



# International climate finance: Germany's contribution

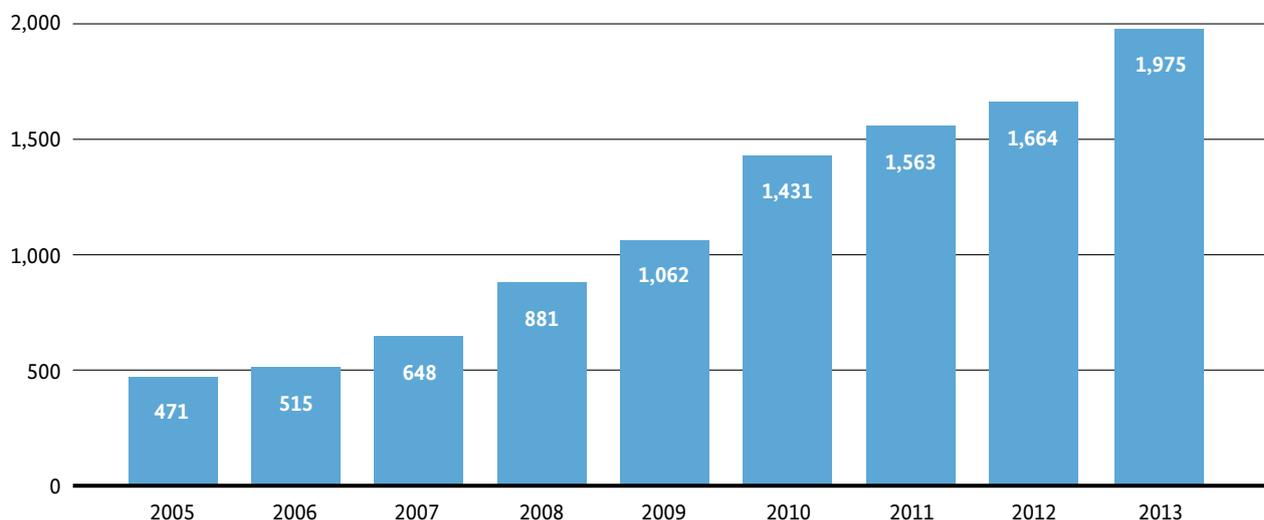
## A reliable partner for climate finance

For many years now Germany has been one of the biggest partners of developing countries and emerging economies in the fields of climate protection and climate change adaptation. Since 2005, Germany has quadrupled its contribution to international climate finance from its national budget to EUR 2 billion in 2013. In addition, KfW Development Bank raises important climate relevant finance from capital markets, which is partially leveraged by finance provided by the German public budget. In 2013, KfW Development Bank provided climate relevant flows of this nature amounting to EUR 1.05 billion. DEG, KfW Development Bank's private sector arm, furthermore provided EUR 448 million of climate relevant funds. German climate finance from budgetary sources and climate relevant finance from DEG and KfW, which leverage capital market means, amount to almost EUR 3.5 billion.

## Bi- and multilateral climate finance

Bilateral cooperation is the main focus of German international climate finance. From 2010 to 2013, it amounted to 85 % of the total budgetary climate finance. The main part of these funds is provided by the Federal Ministry for Economic Cooperation and Development (BMZ). As part of its long-term development cooperation, BMZ supports climate activities in nearly all of its 79 partner countries and seeks to integrate climate protection and adaptation to climate change into their national development strategies. In addition, the International Climate Initiative (IKI), provided by the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), has served as an innovative and comprehensive climate protection programme since 2008. The IKI supports flexible and prompt interventions, and helps to implement decisions from the Conferences of the Parties.

German international climate finance 2005–2013 (in million EUR)\*

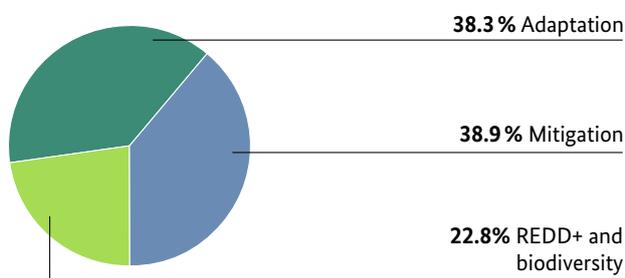


\* Actual figures: commitments from budgetary sources for all bilateral projects except Energie- und Klimafonds (Energy and Climate Fund, EKF), disbursements for EKF and multilateral projects.



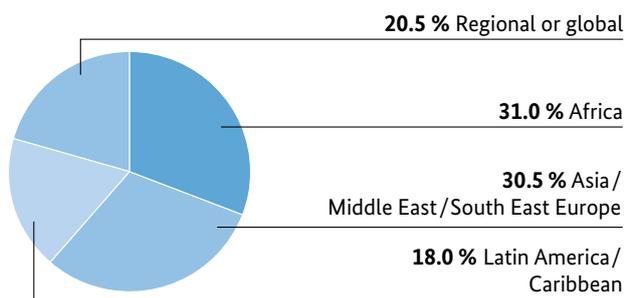
Germany provides finance for mitigation, adaptation and the protection of biodiversity including REDD+, contributing to the mitigation of greenhouse gases as well as adaptation to climate change. In 2013, 22.8 % of bilateral climate finance (EUR 1.690 million) went to measures in the field of REDD+/biodiversity, 38.3 % were allotted to adaptation projects, and 38.9 % to mitigation activities.

#### German bilateral climate finance by area (2013)\*\*



German climate finance is used to support projects in developing countries and emerging economies all around the world. In 2013, 31.0 % of bilateral climate finance was channelled to Africa, while 30.5 % went to Asia, the Middle East and South Eastern Europe, and 18.0 % to Latin America and the Caribbean. A further 20.5 % of projects were regional or global in nature.

#### German bilateral climate finance by region (2013)\*\*



Contributions to multilateral institutions and funds are another key element of German international climate finance, representing 15 % of the total amount from 2010 to 2013. With contributions of EUR 165 million and EUR 90 million respectively, Germany is the largest donor to the Least Developed Countries Fund and the Special Climate Change Fund, administered by the Global Environment Facility. Moreover, the German Government contributed EUR 550 million to the Climate Investment Funds, administered by the World Bank, as well as EUR 40 million to the Adaptation Fund and EUR 140 million to the Forest Carbon Partnership Facility.

The Green Climate Fund (GCF) will complement existing bilateral and multilateral approaches as the key instrument in the multilateral climate finance architecture. As the first Head of Government worldwide, Chancellor Merkel announced at the Fifth Petersberg Climate Dialogue in July 2014 that the German Government will contribute EUR 750 million for the initial resource mobilisation of the GCF.

### Mobilising private climate finance

Besides public climate finance, private climate finance plays an important role. Therefore mobilising and increasing investments from the private sector is one of the major tasks of international climate finance. To mobilise private climate finance, the German Government follows a twofold approach. On the one hand, Germany provides support that directly mobilises private finance for mitigation and adaptation measures through, e.g. special loan facilities or climate insurance schemes. On the other hand, Germany supports partner countries in designing, implementing and financing enabling environments for private investments in mitigation and adaptation measures. Thereby Germany indirectly mobilises additional private investments in developing countries.

\*\* Actual figures: commitments from budgetary sources for all bilateral projects except EKF, disbursements for EKF.

#### Imprint

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