Sixth Biennial Assessment and Overview of Climate Finance Flows

Global Climate Finance Flows 2021-2022

Global climate finance flows in 2019–2022 by sector (Billions of United States dollars)

63 % increase in global climate finance flows from 2019-20 levels

UNFCCC Standing Committee on Fina

C United Nations Framework Convert Limits Charge



Blue shading indicate **global** climate finance flows by sector

Green shading indicate flows from developed to developing countries, with multilateral climate funds including UNFCCC funds at



the core

Climate finance in context

\$455-Green bonds issued in 2022 \$444 584 bn Climate finance bn flows 2021-2022 \$530 NDC investment \$1.3 tn bn Public debt service needs of developing \$487 bn **†** 62.5% payments by low- and country Parties Environmentally Fossil fuel middle-income 62.5%* (per year) harmful agriculture, countries (2022) investments fisheries & forestry (2021-2022 subsidies (2021) average) \$81 bn \$958 bn Voluntary carbon of which **↑**5.8% market credits Sovereign GB FLOWS traded (2022) \$1.9 bn Economic losses from weather-related events (2021) \$233 bn Global annual clean Recovery Fossil fuel energy investment **1**39%** spending since 2020 subsidies (2021-2022 needs untill 2030 Adaptation investment average) for net zero by 2050 needs per year for \$3.1 tn \$1.1 tn developing countries \$4.2 tn until 2030 147%* per year \$215-387 bn \$970 bn \$279 bn of which green of which direct Carbon price recovery adaptation & spending revenues (2022) resilience benefits Global bond market / \$95 bn **Debt securities †79.2%*** outstanding (2022) \$30 tn

Global climate finance in context: broader flows, opportunities and costs

Global climate finance flows are **small relative to the overall needs** for the climate

transition and to respond to the needs of developing countries



Sixth Biennial Assessment and Overview of Climate Finance **Flows**

Flows from developed to developing countries 2021-2022

Public climate finance and private climate finance mobilized from developed to developing countries in 2021–2022, by theme, source and financial instrument



Geographical distribution of climate finance by volume and on a per capita basis by channel in 2021–2022

100

80

60

40

20

100

80

60

40

20

0

14%

LDCs

LDCS

SIDS

23%

LDCs

LDCS

SIDS

Z.54

0

Multilateral climate funds: USD 3.7 billion per year, 2021-2022





MDBs: USD 49.0 billion per year, 2021-2022 8%



Share of LDCs and SIDS Per capita climate finance 2021–2022 per year (USD) 80 70 63.21 60 50 40 35.23 30 22.16 20.95 17.47 20 11.54 10.28 10 0



Private finance mobilized: USD 18.2 billion per year





0.05

Europe LAC Oceania Othe

SIDS

Non-LDC SIDS

Other

Bilateral Flows: Climate-specific financial support +43% based on preliminary data

More public finance for mitigation than for adaptation overall, but total adaptation finance continues to increase

Geographically, Asia and African are the

Multilateral climate funds:

+3% total, or -17% on comparable basis (excl. IMF RST), owing to funds such as GCF nearing end of programming period

MDBs: +21% in climate finance, USD 37-41 billion per year attributed to developed countries

Grants continue to be a key instrument particularly for adaptation finance

- 66% of bilateral finance ٠
- 78% of multilateral climate funds
- 17% of MDBs (compared to 7% for mitigation)

largest destination

Share of support to LDCs/SIDs varies

- LDCs 14-23%
- SIDs 3-4%

Mapping information relevant to Article 2.1(c) including its reference to Article 9

Paris Agreement Article 2.1(c): "making finance flows consistent with a pathway towards low GHG emissions and climate-resilient development"

Over 100 jurisdictions with green or sustainable finance regulations and policies (40% increase to 2020)

Sustained growth in private sector engagement and commitments



358

2018

800

700

600

500

400

300

200

100

0

2015

243

2016

2017

Green finance measures

Representation of countries, by region, in private finance initiatives, as at February 2024



Insights

- Shift towards transition and implementation planning
- Adaptation and resilience remains underexplored
- Geographic scope: expanding but with concentration in certain regions
- Synergies of Article 2.1(c) and Article 9

2021

- Transparency, credibility and real-economy impact

784

2022

684

559

2020

460

2019

- Global cooperation & interoperability as well as context-specific approaches