



CLIMATE FINANCE FACT SHEET



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“In 2009 during a United Nations summit in Copenhagen, wealthier nations went against a proposal to directly compensate poorer nations for the effects of climate change. Instead, they pledged to contribute \$100 billion annually to help these nations manage the effects of climate change”

- ⊕ The accredited financial mechanisms are Global Environment Fund (GEF), Green Climate Fund (GCF) and other specially created funds like; Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LLDCF) and the Adaptation Fund (AF) and other special funds like
- ⊕ There is no agreed definition of climate finance. Source : IPCC Fifth Assessment Report Glossary
- ⊕ “India will require an annual DRE investment of USD 18 billion by 2024, a 10x increase from current levels to meet its sustainability targets” Source : (Gautam and Purkayastha , 2021)
- ⊕ The annual global climate finance flows reached approximately USD 343-385 billion, on average USD 364 billion, in 2010/2011. To reduce global temperatures below 2 degree celsius an incremental investment in the energy sector will need to reach USD 36 trillion the period between 2012 - 2050 or USD 1 trillion each year according to a projection by the International Energy Agency.
- ⊕ An amount estimated at around USD 217-243 billion were contributions from the Private sectors mostly from developed countries and the public sector contributed (USD 16-23 billion)
- ⊕ “Emerging economies were key recipients of climate finance, but were also important sources. Roughly one third of global mitigation investments were located in China, Brazil, and India. A significant share of this was raised domestically and invested in pursuit of national development mandates.”

- ⊕ The vast majority of tracked finance continues to flow toward activities for mitigation. Mitigation finance accounted for 93% of total flows in 2017/2018, or USD 537 billion annually on average. Adaptation finance made up another 5% of flows, showing no change from 2015/2016 as a percentage of tracked finance. Source : Global Landscape of Climate Finance)
- ⊕ Renewable energy remains the primary destination sector for global climate finance tracked in the 2017/2018 Landscape, representing USD 337 billion annually, or 58% of global climate finance. Global Landscape of Climate Finance)
- ⊕ Adaptation finance rose significantly from its previous level in 2015/2016, with annual adaptation finance reaching USD 30 billion on average in 2017/2018. Global Landscape of Climate Finance)
- ⊕ The Green Climate Fund (GCF) was established in 2010 by the United Nations Framework Convention on Climate Change (UNFCCC). Its mandate is to support low emission and climate resilient development in Least Developed Countries (LDCs), Small Island Developing States (SIDS) and African States. Source : Future Learn ,University of Groningen
- ⊕ The Green Climate Fund launched its initial resource mobilization in 2014 and gathered pledges worth 10.3 billion US dollars. These funds came from mainly developed countries, some developing countries, regions and one city also contributed. Source : Future Learn ,University of Groningen
- ⊕ An example of an Adaptation project supported by Green Climate Fund is safeguarding water supplies and farming conditions in the Simiyu Region of Tanzania.
- ⊕ In 2018, approximately 93% of climate funds were geared to mitigation and just 5% for adaptation.
- ⊕ Two funds are for specific countries and goals ; Least Developed Countries Climate fund and Special Climate Change Fund are both administered by the Global Environment Facility.

- ⊗ The Least Developed Countries Fund (LDCF) with support from the United Nations Development Programme (UNDP) assisted local communities in Somaliland overcome increased incidences of drought that included construction of over 800 dams, dyke and other projects.
- ⊗ The Special Climate Change Fund has a portfolio of 85 projects globally and over USD 350 Million.
- ⊗ “The Climate Policy Initiative (CPI) reports that in 2017 total climate-related financing was \$510-\$530 billion, up from \$360 billion in 2012. The UN’s Framework Convention on Climate Change (UNFCCC), put it at \$681 billion in 2016.”

REFERENCE

The Landscape of Climate Finance 2012.

This booklet has been developed by the policy team of Strategic Youth Network for Development to highlight some basic facts on Climate Finance.

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