



**Universität
Zürich^{UZH}**

Institut für Politikwissenschaft

Contribution of the private sector to Climate Change Long-Term-Finance - *private climate finance mobilized by Switzerland*

Summary of a report for the Swiss Federal Office for the Environment

Martin Stadelmann, March 2013, CCXG seminar, Paris



Key messages

- **Private finance mobilized by Switzerland** may be in the range of CHF 0.2-2.7 billion per year but **high uncertainty (definitions, data)**
- Swiss companies promote low-carbon development with **activities beyond finance (e.g. training, advice, R&D, tech transfer)**
- **Systems for measuring, reporting and verifying flows are not existing or deficient** (exception: compliance carbon market)
- Potential **criteria for inclusion in the \$100 billion target (2020) have substantial implications**, e.g. “no double counting with GHG targets” & “incremental cost coverage” -> number drops to almost 0.



Gaps & uncertainties (with Swiss questionnaires)

Finance flows	Overall quality	Detailed data	Data center	Challenges
Carbon market payments		✓	(✓)	Credit prices, fragmentation
Non-return oriented finance		(✓)		Definition of “climate change”, no established reporting systems (except FDI)
Payments for low-carbon products				
Foreign Direct Investments (FDI)			(✓)	
Investments mobilized by ...				
... the carbon market		✓	✓	Additionality
... bilateral public finance		(✓)		Definition of “climate change” and “mobilization”, additionality
... multilateral development banks		(✓)		
... export insurance		✓	(✓)	



Gaps & uncertainties (w/o Swiss questionnaires)

Finance flows	Overall quality	Detailed data	Data center	Challenges
Carbon market payments		(✓)	(✓)	Credit prices, fragmentation
Non-return oriented finance				Definition of “climate change”, no established reporting systems (except FDI)
Payments for low-carbon products				
Foreign Direct Investments (FDI)			(✓)	
Investments mobilized by ...				
... the carbon market		✓	✓	Additionality
... bilateral public finance		(✓)		Definition of “climate change” and “mobilization”, additionality
... multilateral development banks		(✓)		
... export insurance		(✓)	(✓)	



Way forward / work to be done

- **Political discussions on criteria for inclusion of private finance in USD 100 billion**
 - After decisions: Establishing robust but efficient MRV system

- **Technical work on**
 - **Assessment of „private finance mobilized by public agencies“** (needed for 2014 biennial update report)
 - **Definition of „climate finance“** (adaptation and mitigation)



Thank you very much for your attention!

**Questions and comments very welcome... (after
my 2nd presentation)**

Climate Finance Landscape

CCXG seminar, Paris, 20th March 2013

Martin Stadelmann (Senior Analyst)



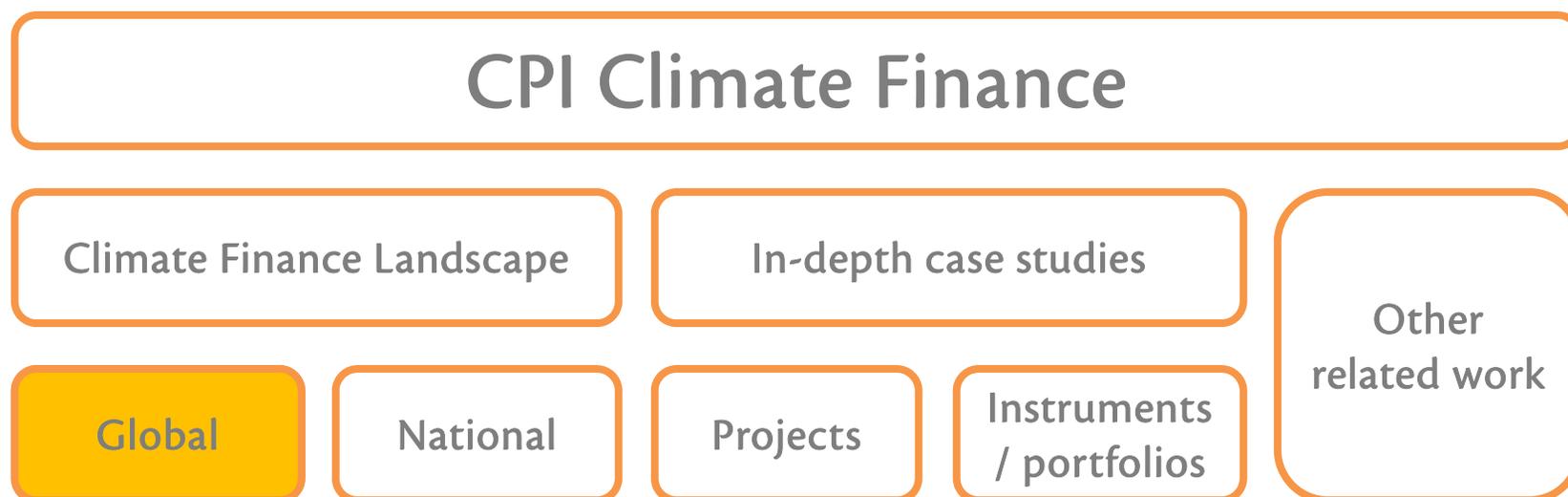
CLIMATE
POLICY
INITIATIVE

BEIJING
BERLIN
HYDERABAD
RIO DE JANEIRO
SAN FRANCISCO
VENICE

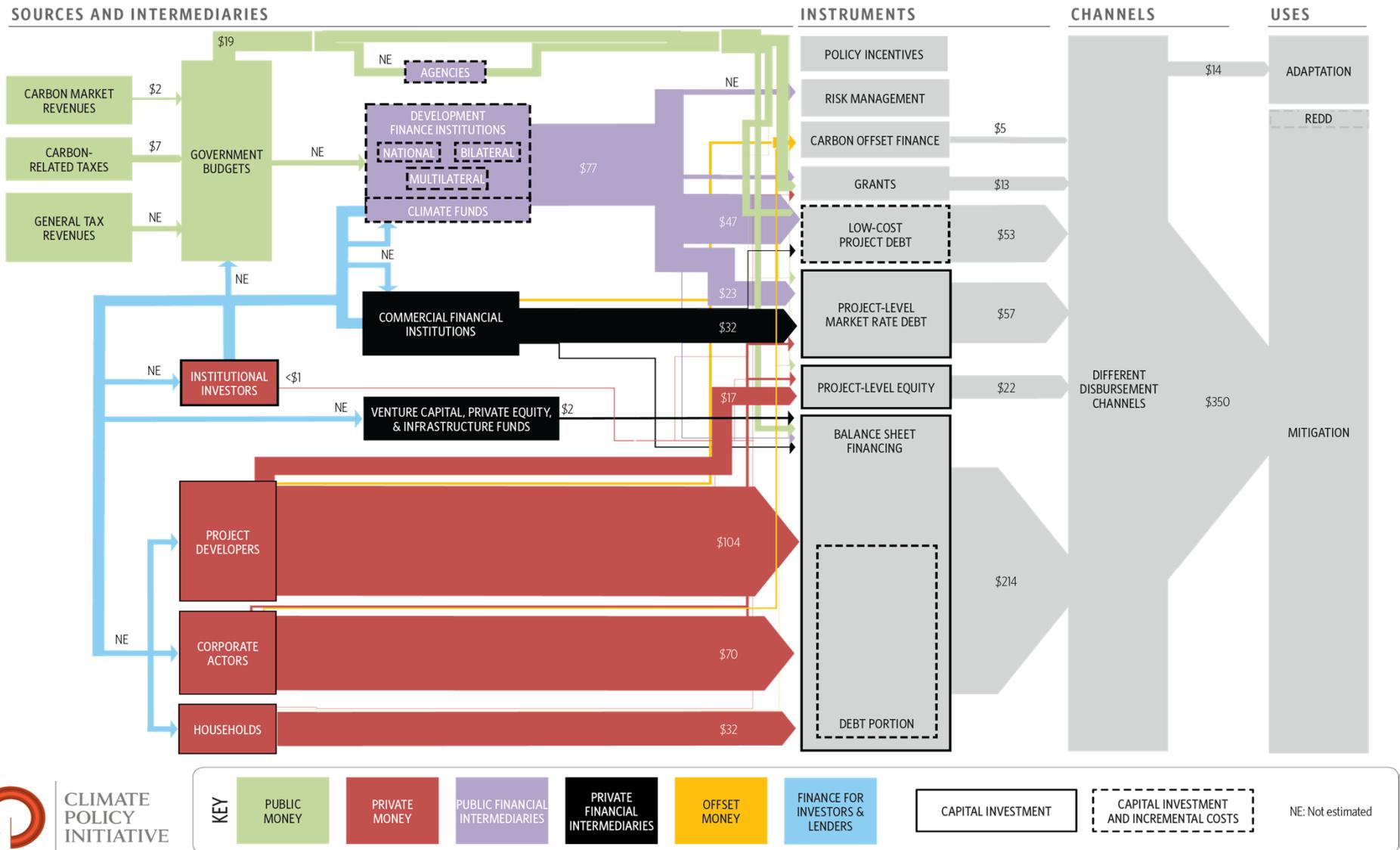
Island of San Giorgio Maggiore 8
30126 Venice
Italy
climatepolicyinitiative.org

CPI studies on climate finance

CPI aims to provide evidence-based analysis on climate finance to policymakers and the private sector, to help them make the best decisions in support of low-carbon growth.



Global Landscape 2012: USD flowing in 2010/2011



Notes: Figures presented are indicative estimates of annual flows for the latest year available, 2009/2010 (variable according to the data source). Figures are expressed in USD billion and are rounded to produce whole numbers. Estimates spanning multiple years are adjusted to produce annual-equivalent estimates. Where ranges of estimates are available, the mid-point is presented. All flows are incremental except for those identified as full or partial 'capital investment'. Most data presented relate to commitments in a given year, due to limited availability of disbursement data. *Estimated carbon pricing revenues indicated are not necessarily wholly hypothesized for climate finance.

Global Landscape 2012: Key findings

In 2011 **USD 364 billion** on average
Domestic, North(N)-South(S), S-N, N-N, S-S

Money is flowing but falls short of investment required

Circa **USD 1 trillion** per year

Private capital is essential to scale up

Well-targeted public capital can catalyze private capital

Gaps and uncertainties: overview

1. **Comprehensiveness:** In-depth knowledge on countries and sectors
2. **The real money:** clarifying “net” climate flows
3. **The impact:** Understanding effectiveness of climate finance
4. **The benchmark:** explore business-as-usual (“brown”) flows

Gaps and uncertainties: work to be done

- 1. Comprehensiveness:** In-depth knowledge on countries and sectors
 - Countries: National landscapes
 - Sectors: forestry, buildings, industry, all adaptation-relevant sectors
- 2. The real money:** clarifying “net” climate flows
 - Conceptualization
 - Real measurement
- 3. The impact:** Understanding effectiveness of climate finance
 - Case studies
 - Review of instruments, portfolios and the larger landscape
- 4. The benchmark:** explore business-as-usual (“brown”) flows
 - Conceptualization
 - Real measurement

Gaps and uncertainties: contribution of CPI

1. **Comprehensiveness:** In-depth knowledge on countries and sectors

- Countries: National landscapes  CLIMATE POLICY INITIATIVE
- Sectors: forestry , buildings, adaptation-relevant sectors  CLIMATE POLICY INITIATIVE

2. **The real money:** clarifying “net” climate flows

- Conceptualization  CLIMATE POLICY INITIATIVE
- Real measurement

3. **The impact:** Understanding effectiveness of climate finance

- Case studies  CLIMATE POLICY INITIATIVE
- Review of instruments, portfolios and the larger landscape  CLIMATE POLICY INITIATIVE

4. **The benchmark:** explore business-as-usual (“ brown”) flows

- Conceptualization
- Real measurement

Q & A



CLIMATE
POLICY
INITIATIVE

BEIJING
BERLIN
HYDERABAD
RIO DE JANEIRO
SAN FRANCISCO
VENICE

Island of San Giorgio Maggiore 8
30126 Venice
Italy
climatepolicyinitiative.org

Annex

Further Reading

- **The Landscape of Climate Finance 2012**
<http://climatepolicyinitiative.org/venice/publication/global-landscape-of-climate-finance-2012/>
- **The German Landscape of Climate Finance**
<http://climatepolicyinitiative.org/berlin/publication/german-landscape-of-climate-finance/>
- **Information about the San Giorgio Group**
<http://climatepolicyinitiative.org/venice/san-giorgio-group/>
- **SGG case studies** <http://climatepolicyinitiative.org/publication/san-giorgio-group-case-studies/>