From Global to Domestic Landscapes of Climate and Green Finance

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GLOBAL CLIMATE FINANCE IN 2013/2014

USD 367 BN TOTAL

INSTRUMENTS
- RISK MANAGEMENT $2
- GRANTS $13
- LOW-COST PROJECT DEBT $61
- PROJECT-LEVEL MARKET RATE DEBT $99
- PROJECT-LEVEL EQUITY $22
- UNKNOWN

USES
- ADAPTATION $27
- DUAL BENEFITS $4
- PRIVATE NGO AND FOUNDATIONS $1
- PUBLIC $50
- PUBLIC/PRIVATE $19
- MITIGATION $336
- RENEWABLE ENERGY GENERATION $364

RECIPIENTS
- UNKNOWN $60

SOURCES AND INTERMEDIARIES
- GOVERNMENT BUDGETS
- AGENCIES
- DEVELOPMENT FINANCE INSTITUTIONS
  - NATIONAL
  - BILATERAL
  - MULTILATERAL
- CLIMATE FUNDS
- COMMERCIAL FINANCIAL INSTITUTIONS
- PRIVATE EQUITY, VENTURE CAPITAL, INFRA. FUNDS
- INSTITUTIONAL INVESTORS
- PROJECT DEVELOPERS
- CORPORATE ACTORS
- HOUSEHOLDS

KEY
- PUBLIC MONEY
- PRIVATE MONEY
- PUBLIC FINANCIAL INTERMEDIARIES
- PRIVATE FINANCIAL INTERMEDIARIES
- CAPITAL INVESTMENT
- CAPITAL INVESTMENT AND INCREMENTAL COSTS
- FINANCE FOR INVESTORS & LENDERS (NET) ESTIMATED
The Landscape represents a tool to inform investment decision-making

- **Diagnostic tool** to understand what action is taking place and where, identify gaps, blockages or opportunities
- **Planning tool** to inform the budgeting process and provide a basis for better coordination amongst partners
- **Monitoring and accountability tool** to measure progress, learn and report back
Other tools to explore financial viability gaps and public incentive needs

Tool 3: Public Finance Mapping Tool

Sectors and Uses
- Livestock
- Crops
- Bioenergy
- Timber
- Pulp and Paper
- Wood Energy
- Protected Areas
- Mining & Infrastr.
- Enabling Environ.

Financial Instruments
- Grants
- Equity
- Guarantees
- Market rate loans
- Tax incentives
- Concessional loans
- Insurance

PUBLIC ACTORS

BUSINESS AS USUAL

FINANCIAL MAPPINGS

DOMESTIC GOVERNMENTS, INTERNATIONAL, PHILANTHROPIC

GREEN

Sectors and Uses
- Livestock
- Crops
- Bioenergy
- Timber
- Pulp and Paper
- Wood Energy
- Protected Areas
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- Enabling Environ.
Objectives of the Côte d’Ivoire Study

• Understand the nature and volume of public finance, domestic and international, contributing to reducing deforestation and forest degradation in Côte d’Ivoire.

• Create a baseline (2015) against which to measure future investments

• Identify needs and opportunities to raise finance from new sources and improve the effectiveness of existing spending
Forests need to become a national planning priority

- **Agricultural intensification**: 82.6 bn FCFA
- **Green planning support**: 3.4 bn FCFA
- **Land planning and land tenure**: 3.8 bn FCFA

- **Sustainable Forest Management**: 3.1 bn FCFA
- **Restoration/Reforestation**: 0.2 bn FCFA
- **Sustainable Mining**: 0.1 bn FCFA
- **Sustainable Domestic Energy**: 0.1 bn FCFA
More than FCFA 173 bn per year needed to meet Côte d’Ivoire’s 2030 20% forest cover objective alone

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**Minimum amount necessary** to achieve the 20% forest cover objective*

- **REDD+ aligned investment in 2015**
  - **FCFA 3.8 bn** for reforestation and sustainable forest management

*Preliminary estimate: includes costs for planting and plantation maintenance only. Does not include administrative or indirect costs, such as security personnel, identifying and negotiating alternative livelihoods for current forest users and establishing new protected areas.
Côte d’Ivoire and its partners have an opportunity to green significant shares of existing finance.

Greening existing agricultural finance from domestic, and especially international sources, could increase REDD+ aligned finance by over five times up to FCFA 101 billion (USD 168.8 million).
Opportunities exist to raise finance from new sources and improve the effectiveness of existing spending

- Evaluate existing taxation of activities that drive deforestation, in particular in the agricultural sector and filières revenue raising and spending
- Earmark existing tax revenue
- Evaluate impact of existing reforestation taxes on timber producers
- Incentivize the private sector and smallholders to support forest restoration
- Consider creating a new national REDD+ fund which could help coordinate future resources and address investment gaps
- Learn lessons from existing funding instruments in Cote D’Ivoire, to create a trustworthy and effective fund
- Incentivize local governments to conserve natural resources
- Increase resources available to them to do so
Thank you!