



Accessing Climate Finance for Urban Transport

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About
Mobilise
YourCity

OUR OBJECTIVES

Together with 100 cities and 20 countries we aim to:

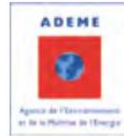
- Accelerate the transition to sustainable urban mobility
- Foster more comprehensive, integrated and participatory urban mobility planning through SUMP and NUMP
- Facilitate access to sustainable financing for large-scale mobility projects
- Close the investment gap for sustainable mobility



Contributing Partners



Implementing partners



Knowledge and Network partners



- A Strong Consortium of 17 organizations, established at COP21 in Paris

5 donors

8 implementing partners

5 knowledge and network partners

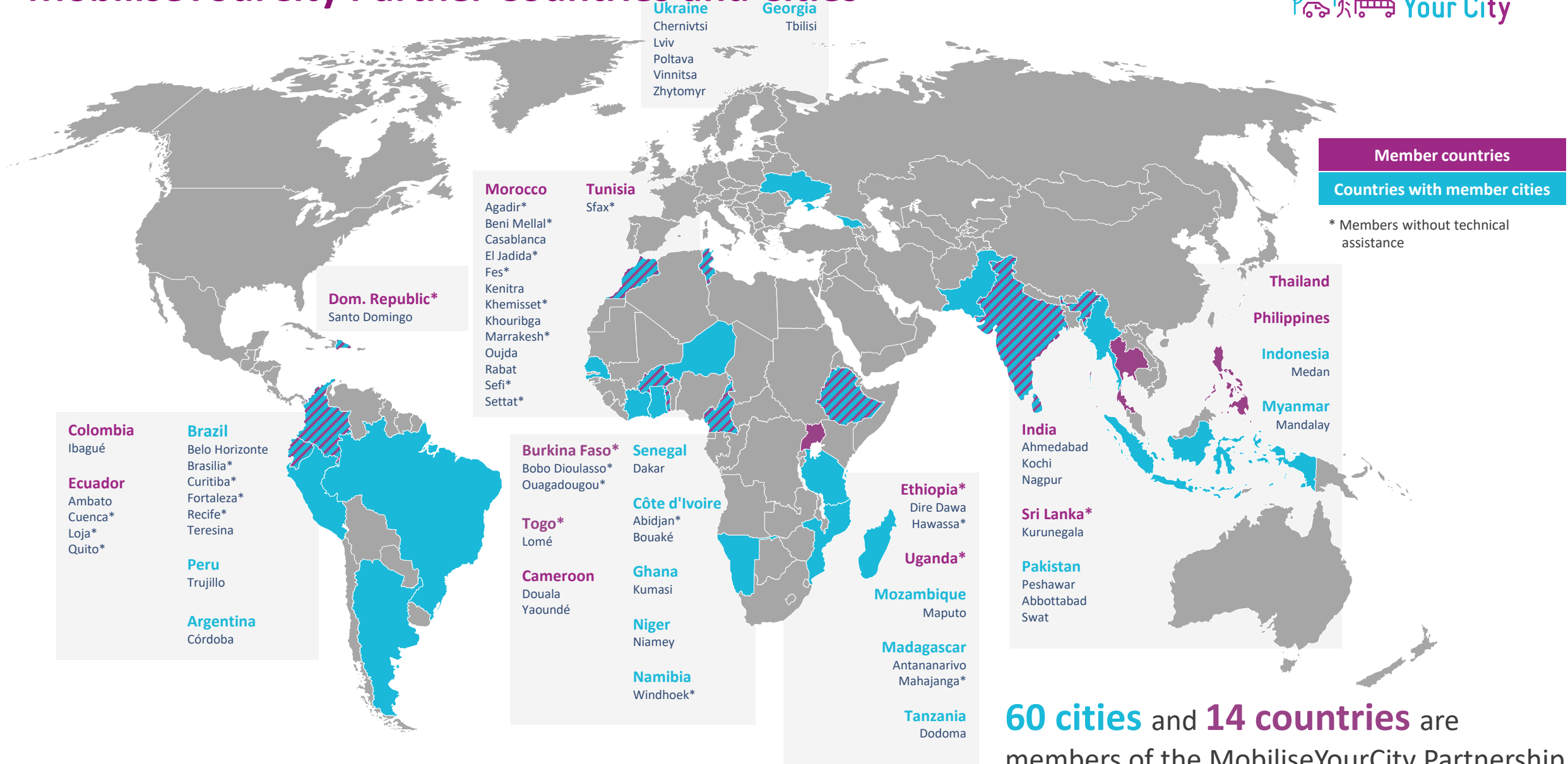
Cities and Country Partners



The MobiliseYourCity Partnership has 60 partner cities and 14 partner countries worldwide. Our Implementing Partners are supporting 30 cities and 10 national governments in preparing SUMP and NUMPs.

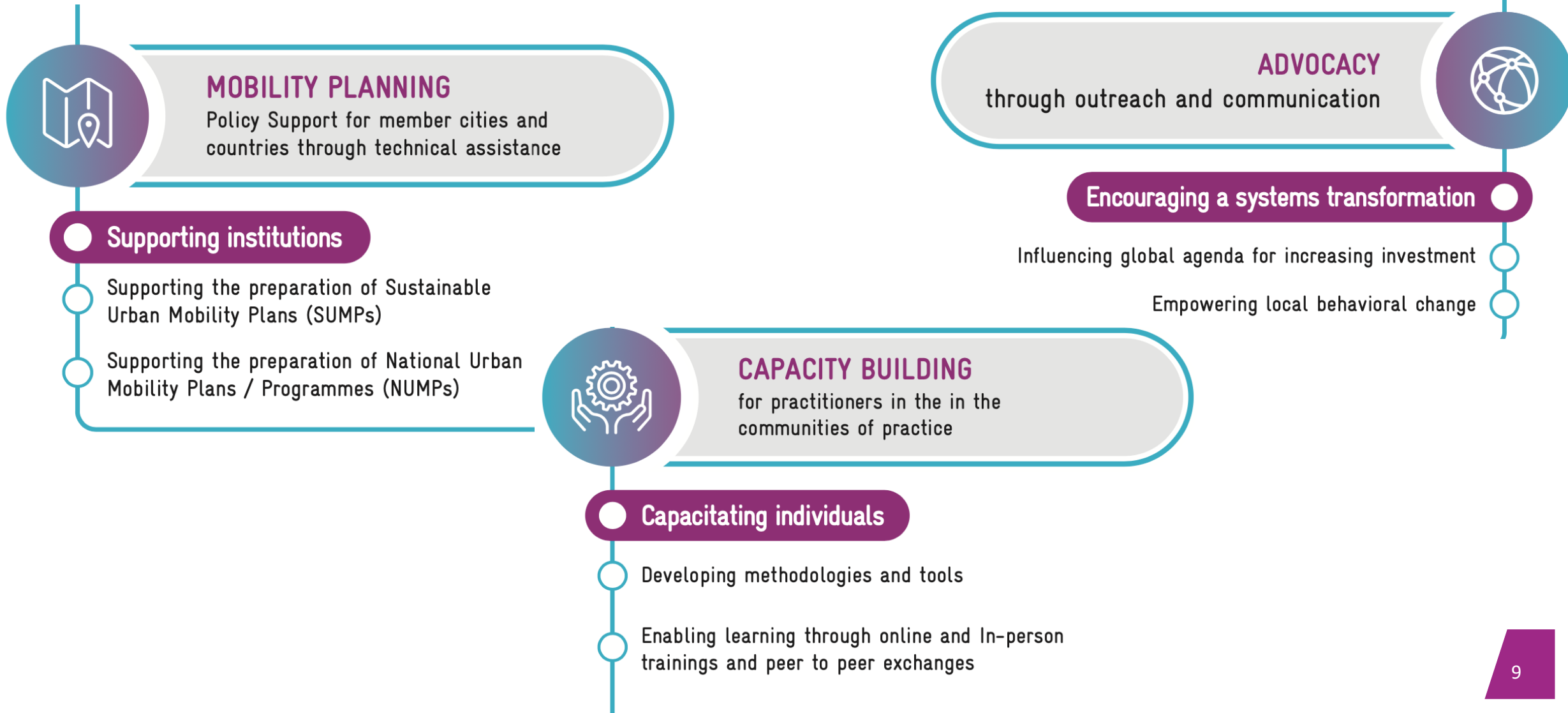
	Partner cities	SUMPs	Partner countries	NUMPs
Target	100	60	20	13
Worldwide	60	32	14	10
Population	72 million people	72 million people		
Africa	31	12	7	2
Asia	10	8	4	3
Latin America	14	8	3	5
Eastern Europe	5	4	0	0

MobiliseYourCity Partner Countries and Cities

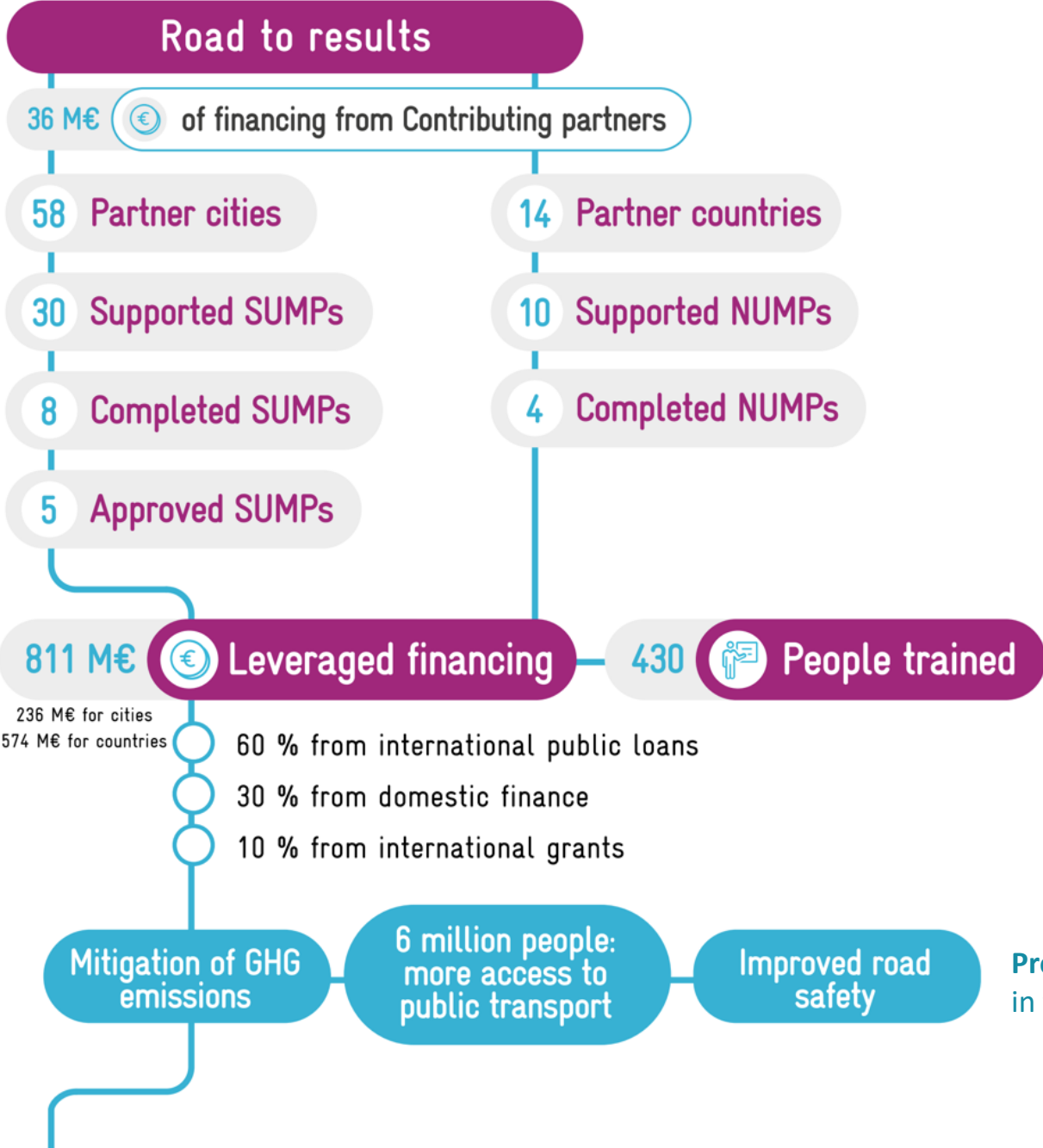


60 cities and **14 countries** are members of the MobiliseYourCity Partnership

MobiliseYourCity service areas to accelerate the transition to sustainable urban mobility



Mobility planning: supporting SUMP and NUMP





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Intro to Climate Finance

After this presentation you will be able to

- Offer a **definition of Climate Finance**
- Understand the **main sources of Climate Finance globally**
- Know which sources are the **most relevant for India**
- Have information on **who to contact** for more details



Defining climate finance : no single definition

“Climate finance refers is ‘new and additional financial resources’ by developed countries to developing countries so that they can meet the full and incremental costs of climate change” – UNFCCC

narrowly defined

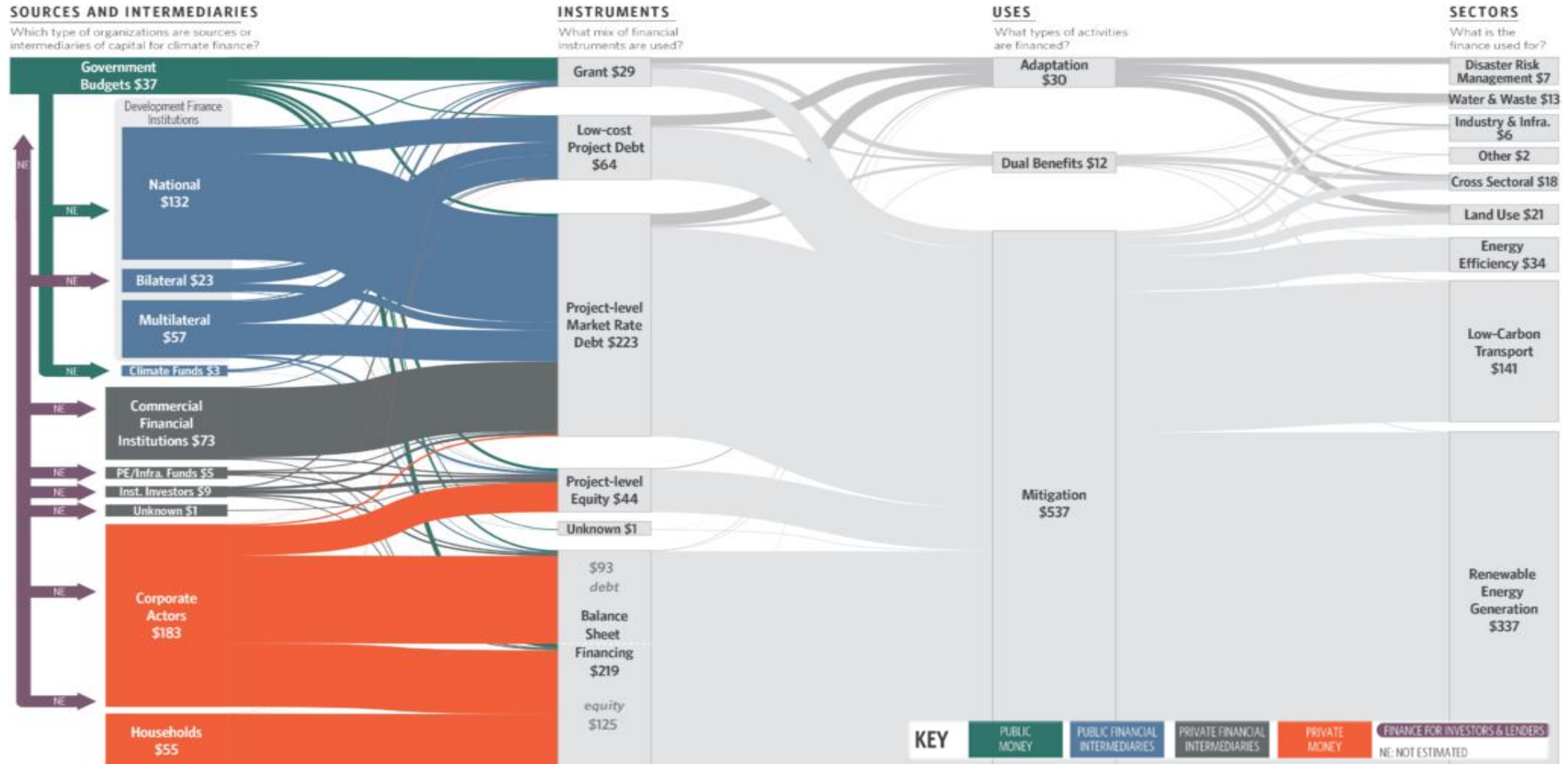
“Climate finance refers to the financial resources mobilised to fund actions that mitigate and adapt to the impacts of climate change, including public climate finance commitments by developed countries under the UNFCCC “ - ODI

broadly defined

Common elements of climate finance:

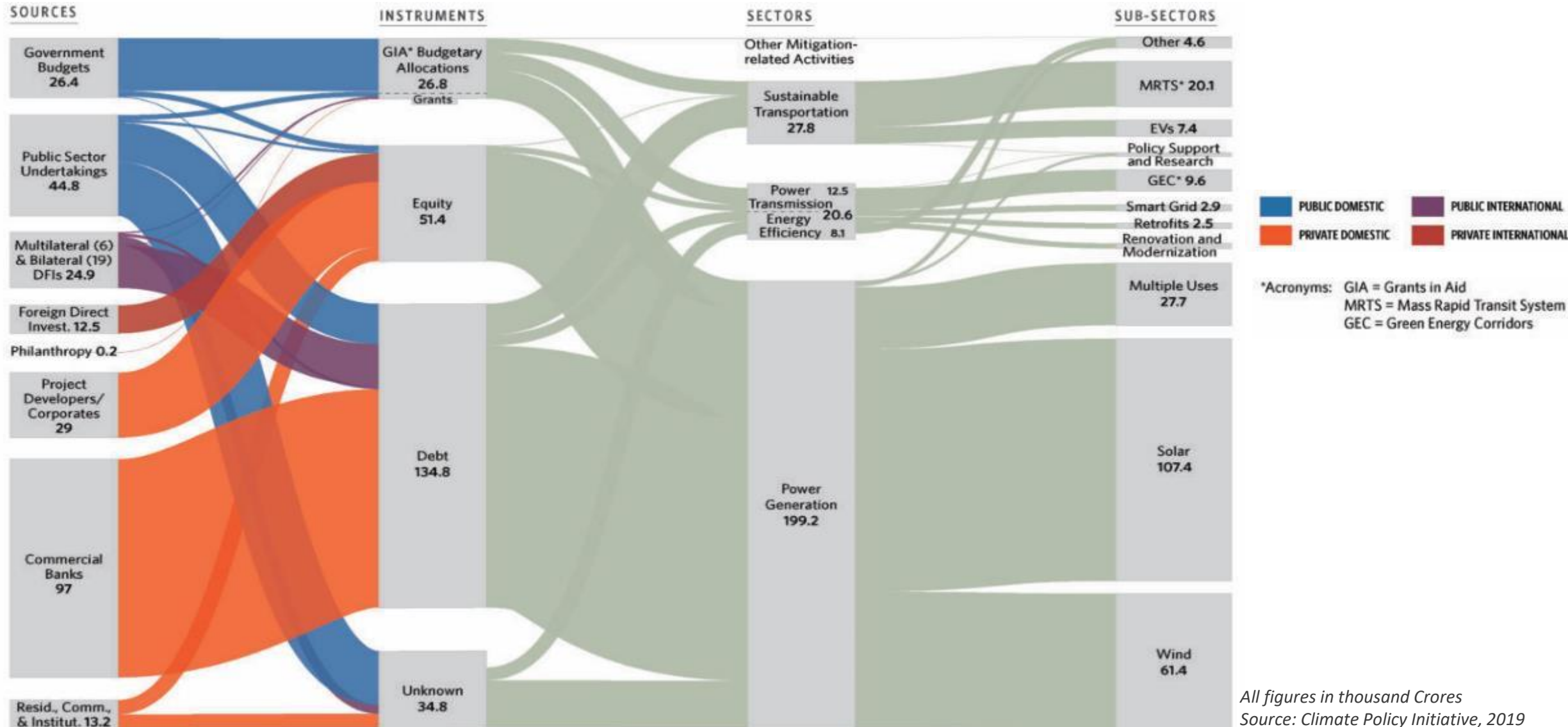
- Intended for **mitigation and adaptation activities**
- comes from a **variety of sources** (e.g. public, private, blended)...
- and **in different forms** (e.g. grants, loans, equity, guarantees)
- is **delivered through local, national, regional, and / or international channels**

Global Finance Flows 2017-2018 (avg 579 USD billions/2 years)



Source: Climate Policy Initiative, 2019

Climate Finance Flows in India, 2016-2018 (total of INR 248.000 crores)



All figures in thousand Crores
Source: Climate Policy Initiative, 2019

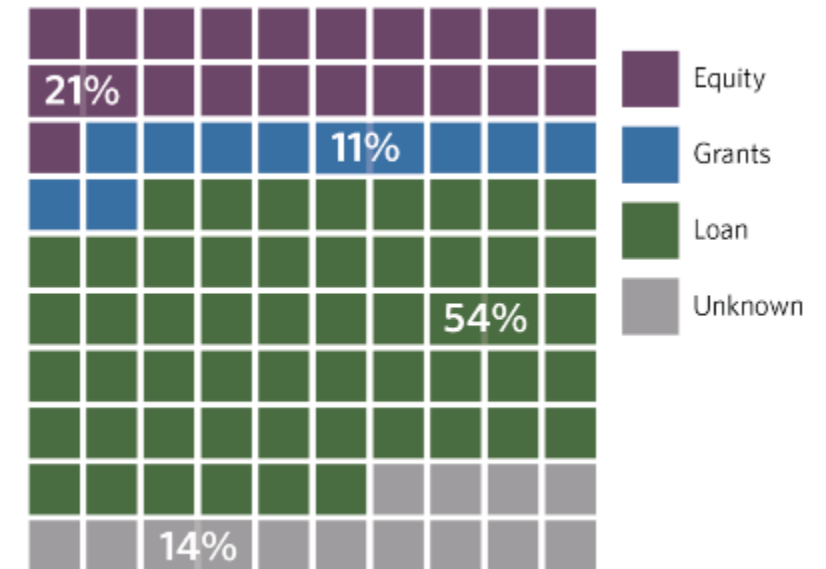
Key figures on climate financing from 2017/2018

Market-rate debt constituted the majority of climate finance in 2017/2018, averaging USD 316 billion annually.

Grant financing is only 5% of climate finance globally and 11% in India. It's still very important to have financially feasible projects.

Multilateral climate financing accounted for only 0.5% of total climate finance annually (USD 3.2 bn).

Attracting private investment is important: 56% of global climate finance projects come from the private sector (44% from the public sector).



Composition of Climate Finance in India

Source: Landscape of Green Finance in India, CPI, 2020

Key figures on climate financing from 2017/2018



Most global financial flows are “domestic”



72% of public and private sources were directed to developing countries from developed countries

Most low-cost project debt (93%) originated from public sources, as DFIs provided the bulk of concessional loans for climate-related projects.

Climate finance flows by OECD status of source and destination (USD billion, 2017/2018 annual average)



Source: Climate Policy Initiative, 2019*Flows with transregional destination are assumed to be directed to non-OECD countries.

Which sector invests?– Globally and within India

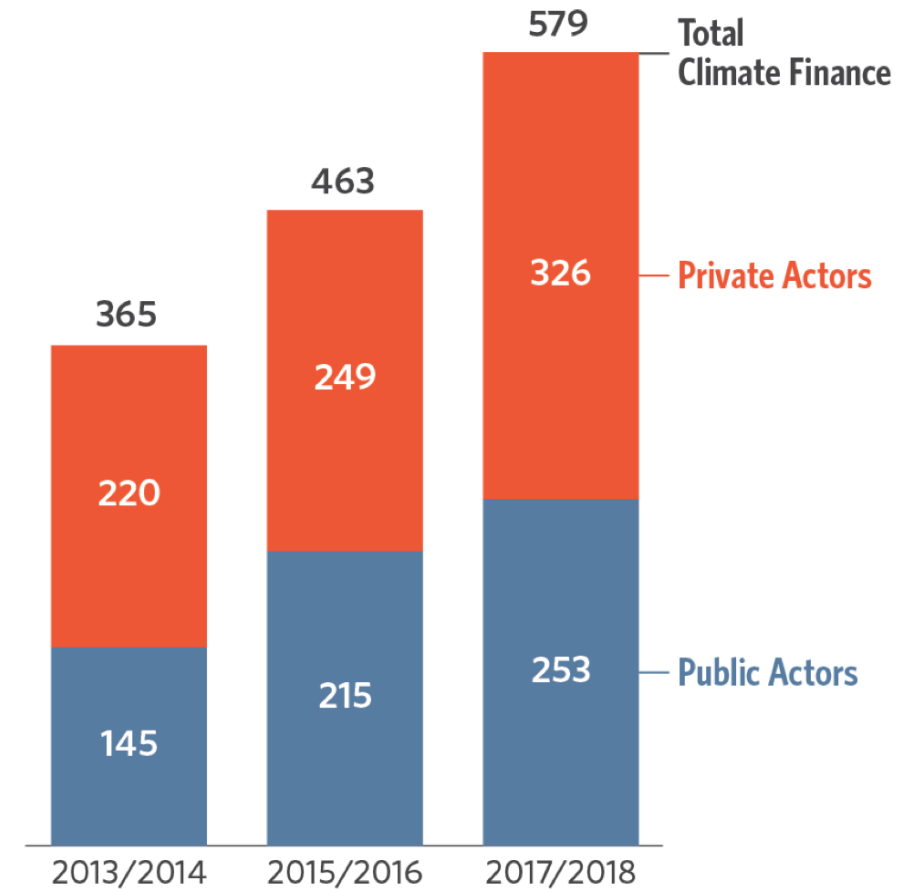
Private finance, which reached USD 326 billion on average annually in 2017/2018, **continues to account for the majority of climate finance globally, at around 56%.**

In India, domestic private investors contributed the largest share (63% FY 2015/16 and 51% FY 2017/18) of about INR 139 thousand crores through debt and equity respectively. Commercial financial institutions accounted for 40% of these funds.

The majority of bilateral climate funds (56%) went into the sustainable transportation sector, as loans for infrastructure development of metro rail projects. Delhi (45%) and Mumbai (25%) metro rail projects received the largest share.

Multilateral funds were targeted at the development of solar parks and rooftop projects (40%) in the country.

Global Climate Flows between 2013-2018



Source: *Global Landscape of Climate Finance, CPI, 2019*

Climate Finance and Transport globally



Financing for low-carbon transport is increasing rapidly.

Average annual finance to transport projects rose by 54% from 2015/16 to 2017/18 (USD 140 billion)

While renewable energy receives the most tracked finance from private sources, low-carbon transport is growing the fastest, increasing 20% per year.

Transport become the largest beneficiary of public finance (USD 94 billion=37% of total public finance and 44% of public finance for mitigation action)

In India, the transport sector received just over a third of all grants.

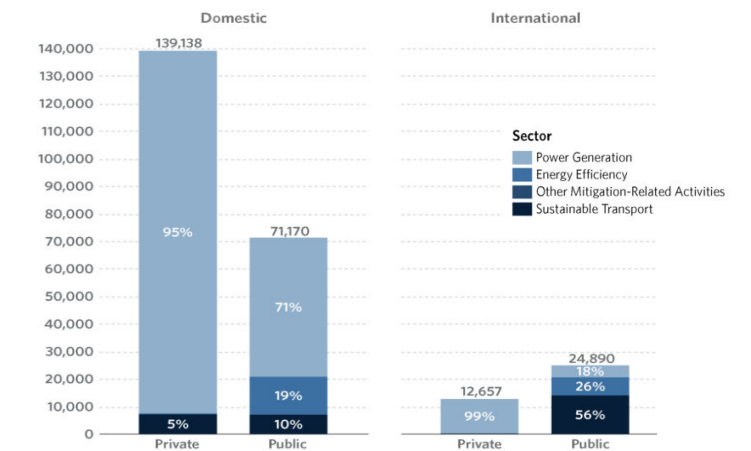
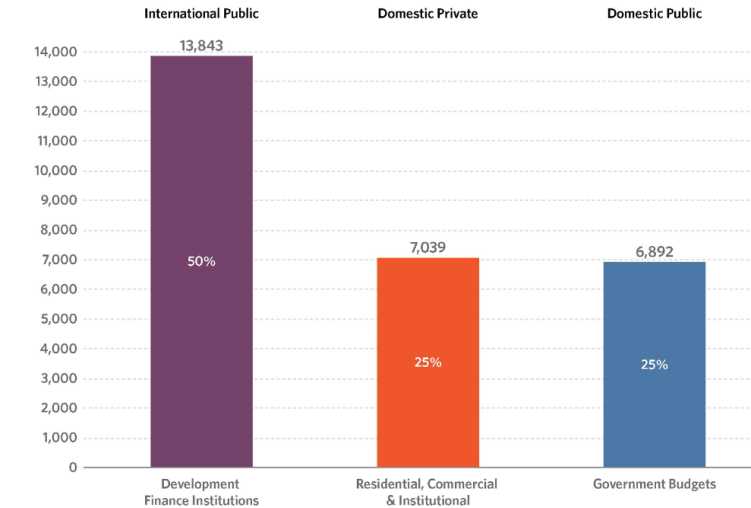
Of this, 35% flowed to the low-carbon transport sector.

55% of Bi- and MDB funds were directed to the development of mass rapid transportation

Private sector investment in capital-intensive and urban transport is still limited in India.

14% of private sector financing went to transport (Individual household spending on electric vehicle purchases made up the largest portion of this figure at USD 32 billion (68%)). Only 13% of private investment was spent on urban transit.

Investments in sustainable transportation in India, FY 2017 & 2018

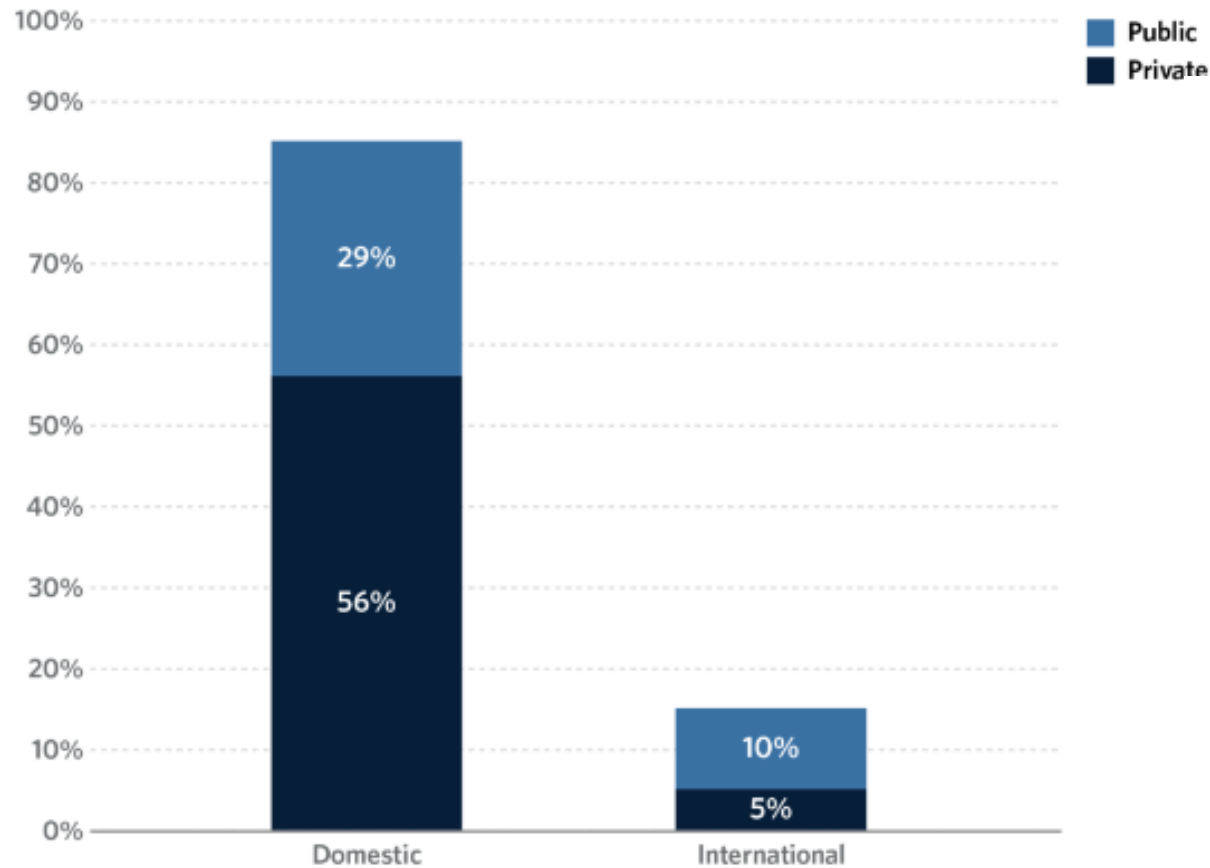


Source: Landscape of Climate Finance in India, 2020

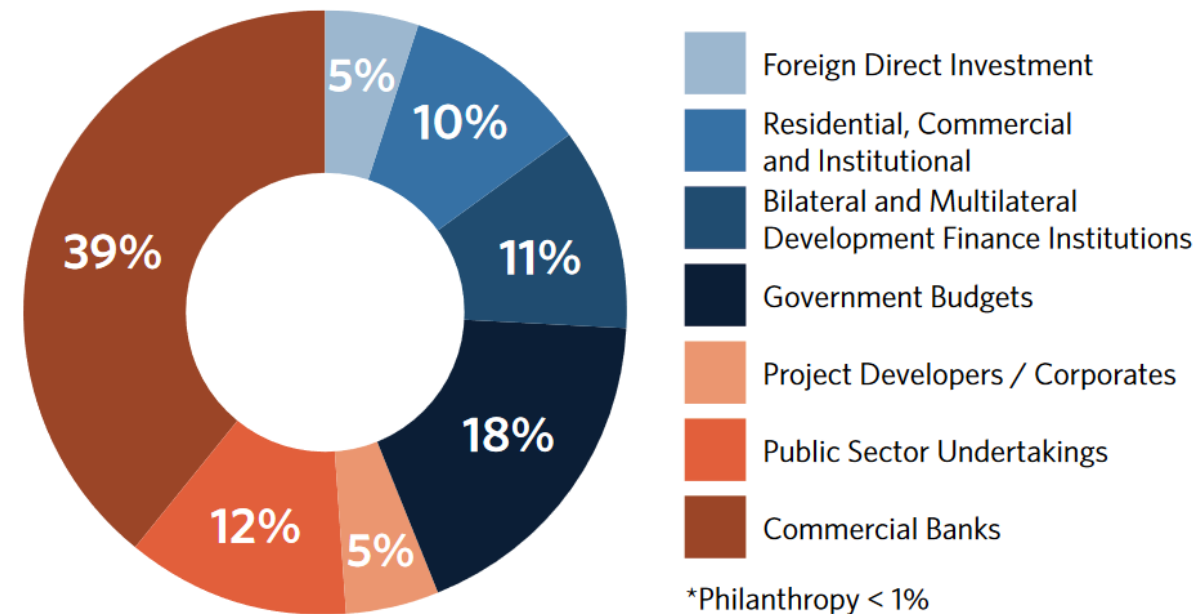
Climate Finance sources in India



Source by origin and channel of delivery in India, FY 2017-2018



Sector Engagement in India between 2017-2018



Source: Landscape of Green Finance in India, CPI, 2020

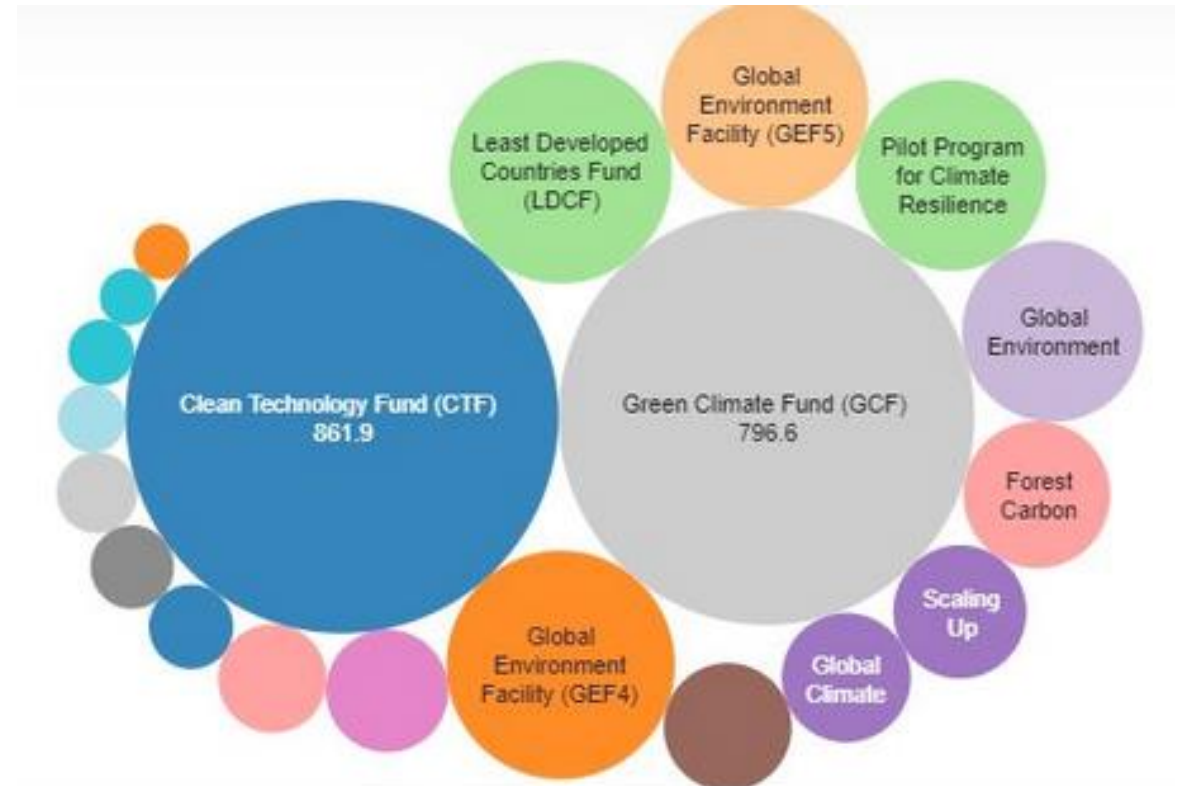
Various climate funds in Asia



The global architecture is complex, but in the last 8 years two funds (CTF, GEF) account for roughly 65% of all approved funding.

In the last 2 years, the largest funds have been provided by CTF and GCF.

Largest Funds in East Asia and the Pacific



Eligibility for the top two funds: The Green Climate Fund



Investment Criteria <https://www.greenclimate.fund/projects/criteria>

Application Process <https://www.greenclimate.fund/document/general-principles-and-indicative-list-eligible-costs-covered-under-gcf-fees-and-project>

Example Funding proposal Extended Community Climate Change Project-Flood in Bangladesh (approved 2019) <https://www.greenclimate.fund/document/extended-community-climate-change-project-flood-ecccp-flood>

Nationally Designated Authority in India Ministry of Environment, Forests and Climate Change

*Mr. Ravi Prasad, Additional Secretary, New Delhi, India; +91 11 2436 3956;
ravis.prasad@nic.in*



**GREEN
CLIMATE
FUND**

Eligibility for the top two funds: Climate Investment Fund



Investment Criteria <https://climatefundupdate.org/the-funds/clean-technology-fund/>

Investment Plan

https://www.climateinvestmentfunds.org/sites/cif_enc/files/ctf_india_investment_plan_101411_0.pdf

Application Process

https://www.climateinvestmentfunds.org/cif_enc/sites/cif_enc/files/meeting-documents/ctf_governance_framework-final.pdf

Example Funding proposal Development policy loan (DPL) to promote inclusive green growth and sustainable development in Himachal Pradesh

<http://pubdocs.worldbank.org/en/641691531492165287/1763-XCTFIN206A-India-Project-Document.pdf>



Key take-aways

Increasing importance of climate change: Need to demonstrate climate relevance to bi-and multilateral donors, but also additional financing source

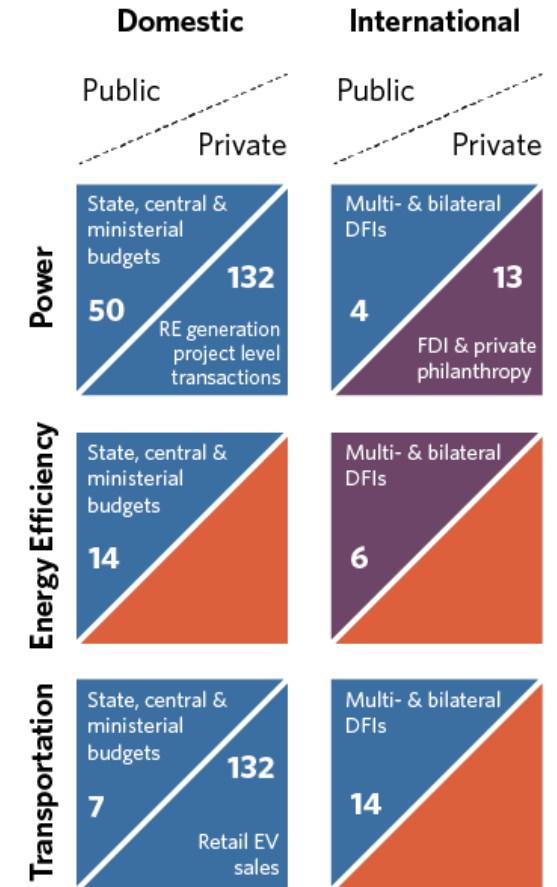
Financiers are looking for climate-related impacts and, depending on the financing instrument used, a financial return on their investment

Multitude of funding sources: GCF is a major focal point of climate finance, but other sources are also important (compare GCF funding of 2 bn annually to the pledges of bilateral donors and MDBs)

Alignment with country priorities: Projects should be based on key policies of a country (e.g. as included in NDCs, national development policy or sector priorities)

Keep the financier (investor, donor) in mind: Climate finance is not only about grants. Some funds/financiers require a return on investment (cash flow), as they rather provide loans and other financing instruments.

The **data is not perfect**, but the **trends** are clear!



List of references and recommended readings:

CPI, 2019: Global Landscape of Climate Finance 2019.

<https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2019/>

CPI, 2020: Landscape of Green Climate Finance in India.

<https://www.climatepolicyinitiative.org/publication/landscape-of-green-finance/>

ODI, 2017: Climate Finance Regional briefing: Asia

<https://www.odi.org/sites/odi.org.uk/files/resource-documents/12088.pdf>

[/library/wmo-statement-state-of-global-climate-2016](#)



Thank you!

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