



Tracking Climate Finance

INTERNATIONAL CENTER FOR CLIMATE CHANGE AND DEVELOPMENT

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Presentation Outline

- ▶ Climate Finance – definition, complexity, and current landscape
- ▶ Why tracking climate finance matters?
- ▶ Challenges for developing countries
- ▶ How to move forward?
- ▶ ICCCAD's work on tracking climate finance
- ▶ Questions



Climate Finance:

Definition, complexity, and current landscape

Climate Finance

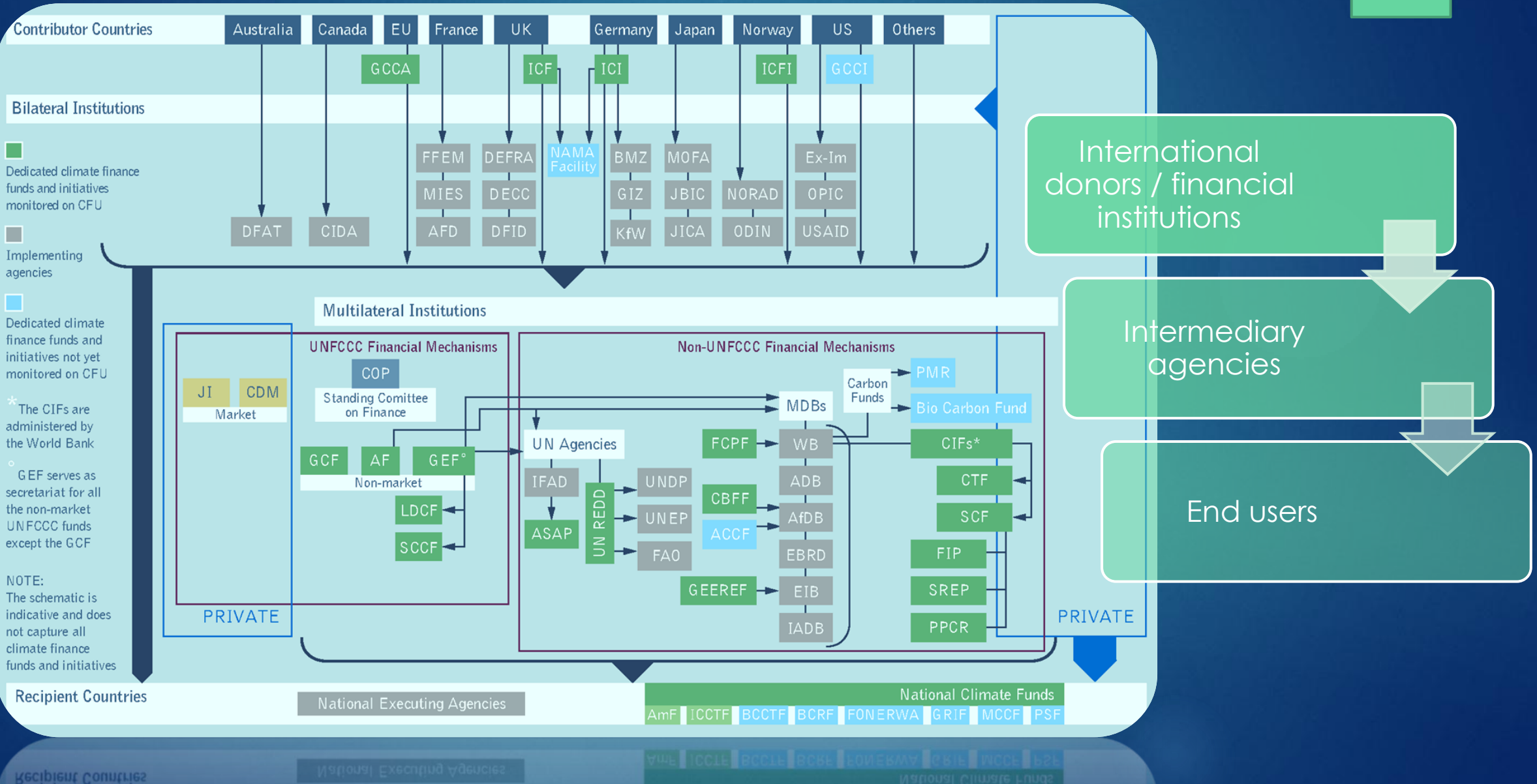
UNFCCC Definition:

- ▶ Nature: local, national or transnational financing
- ▶ Source: public, private and alternative sources.
- ▶ Purpose: mobilize large-scale investments to reduce emissions (mitigation); and allow countries to adapt to the adverse effects and reduce the impacts of climate change (adaptation)

However-

- ▶ No UNFCCC criteria – OECD Rio Markers, MDBs system
- ▶ Additionality – how to distinguish it from ODA

Climate Finance Landscape





Tracking Climate Finance:

Why it matters



- ▶ Fulfil obligated finance promises
- ▶ New and additional
- ▶ Balanced division between mitigation / adaptation:
- ▶ Effectiveness: real spending, targeted vulnerable groups..



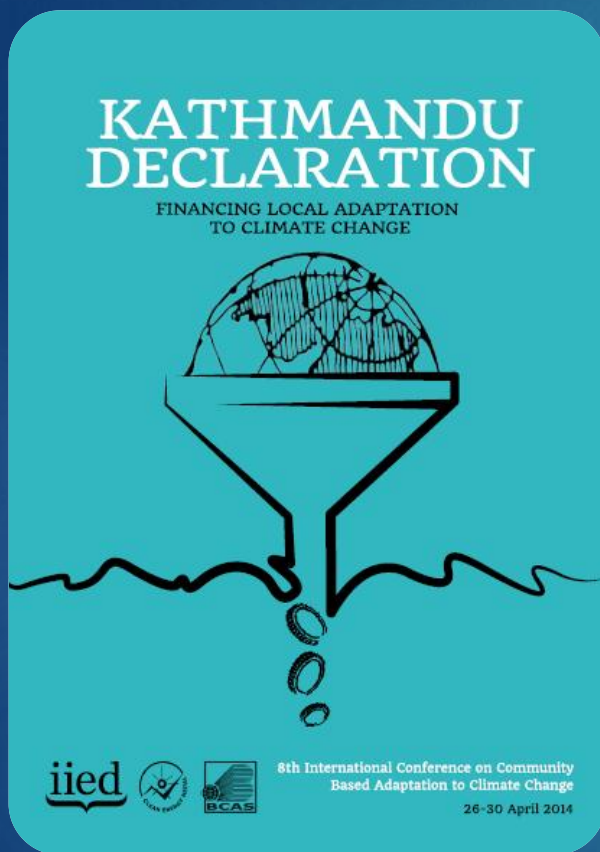
International



National

- ▶ Long term planning and evidence based decision making
- ▶ Cross-checking
- ▶ National implementation

Kathmandu Declaration – CBA 8



- ▶ Funding must reach local communities and target the most vulnerable.
- ▶ Stakeholders must be able to access information about availability, deployment and utilization of adaptation funding - tracking financial flows at all stages

50-50-50 Principle:

- ▶ Of all global climate finance, at least 50% for adaptation
- ▶ Of all adaptation finance, at least 50% for most vulnerable countries
- ▶ Of all climate finance reaches to national level, at least 50% for most vulnerable groups



Tracking Climate Finance:

Challenges for developing countries




Insufficient institutional arrangement



- ▶ Unclear roles and responsibilities for different players
- ▶ Horizontal: cross-ministerial and cross-sectoral coordination
- ▶ Vertical: cross-jurisdiction coordination

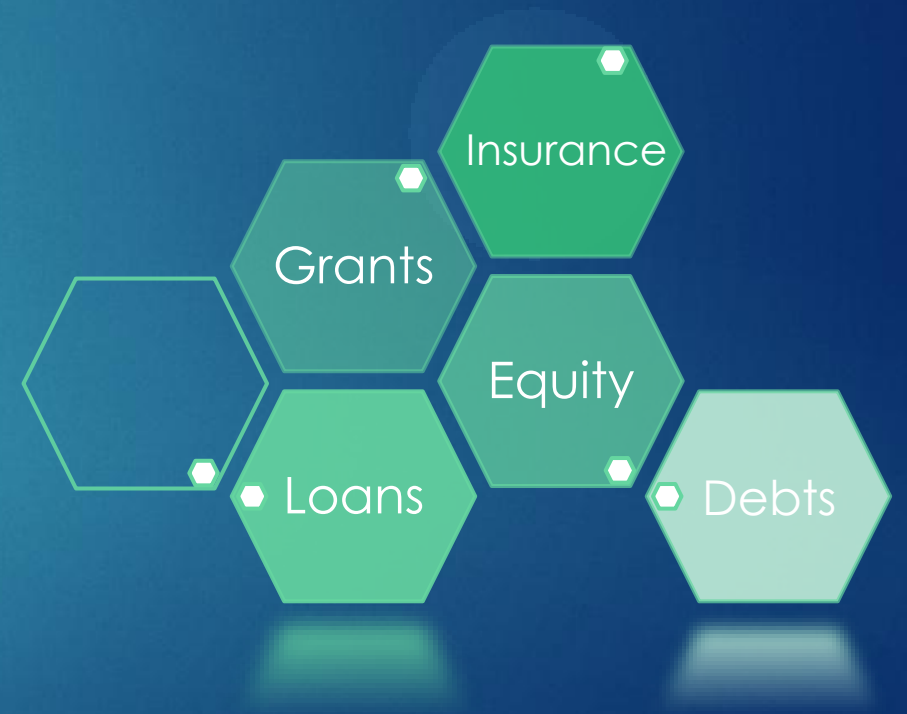
Insufficient technical capacity



- ▶ Lack of systematic codes that explicitly identify climate-related projects
 - ▶ Separate from national public funding and budgetary allocation systems
 - ▶ Remaining dispute over climate finance and ODA
 - ▶ Substantive costs and timescale of altering existing system and training staff to familiarize new systems
- 

Different climate finance instruments

- ▶ Lack of previous data – difficult to identify the most appropriate instruments
- ▶ Wide spectrum of climate finance instruments under different donor institutions
- ▶ Complexity of deployment: e.g. loans administration and repayment planning and binding



Prescriptive donor systems

- ▶ Weak incentive to develop own climate finance tracking system
- ▶ Climate finance flow outside of the national budgetary systems
- ▶ Burdens to limited staff and capacity

Good sign:

- ▶ Adaptation Fund & Green Climate Fund
- ▶ Direct access modality – non-prescriptive accreditation, emphasize existing national system





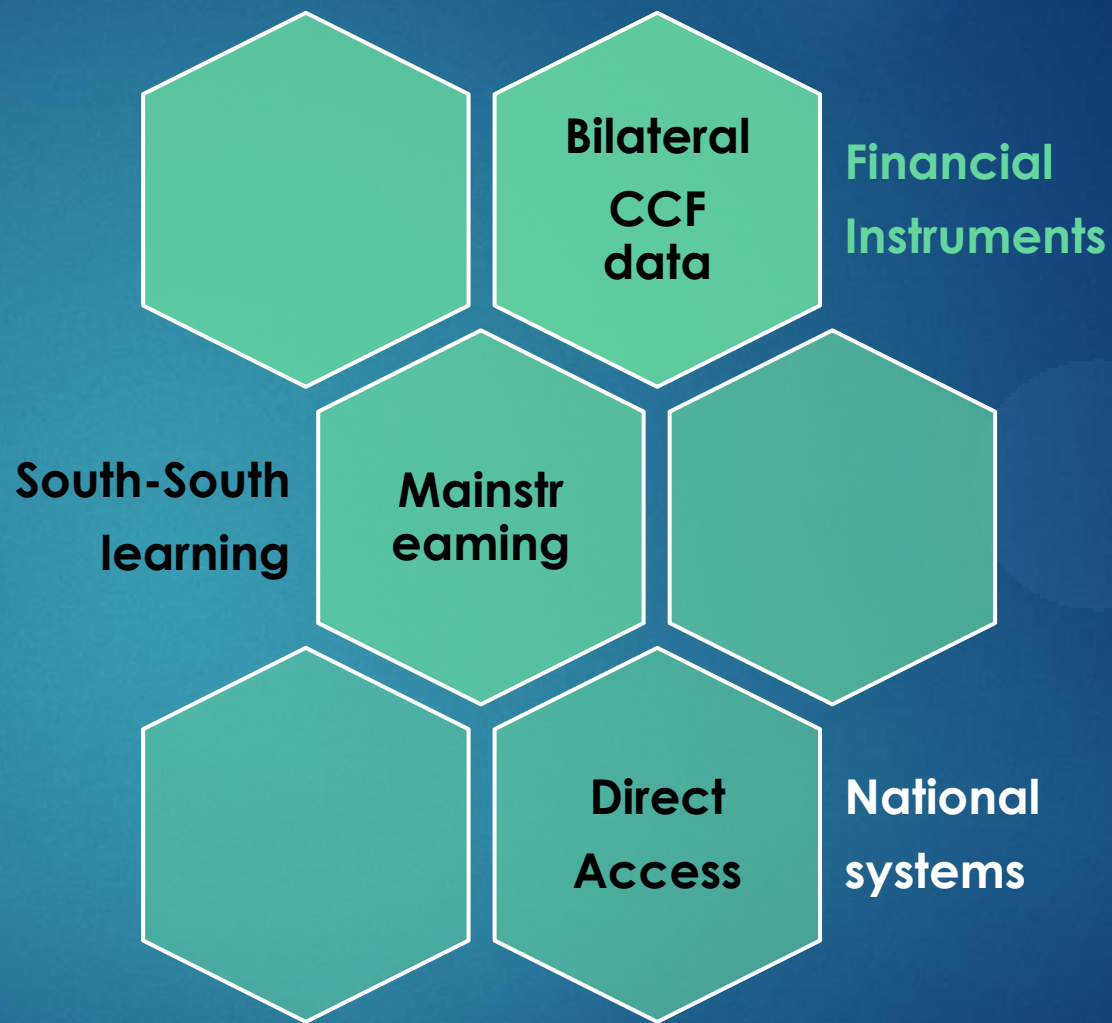
How to move forward:

Lessons learnt and good practices



Forward

Forward





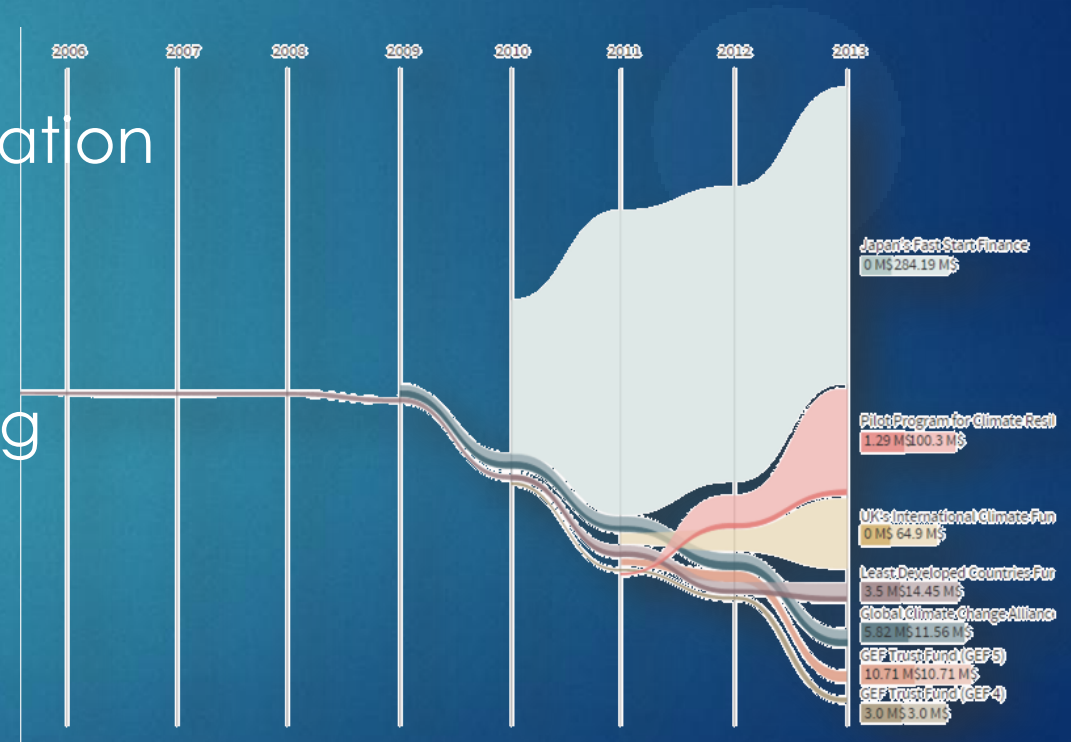
ICCCAD on tracking climate finance:

Projects showcase

Desk based research

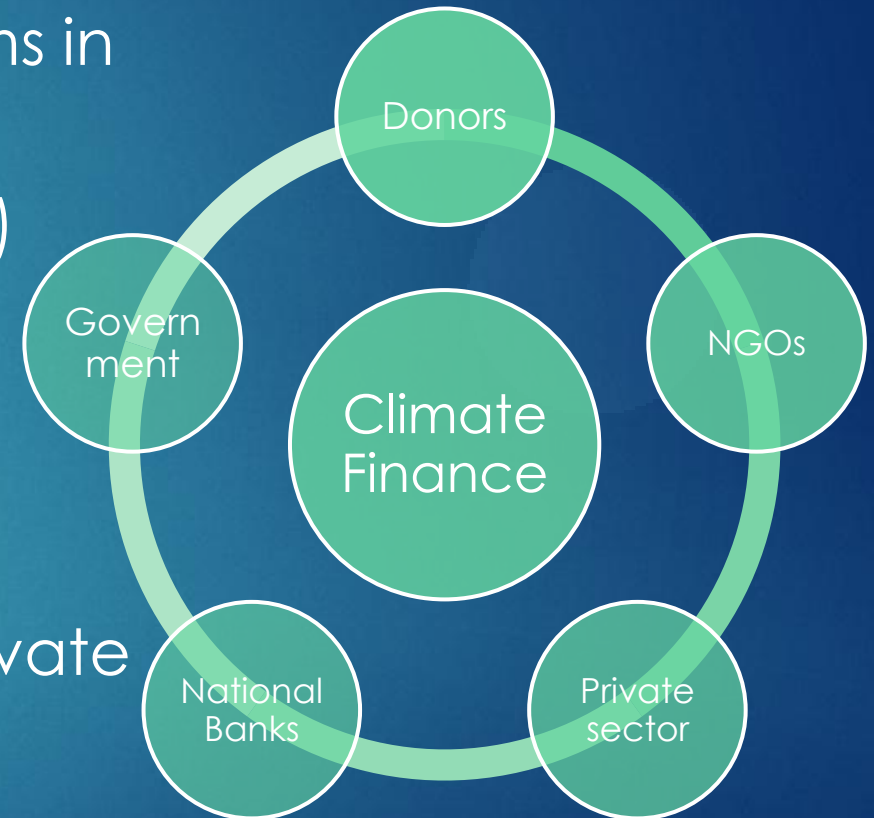
- ▶ How much of adaptation finance reaches to the most vulnerable groups?

- To follow up the Kathmandu Declaration
- Reviewing current performance of international donors
- Ranking by the easiness of accessing information

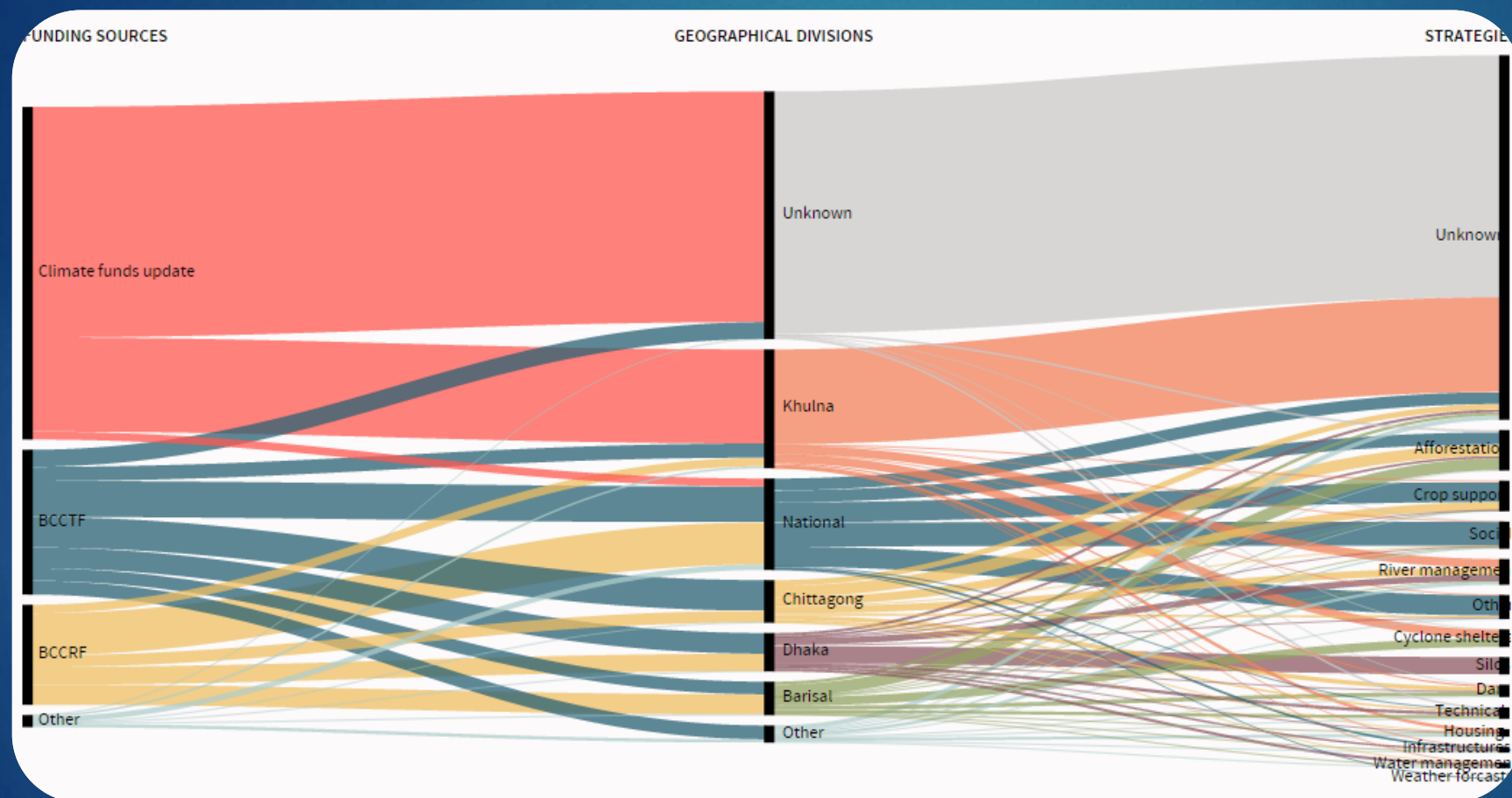


ICCCAD – TAF Scoping

- ▶ Summarize six climate finance mechanisms in Bangladesh currently
 - Annual Development Programme (ADP)
 - BCCTF/BCCRF
 - PPCR
 - Direct Budget Allocation
- ▶ Mapping out government entities and private sectors in climate finance flow
- ▶ Mapping out key international donors



EMAP Data Visualization



- ▶ Real-time dynamic database
- ▶ Publicly accessible
- ▶ Visualization platform

Publications and Resources

- ▶ Topic guide: national governance of climate finance
- ▶ IIED Comments and Analysis Series for GCF:
 - GCF Investment Framework
 - GCF Readiness and Preparatory Support Programme
 - GCF Results Management Framework
 - GCF Accreditation Framework and Environmental & Social Policy
- ▶ Working Paper:
 - Institutional development under Adaptation Fund's NIE process
 - Lesson Learnt from India's NIE NARBARD





Thank you

Questions and comments are most
welcomed

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