



Analysis of Climate Funds

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ANKITA SAHA

ankitasaha1028@gmail.com

Institute of Engineering and Management

Overview

Climate finance refers to the financial resources used to fund actions that mitigate and adapt to the impacts of climate change. Under the UNFCCC developed countries have committed to support developing countries mitigate and adapt to climate change through the provision of financial resources. Public finance in particular, plays an important role in this regard, supporting capacity building, research, piloting and demonstrating new approaches and technologies, and removing barriers to other climate finance flows.

The multilateral climate funds (i.e. governed by multiple national governments) are important for paying out money in climate finance. The largest multilateral climate funds are the Climate Investment Funds (CIFs), Green Climate Fund (GCF), Adaptation Fund (AF), and Global Environment Facility (GEF). In 2016, these four funds approved \$2.78 billion of project support. India received the largest total amount of single-country support, followed by the Ukraine and Chile. Tuvalu received the most funding per person, followed by Samoa and Dominica. The US is the largest donor across the four funds, while Norway makes the largest contribution relative to population size. Most multilateral climate funds use a wide range of financing instruments, including grants, debt, equity and risk mitigation options. These are intended to crowd in other sources of finance, whether from domestic governments, other donors or the private sector.

Climate financing by the world's six largest multilateral development banks (MDBs) rose to a seven-year high of \$35.2 billion in 2017. According to IRENA, the global energy transition could contribute \$19 trillion in economic gains by 2050.

With a focus on international and concessional public climate finance flows through the multilateral climate funds, we get an overview of climate finance for developing countries.

Data

A dataset is provided to us where the cumulative data on the pledges, deposits, approval etc made by multilateral climate funds are tracked down by the Climate Funds Update.

The dataset has 23 entries from 0 to 22 and has 10 columns. The various columns in the given dataset were-

1. Fund
2. FundType
3. Fund focus
4. Pledge (USD mn)
5. Deposit (USD mn)
6. Approval (USD mn)
7. Disbursement (USD mn)
8. Number of projects approved
9. Date reported
10. Date collected

The given dataset has been created based on the data collected and reported in the year 2015, 2017 and 2018.

The dataset is uploaded in the github kindly check it out.

Goals

The goals of the project were-

1. Determine the funds pledged and donated by the countries.
2. Compare who gave more, and who gave less funds.
3. Type of funds given.
4. Overall analysis.

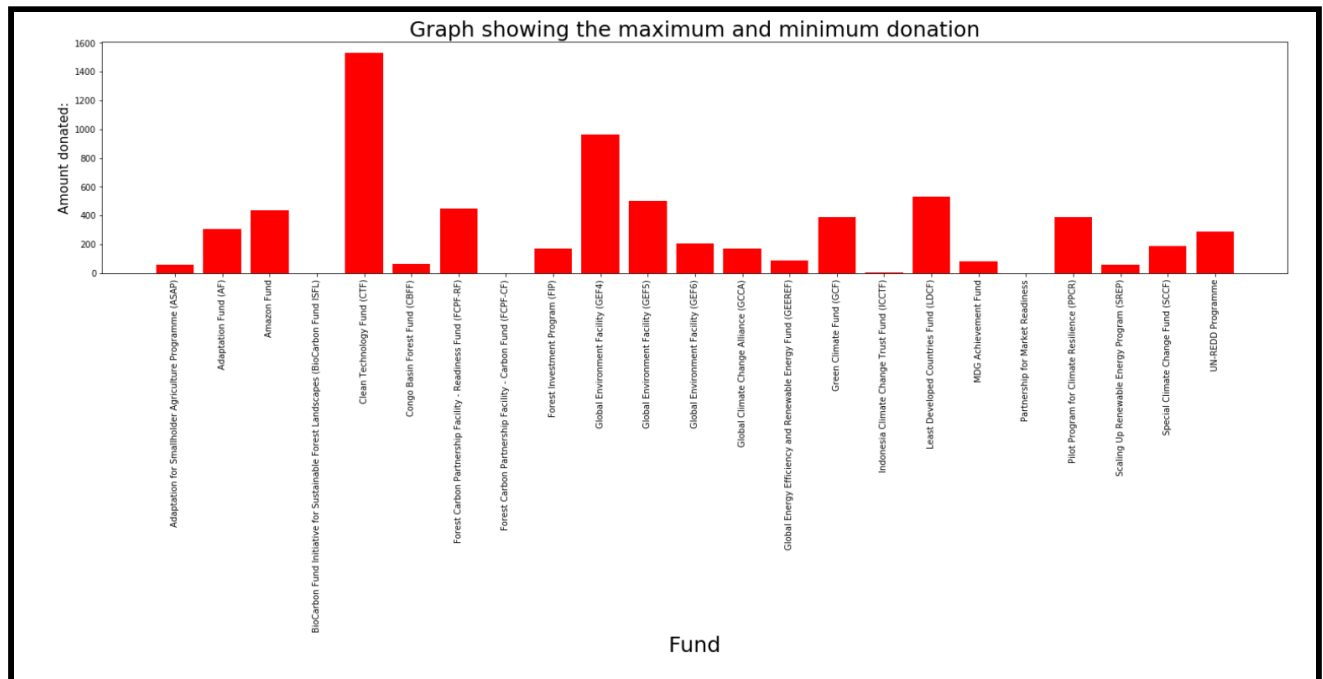
Findings from the project

1. Determine the funds pledged and donated by the countries.

	Fund	Pledge (USD mn)	Donated
0	Adaptation for Smallholder Agriculture Program...	381.670000	60.079449
1	Adaptation Fund (AF)	755.459372	305.620000
2	Amazon Fund	1748.370000	437.396602
3	BioCarbon Fund Initiative for Sustainable Fore...	351.934000	0.000000
4	Clean Technology Fund (CTF)	5461.910000	1531.260000
5	Congo Basin Forest Fund (CBFF)	186.021000	62.547000
6	Forest Carbon Partnership Facility - Readiness...	430.030000	447.127546
7	Forest Carbon Partnership Facility - Carbon Fu...	889.510000	0.000000
8	Forest Investment Program (FIP)	735.740000	168.070000
9	Global Environment Facility (GEF4)	1082.981565	961.260355
10	Global Environment Facility (GEF5)	1152.405166	500.749846
11	Global Environment Facility (GEF6)	1117.156598	208.065952
12	Global Climate Change Alliance (GCCA)	1332.907135	172.750000
13	Global Energy Efficiency and Renewable Energy ...	281.500000	89.070000
14	Green Climate Fund (GCF)	10302.300000	391.766080
15	Indonesia Climate Change Trust Fund (ICCTF)	26.170800	7.687613
16	Least Developed Countries Fund (LDCF)	1371.719394	531.862897
17	MDG Achievement Fund	89.500000	82.520000
18	Partnership for Market Readiness	129.600000	0.000000
19	Pilot Program for Climate Resilience (PPCR)	1154.660000	390.230000
20	Scaling Up Renewable Energy Program (SREP)	744.540000	55.210000
21	Special Climate Change Fund (SCCF)	371.060000	186.787778
22	UN-REDD Programme	319.550000	289.477500

- It has been observed that the maximum amount was pledged by the Green Climate Funds.
- The minimum amount was pledged by the Indonesia Climate Change Trust Fund (ICCTF).

2. Compare who gave more, and who gave less funds.



It is evident from the above graph that:

The Fund who gave the maximum donation is Clean Technology Fund (CTF). It donated about 1531.26 (in USD mn).

The Fund who gave the minimum donations are:

- BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCarbon Fund ISFL)
- Forest Carbon Partnership Facility - Carbon Fund (FCPF-CF)
- Partnership for Market Readiness

3. Type of funds given.

The various funds involved in the funding process are -

- Multilateral
- Multi Donor National
- Multi Donor Regional

4. Overall Analysis

Apart from the above findings it has also been observed after analysis that -

- 1) The maximum fund approval was from Clean Technology Fund (CTF) .
- 2) The maximum number of projects were approved by Least Developed Countries Fund (LDCF)
- 3) The least approved fund was Forest Carbon Partnership Facility - Carbon Fund (FCPF-CF)

Thus we can see that the Green Climate Fund (GCF) is the world's largest dedicated fund helping developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change. The Fund pays particular attention to the needs of societies that are highly vulnerable to the effects of climate change, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States. It aims to catalyse a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change. These various qualities of GCF make it one of the most promising fund.