From NDCs to National Climate Investment Plans: domestic investment and climate finance tracking

EU Pavilion

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COP 22
Introduction & Moderator:
• Ian Cochran, *I4CE – Institute for Climate Economics*

Panelists:
• Jane Wilkinson, *Climate Policy Initiative*
• Lauren McNicoll, *OECD Research Collaborative*
• Sandra Guzman, *Grupo de Financiamiento Climático para LAC*
• Marek Soanes, *International Institute for Environment and Development*

Country Representative:
• Indonesia
From NDCs to National Climate Investment Plans: domestic investment and climate finance tracking

**Annual issuance of bonds ($100tn)**

**GDP**
- EU or USA (app. $16tn)
- China ($8.2tn)
- Germany ($3.6tn)

**FDI received**
- World ($1.4tn)
- EU ($0.3tn)
- China ($0.25tn)

**Needs in the 2DS scenario**
- World ($2tn)

**Current annual investment in low-carbon technologies**
- World ($0.3tn)

**Subsidies for fossil fuels**
- World ($0.5tn)

**Fossil-fuel import bills**
- US+EU+CN+$+$JP+IN ($1.5tn)

**Gross fixed capital formation**
- World ($16.2tn)

Sources: IMF, IEA, UNCTAD, BIS
What is Domestic Climate Finance Mapping & Tracking?
From NDCs to National Climate Investment Plans: domestic investment and climate finance tracking

• Measuring investment in tangible assets (fixed capital) contributing to the reduction of GHG emissions (mitigation) and resiliency (adaptation)

• A project-oriented approach spanning across domains:

- ENERGY EFFICIENCY
- RENEWABLE ENERGY
- SUSTAINABLE INFRASTRUCTURE
- ADAPTATION
- GHG EMISSIONS OUTSIDE FUEL COMBUSTION
A domestic financial value chain from sources to projects

KEY RESULTS

Landscape of Climate Finance in France, in 2013

- **Project developers**
  - **13.9 Public project developers**
    - Central and local governments, public operators, public housing authorities
  - **22.5 Private project developers**
    - Households, private companies

**Sectors**
- Transport
- Agriculture
- Industry
- Centralized energy production & networks
- Buildings

**Sources & Intermediaries**
- Public administration: 8.5
  - Central and local governments, public agencies
- Public financial institutions: 2.7
- Commercial banks and financial markets: 13.7
- Revenues, savings and assets of households and private companies: 11.5

**Instruments**
- Grants, subsidies and transfers: 10
- Concessional debt: 3.7
- Commercial market-rate debt: 9.9
- Debt: 4
- Equity: 8.8
- Balance-sheet financing: 4

**L4CE** - Institute for Climate Economics, Landscape of Climate Finance in France, 2015 edition
A detailed financial value chain from sources to projects
OBJECTIVES

Providing key information to shape NDC implementation

• Taking stock:
  – **How much** are **current investments** in projects that qualify as climate performant given the national transition priorities?
  – Who are the **project initiators** and what is their **economic rational**?
  – **How do they finance** their investments with both domestic and international sources?

• Putting into context:
  – What **public policies** support the **viability of project economics**?
  – **Current gaps** compared National Low-Carbon Resilient Development Strategies?
  – **Projected investment needs** in the short and medium term to be in line with energy transition objectives National Determined Contributions (NDCs)
Supporting NDC Deployment & Investment

- **Track & Report** – internally (gvt, parliament, general public) or externally
- **Diagnose** – effectiveness (resiliency, GHG), economic efficiency (leverage, money), gaps (vs. estimates)
- **Compare** – between countries, regions, sectors, etc.
- **Recommend** - propose how to close financing gaps
- **Coordinate & Plan** – basis for strategies for financing investment, connect capital and pipeline of projects
- **Prospective Modelling** – represent financial channels and their impact the economy
Today’s Discussion & Panel

Panelists:

• Jane Wilkinson, Climate Policy Initiative
• Lauren McNicoll, OECD Research Collaborative
• Sandra Guzman, Grupo de Financiamiento Climático para LAC
• Marek Soanes, International Institute for Environment and Development

Country Representative:

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Key question: how has and can this information help move from commitments to investments?
Thank you!

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or go to

www.I4CE.org
Upcoming I4CE Side Events

Industry, Energy and Climate
- **Internal carbon pricing: a voluntary and innovative strategy adopted by businesses** on November 12 from 3pm to 3.45pm, organized by I4CE, EPE
- **Economy and climate** on November 12 from 2pm to 4pm – Green zone - on the Office Chérifien des Phosphates stand, organized by OCP
- **Quantifying the sectoral and national impacts of the INDCs and the role of carbon price policies** on November 14 from 5pm to 7pm in Blue Zone – Francophone Pavilion organized by I4CE, Enerdata, AFD
- **Carbon Pricing** on November 15 from 3pm to 4.30 pm in the Blue zone – French Pavilion, organized by DGEC
- **How to align EU policy with the goals of the Paris Agreement** on November 17 from 4.30pm to 6pm in the Blue zone – EU Pavilion, organized by I4CE, IETA, Enerdata
- **State and trends of carbon pricing** on November 17 from 10.30am to 12pm in the Blue zone – EU Pavilion, organized by I4CE, Ecofys, World Bank

Finance, Investment and Climate
- **Financial Instruments to promote public-private investment in low-carbon, climate-resilient development** on November 15 from 11am to 12.30pm in the Green Zone - Draa room organized by I4CE
- **African savings for a low-carbon development** on November 16 from 10.30am to 12.00am in the Blue zone – Morrocan Pavilion, organized by CDG
- **Synergizing international climate finance, market mechanisms and philanthropy** on November 18 from 1.15pm to 2.45pm in the Blue zone - Observer room 6 UNFCCC, organized by Perspectives

Territories and Climate
- **Solutions for financing the adaptation of African agriculture** on November 11 from 2.30pm to 4pm in the Green zone – AAA Pavilion, organized by Crédit Agricole du Maroc
- **Climate finance and sustainable mobility** on November 12 from 7pm to 8.30pm in the Green Zone - Room Sebou, organized by I4CE, SNCF, Ipemed, ONCF, UITP
- **Session 3 of City Climate Finance Training, side event of the Climate summit for local and regional leaders** on November 14 from 2pm to 5pm in Palmeraie Conference Center, organized by I4CE, FMDV, Climate-KIC and GIZ
- **What options to facilitate the transition towards an agricultural sector generating less emissions and better adapted to climate change** on November 17 from 5pm to 6.30pm in the Blue zone – room Ziz, organized by I4CE, Crédit Agricole du Maroc