology
- Conduct I&FF assessments:
  - Project baseline scenario & mitigation/adaptation scenario
  - Cost scenarios, e.g., information broken down to investment entities, years, activities
  - Identify necessary investment changes (mitigation and adaptation)
  - Develop policy recommendations on necessary changes
- Conduct National Inter-Ministerial Dialogue

Download I&FF methodology & support material:

- <http://www.undpcc.org/en/financial-analysis/methodology>

Download finalized assessments::

- <http://www.undpcc.org/en/financial-analysis/results>



## Key messages

- Using various sources of finance will make NDC implementation more efficient
- While the effective participation of the private sector remains a challenge, their role in NDC implementation is critical
- Multilateral funds and public funds can help provide incentives to attract private finance
- The role of public policy in creating an enabling environment for investment is key to addressing barriers
- Having a good understanding of the financial landscape is essential



## Some issues to consider

- Need to develop a funding strategy as part of an NDC implementation plan
- Funding strategy should be addressed in a comprehensive way (considering public funding, private investment, and international support)
- Opportunities for blending different types of finance to unlock investment from private sector (where bulk of finance is)
- Understanding the possible impacts of finance blending on countries' estimates of NDC implementation costs
  - E.g., targeted financial instruments that change risk-return ratio and leverage private investment can decrease finance needs from other sources