Advancing Climate Action through Legislation and Parliamentary Oversight

UNFCCC & PA Finance Opportunities for LAC Countries

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UNFCCC & PA Climate Financing Mechanism

• UNFCCC & PA Financial Mechanism – (Operating Entities) GEF, GCF, SCCF, LDCF, & AF (KP & PA).

The Financial Mechanism of the Convention, including its operating entities, & the Standing Committee on Finance, shall serve as the financial mechanism of this Agreement. In addition, Article 9 (PA) stipulates that the institutions serving this Agreement, including the operating entities, shall aim to ensure efficient access to financial resources through simplified approval procedures & enhanced readiness support for developing country Parties, in particular for the least developed countries & Small Island developing States, in the context of their national climate strategies & plans.

• Additional – Standing Committee on Finance (COP 16) - Long-Term Finance (COP 17)
• Bilateral, Regional & Multilateral & (National?) Channels
• Loss & Damages
• New Trust on CC Adaptation
# Loss & Damages Overview

## Initial Technical Work

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<tbody>
<tr>
<td>Consideration of means to address L&amp;D launched</td>
<td>Work programme on L&amp;D established</td>
<td>Role of the COP in addressing L&amp;D agreed</td>
<td>Warsaw International Mechanism &amp; its Executive Committee established</td>
<td>Workplan &amp; organization of the Executive Committee approved</td>
<td>Paris Agreement adopted</td>
<td>Establishment of a clearing house for risk transfer &amp; a task force on displacement mandated</td>
<td>Warsaw International Mechanism reviewed</td>
<td>Fiji Clearing House for Risk Transfer launched</td>
<td>Task Force recommendations for integrated approaches to avert, minimize &amp; address displacement</td>
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Funds Impact in LACs
Develop & Developing Countries Climate Finance

Developed to Developing Country Climate Finance

Notes: Climate finance from multilateral development banks is adjusted to account only for developed countries’ share. Mobilized private finance in 2016 only includes an estimate for multilateral development banks, since an estimate for bilateral and regional institutions was not available.

Source: Compiled by WRI, based on UNFCCC Standing Committee on Finance (2016 and 2018) Biennial Assessment and Overview of Climate Finance Flows.
Climate Finance by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Annual Finance (millions)</th>
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<tbody>
<tr>
<td>East Asia and Pacific</td>
<td>180</td>
</tr>
<tr>
<td>Western Europe</td>
<td>107</td>
</tr>
<tr>
<td>America</td>
<td>56</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>26</td>
</tr>
<tr>
<td>Japan, Korea and Israel</td>
<td>26</td>
</tr>
<tr>
<td>South Asia</td>
<td>22</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>12</td>
</tr>
<tr>
<td>Transregional</td>
<td>13</td>
</tr>
<tr>
<td>Central Asia and Eastern Europe</td>
<td>10</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>8</td>
</tr>
<tr>
<td>Other Oceania</td>
<td>4</td>
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</tbody>
</table>
Accounting Gaps in Climate Finance

Figure 7: Accounting gaps in tracking climate finance

Private

- Renewable Energy: 238
- Energy Efficiency: 231
- Sustainable Transport: 11
- Land Use: NA
- Adaptation: NA
- Other: NA

Public (DFIs & Int’l Finance)

- Renewable Energy: 57
- Energy Efficiency: 29
- Sustainable Transport: 81
- Land Use: 4
- Adaptation: 22
- Other: 21

Public (Domestic Finance)

- Renewable Energy: —
- Energy Efficiency: —
- Sustainable Transport: —
- Land Use: —
- Adaptation: —
- Other: —

All figures in USD Billions

- Tracked
- Not tracked

* Source: IEA WEI 2017

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LACs Congress & Parliaments

Support from Parliaments

• Facilitate Support vis-a-vis Laws & Acts
• Benefit from the Climate Funds – Align their Needs with NDCs

TA for Parliaments

• Capacity Building, Readiness
• GCF, NDCP, Bilateral Cooperation
Types of Attractive Projects (Implementation)

• Depends of Funding Organization
• Currently Mitigation Projects have a Competitive Edge
• Limited Funding (amounts) for Adaptation Projects

Recommendations

• Combined Mitigation & Adaptation Focus
• Scale-up with Private Sector (loans)
• Innovative Options (Bonds, Equity, etc.)
• Explore In-country Options (Green Bonds, Carbon, Pricing, etc.)
THANK YOU

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