

Landscape of International Public Finance: Bilateral and Multilateral Sources

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Outline

- International landscape of public finance for adaptation
- Country example from Vanuatu
- Scale of sources
- Differences between bilateral and multilateral sources of finance
- Challenges and opportunities – from the TTF Survey

International landscape funding Adaptation

UNFCCC Climate Funds:

Adaptation fund

Special CC fund

Least Developed
Country Fund

Green Climate
Fund (GCF)

Multilateral Climate Funds:

Pilot Programme
Climate Resilience
(PPCR)

Agriculture
Smallholder
Adaptation (ASAP)

Multilateral Development Banks (MDBs):

ADB

AfDB

EIB

EBRD

IDB

WBG

Bilateral Climate Finance:

Bilateral ODA

Bilateral Climate Funds:

UK International
Climate Fund

Germany
International
Climate Initiative

US

Others

Insurance

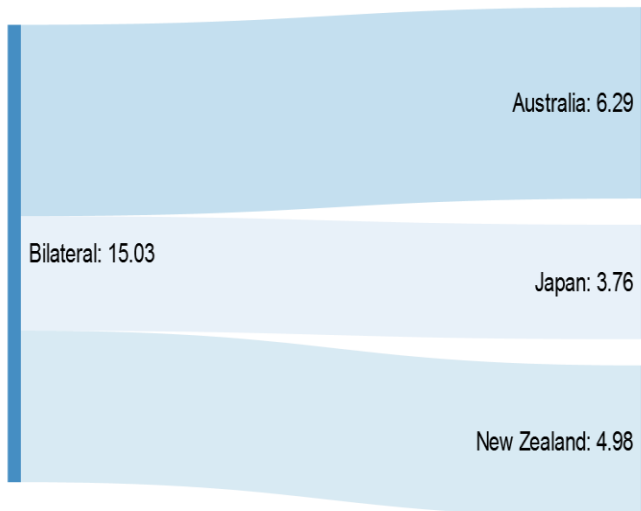
Caribbean
Catastrophic Risk
Insurance Facility

2.4 million in 2015
payouts

African Risk Capacity

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Country Example: Vanuatu – Adaptation Flows from Bilateral donors and multilateral funds 2010-2014



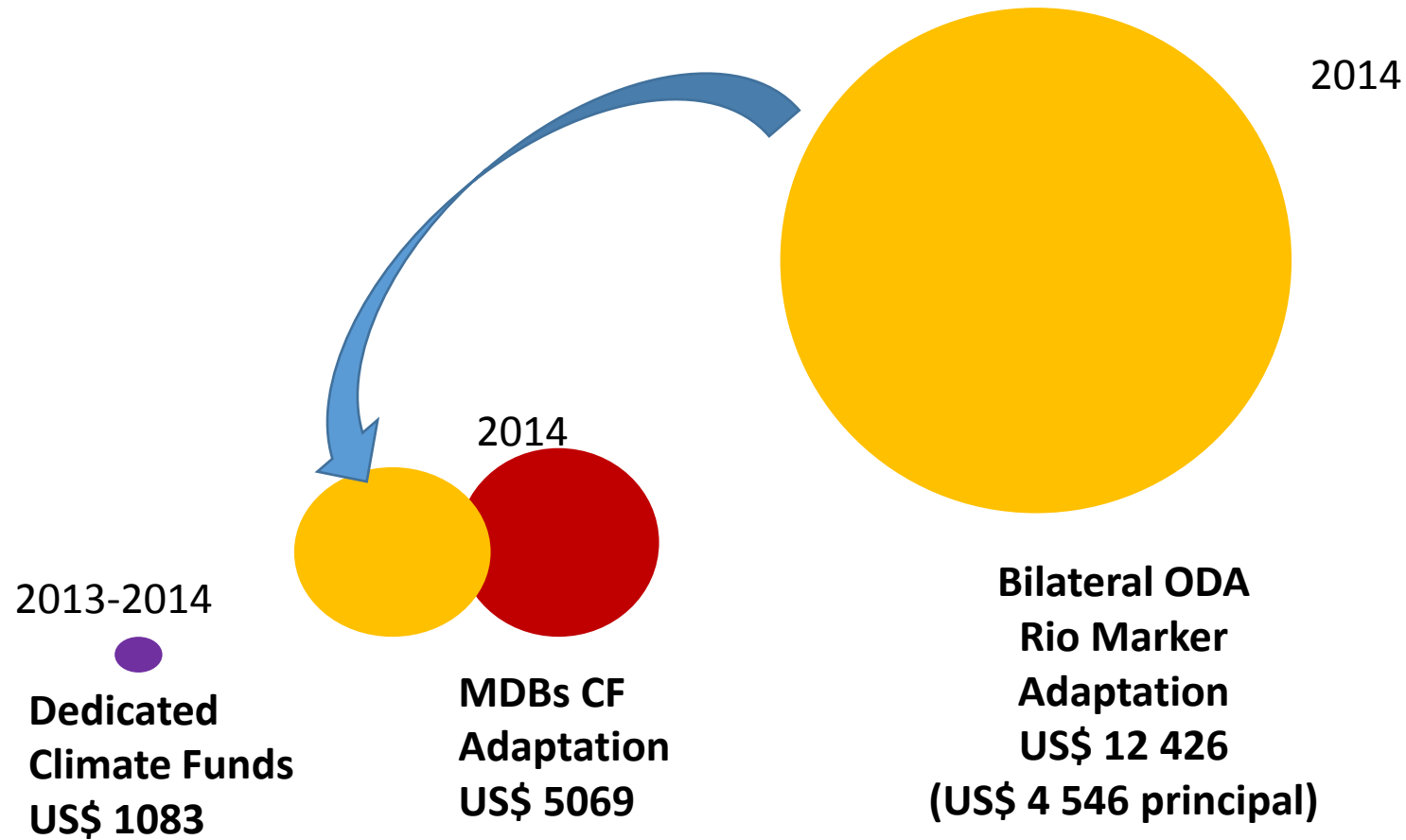
Least Developed Countries Fund (LDCF)	Adaptation to Climate Change in the Coastal Zone in Vanuatu	Environmental policy	8.28
LDCF	Climate Proofing Development in the Pacific	Environmental policy	5.75

Australia	Climate and Oceans Support Program in the Pacific	Environmental research	0.64
Australia	Engagement of COSPPac Manager January – June 2012	Environmental research	0.01
Australia	Initiative design	Environmental research	0.00
Australia	Pacific Australia CC Science & Adaptation Planning	Environmental research	1.40
Australia	Community-based Climate Change Action Grants	Multi-sector aid	1.43
Australia	Land Program Procurement Management	Rural development	0.00
Australia	Power Sector	Rural development	2.67

Japan	The Project for Improvement of Equipment for Disaster Risk Management	Disaster prevention and preparedness	3.76
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New Zealand	Vanuatu Rural Electrification Project	Solar energy	4.98
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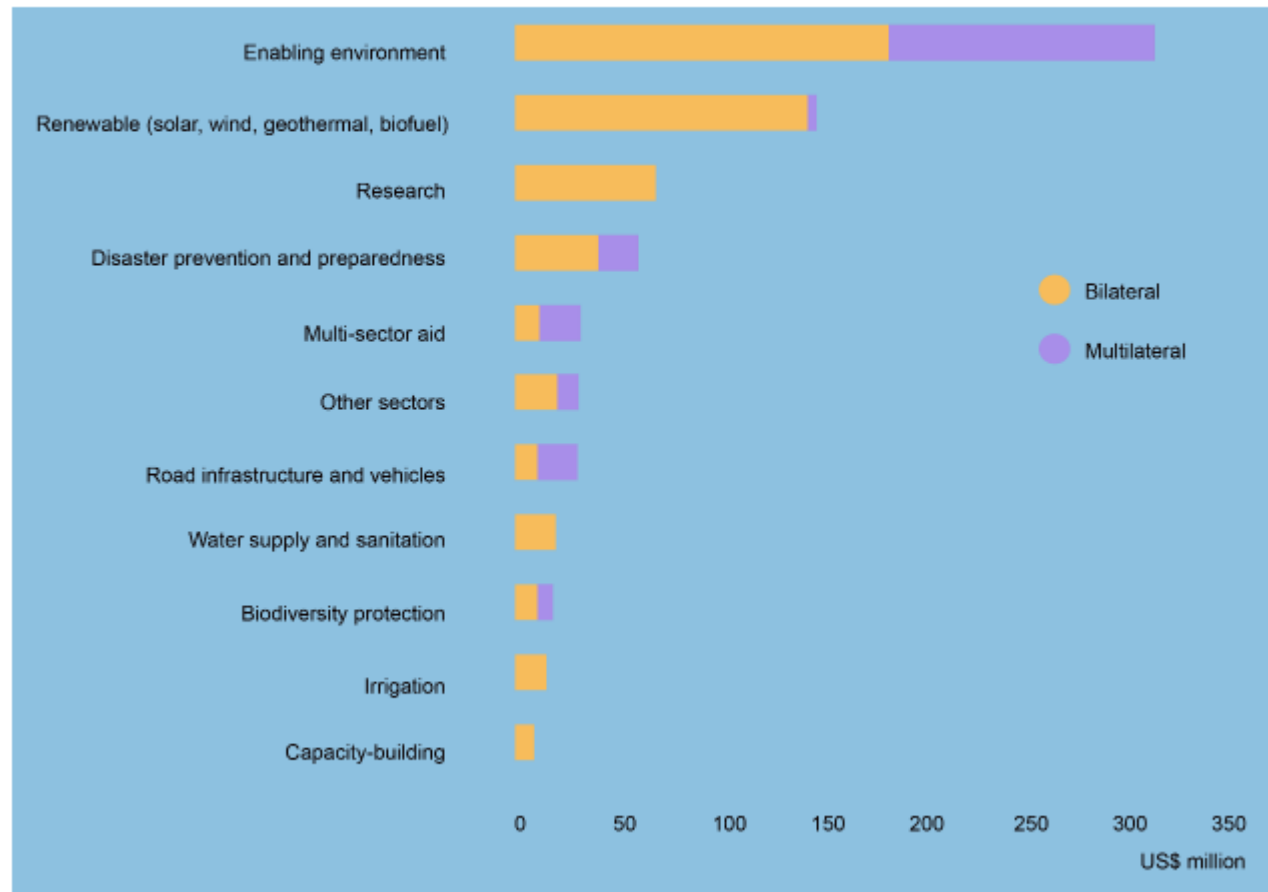
Landscape – scales of Support



Source: Adapted from UNFCCC Standing Committee on Finance, 2016

Differences – flexibility in sectoral support

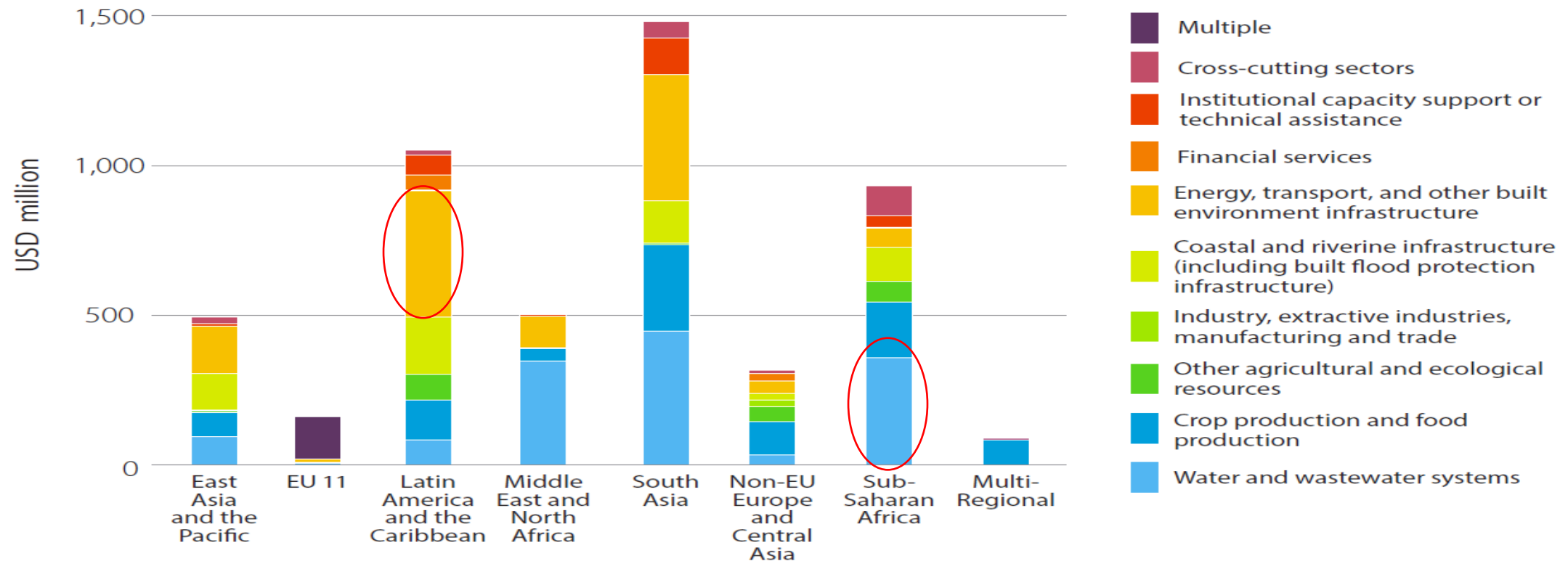
Figure 7c: Comparison of sectoral spread in Pacific climate finance from bilateral and multilateral sources, 2010–2014



Source: Atteridge and Canales, 2017

Differences: Sectoral expertise

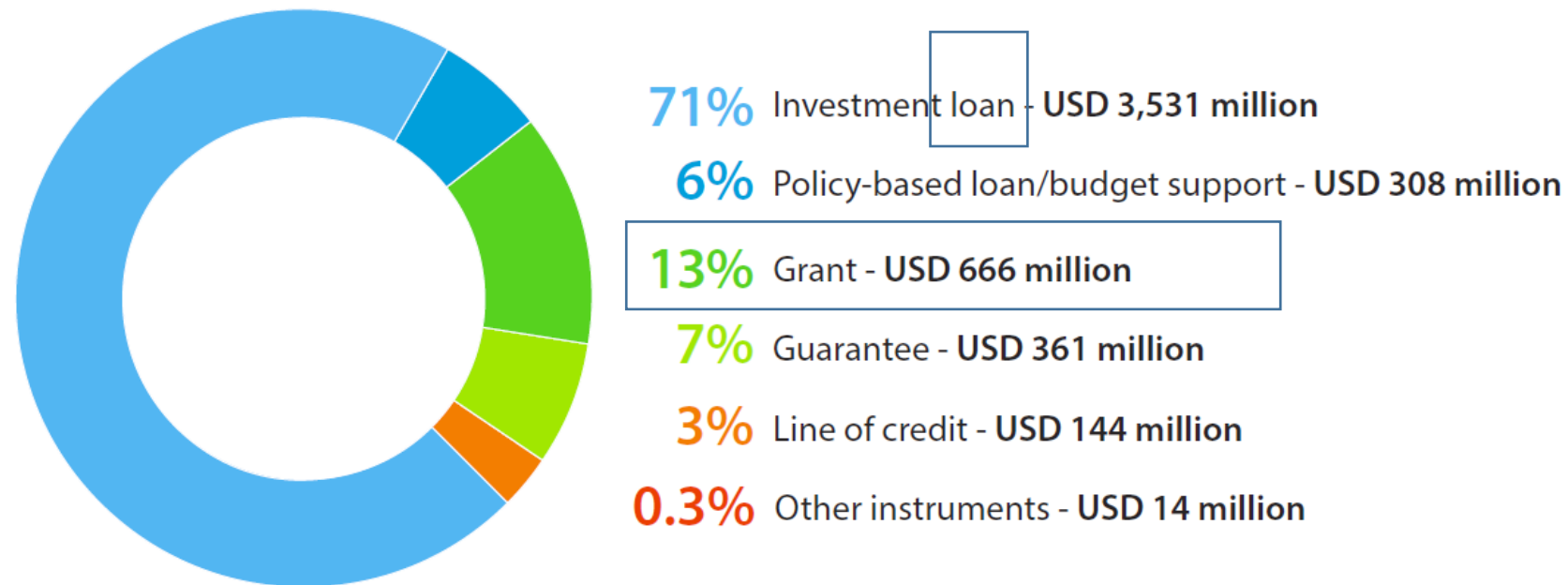
Figure 13: MDB Adaptation Finance by Sector Groupings and by Region, 2015



Note: Adaptation finance reported for some projects/project components for which there was not enough data granularity to allow apportioning the adaptation finance among the sector groups are included in "Multiple".

Differences: Financial instruments used

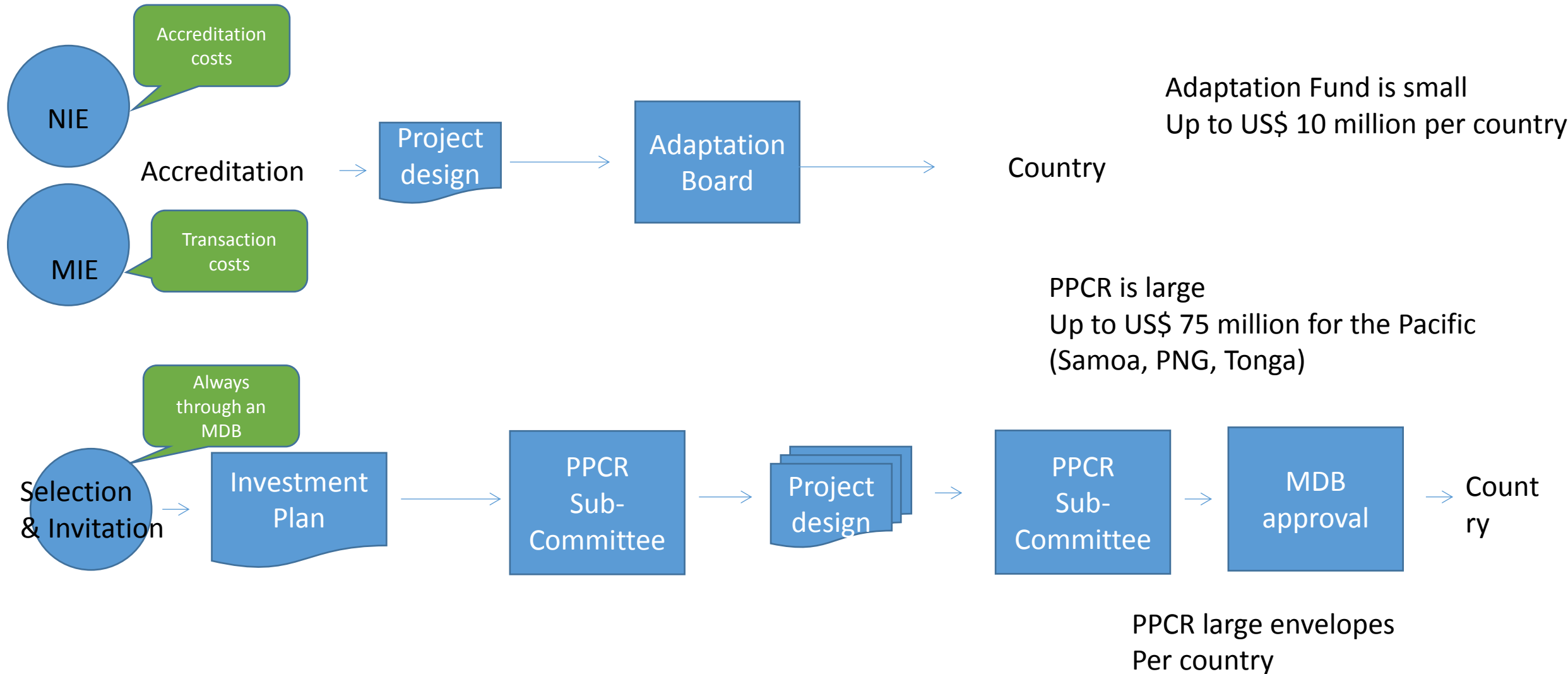
Figure 10: MDB Adaptation Finance Split by Instrument Type, 2015



Note: "Other instruments" include equity, advisory services, and instruments such as carbon funds, currency and interest rate swaps, and other derivative instruments.

Source: Multilateral Development Banks (2016)

Differences - Access modalities and costs



Challenges and opportunities from TTF Survey

Challenges	Opportunities
<ul style="list-style-type: none">• When multilateral funds only offer small amounts, they are not compatible with countries' needs .• Access to multilaterals more difficult compared to bilaterals• Some multilateral agencies lack context knowledge, making things difficult• Limited local capacity to comply with multilateral requirements• Bilaterals tend to declare "inflated" numbers for adaptation .• GCF access already for mitigation, how to access for adaption? (Solomon)	<ul style="list-style-type: none">• GCF Readiness programme• GCF through 2 approaches :<ul style="list-style-type: none">(a) Through international accredited entities(b) Strengthening domestic institutions for accreditation for direct access• There is already experience in some countries in accessing diverse bilateral and multilateral funds. (Vanuatu; Tanzania)• Some bilaterals are a long term partner for climate change issues (e.g. GIZ and IKI in Thailand)• MDBs has strength in developing infrastructure projects

References

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Thank you