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Climate funds: time to clean up

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WORK OF THE CHAIR IN INTERNATIONAL ARCHITECTURE OF
DEVELOPMENT FINANCE

Climate funds: time to clean up

PHILIPPE LE HOUÉROU



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Abstract

Over the last 30 years, at least 94 green-climate funds¹ have been created to finance climate-related projects and programs in Emerging Markets and Developing Countries (EMDC). Each individual fund may have been justified at the time of its creation. As a system, however, they do not add up and their contribution to the total flows of green finance remains marginal. In this paper, we counted 81 active funds as of end 2022. Moreover, it is quite difficult, if not impossible, to assess even the most basic aspects of the financial management and impact of these funds as a “system” and a channel of climate finance. Given the urgency to scale up both mitigation and adaptation policies and projects in EMDC, and before creating new funds that would add to the current astonishing fragmentation, it is urgent to drastically reduce the huge number of existing climate funds and to reform the remaining ones with a view to increasing their transparency, efficiency, synergies, and impact. That would be a useful first step into rationalizing and redefining the current messy aid architecture, even more so since most of these funds are publicly financed.

Introduction

The discussion about the much-needed changes in the aid architecture has become more active in recent months. Over the last 30-35 years, the aid architecture that came out of World War II (WWII) has evolved without a master plan, without an architect, in a series of ad-hoc adaptations. This has led to a messy and fragmented aid system that few understand and whose efficiency and impact are being questioned. In addition, as the devastating consequences of climate change and pandemics (think Covid, avian flu, etc.), are becoming more obvious to world citizens, and hence their political representatives, urgency of “doing something” or more precisely “doing more” about global public goods has jumped to the top of the agenda (G7, G20, Bridgetown Initiative, etc.).

One of the symptoms of both the fragmentation of the aid architecture and the push for climate action has been the astonishing growth of environment or green “climate funds¹” over the last 30 years. This paper shows that the “system” of climate funds remains very opaque. Even the number of such funds is not totally clear! Let alone basic questions like financial flows, cost of the system and impact. This lack of transparency raises questions about the efficiency, effectiveness and impact of this fragmentation. If value for money cannot be established, it is urgent to stop adding to the problem by creating more funds and rather to give priority to consolidation and rationalization.

The de facto “let one thousand flowers bloom” approach led to a plethora of climate funds...

According to the 2015 reference publication of the OECD, which is one of the very few official attempts to do an inventory of green funds, 91 funds are listed in their inventory database.² Another source of green funds is the Climate Funds Update maintained by ODI, however it provides an incomplete picture, listing only 28 active funds.³ In fact to date, at least 94 “Climate Funds” have been established since 1991. The Global Environment Facility was the first in 1991 and the most recent is the Climate Finance Partnership (CFP)⁴ Fund in 2022. Based on an internet research conducted by Ieva Vilkelyte from the Centennial Group, 13 of these 94 climate funds have “disappeared” (due to formal termination and/or lack of recent information or evidence of an active website). This leaves a universe of 81 climate funds active today (see Annex 1 for the estimated list of 81 active funds and the selection methodology).

¹ This paper focuses on “climate-dedicated funds” (“climate funds” in brief) using OECD’s definition: “those that only invest in climate activities” (OECD, Climate Fund Inventory - Report to the G20 Climate Finance Study Group prepared by the Organization for Economic Co-operation and Development, August 2015).

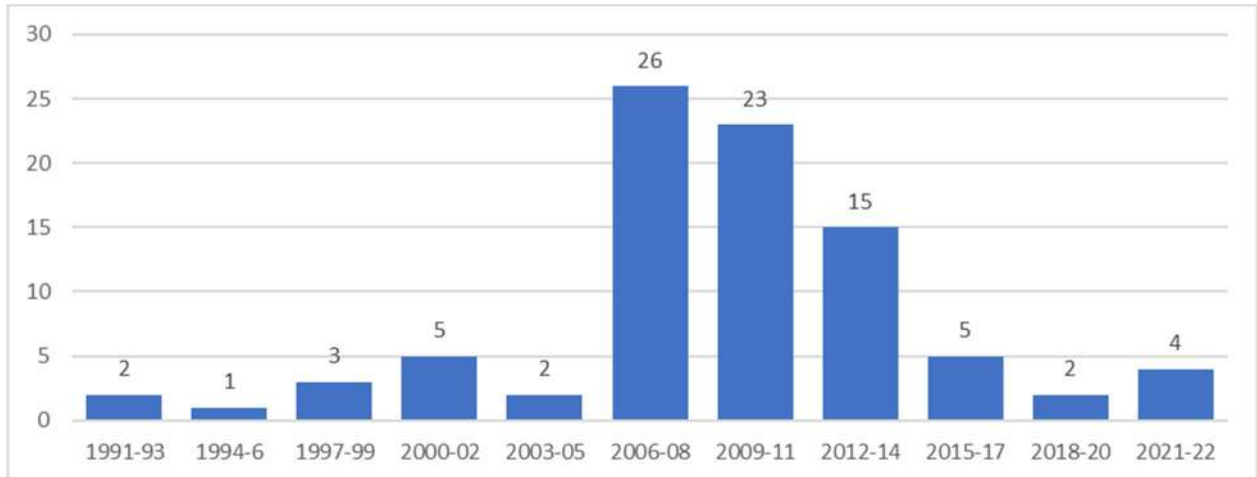
² However, their background report indicates that 99 exist (OECD, Climate Fund Inventory - Report to the G20 Climate Finance Study Group prepared by the Organisation for Economic Co-operation and Development, August 2015).

³ Climate Funds Update, December 2022 (<https://climatefundsupdate.org/data-dashboard/>). See the Methodological Note in Annex 1 for more information.

⁴ A partnership between Blackrock, KfW, AFD, JBIC and several US organizations (<https://www.blackrock.com/institutions/en-us/strategies/alternatives/real-assets/infrastructure/climate-finance-partnership>)

As shown in figure 1, this “enthusiasm” in creating climate funds peaked during the 2006-2014 period, with an average of 7 new climate funds per year. And it seems that the trend recently picked up in 2021-22.

Figure 1: Number of green funds by year of establishment



Note: Above covers 88 active and terminated funds (nota bene: establishment year could not be determined for six of the funds)

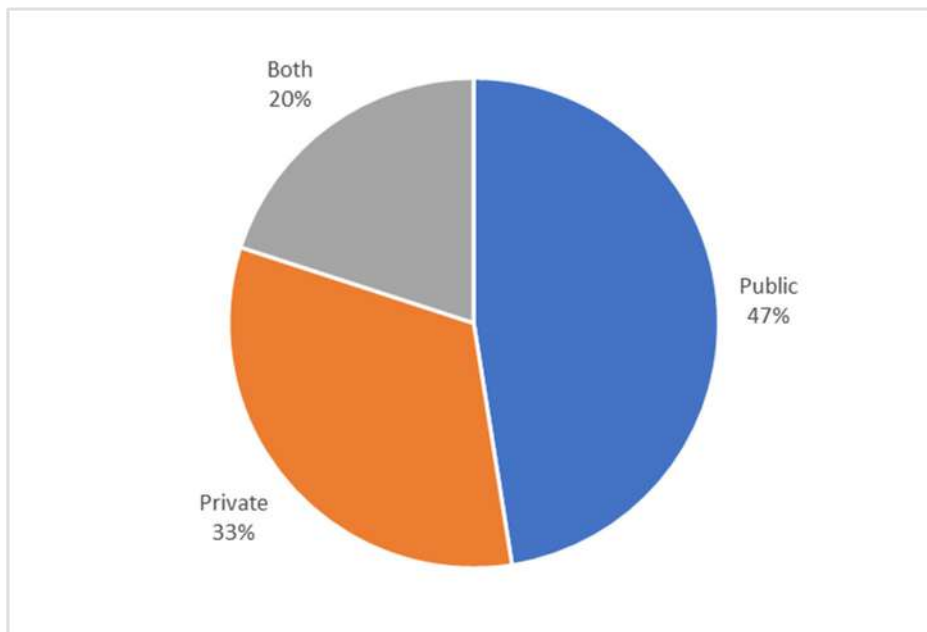
Source: OECD, Climate Fund Inventory Database, 2015 (<https://qdd.oecd.org/subject.aspx?subject=climatefundinventory>) and individual fund websites, see Annex 1 and 2.

Most climate funds are multilateral, and of these, more than half are housed in multilateral development banks (MDBs) or UN agencies. Of the estimated 81 active funds in annex 1, 62 are multilateral funds (50 are housed in MDBs, bilateral agencies, or in UN agencies with the remaining 12 standalone) and 11 are bilateral funds (8 are housed in bilateral aid agencies with the remaining 3 standalone).⁵ In total, 73 of these funds are financed by public monies (partially or entirely). The remaining 8 are private.

Although eligibility leans towards public sector applicants, more than half of the 81 active funds accept private sector applicants, a welcome feature. However, the number of applications received, or the attribution/selection results are unknown, making it impossible to assess where the funds finally go and to which entities (public or private).

⁵ A standalone fund is not housed at another institution and therefore does not utilize (or only partly in some cases) the host institution’s corporate and operational functions (e.g., human resources, treasury, IT, legal, procurement rules, ESG, financial compliance, design and supervision of projects etc.). It can be a multilateral, bilateral, or private fund.

Figure 2: Green funds by applicant eligibility

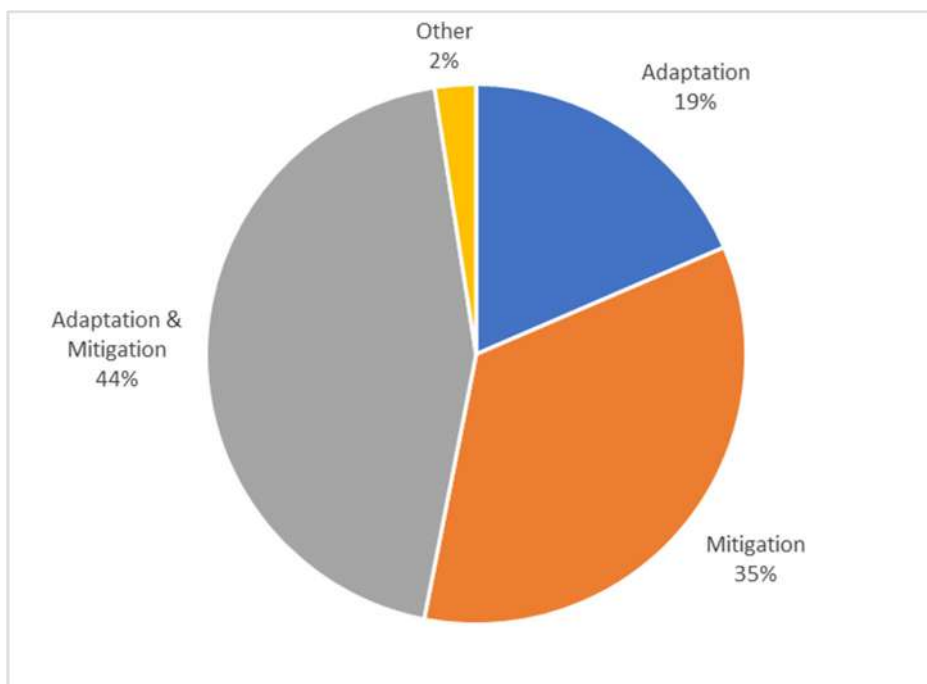


Note: Above covers the 81 active funds

Source: OECD, Climate Fund Inventory Database, 2015 (<https://qdd.oecd.org/subject.aspx?subject=climatefundinventory>), individual fund websites (see Annex 1) and own estimates

Based on the OECD fund inventory and our own review, we found that nearly half of the funds encompass both mitigation and adaptation, a third focuses on mitigation only, and about 19 percent focus exclusively on adaptation.

Figure 3: Share of green funds by focus area



Note: Above covers the 81 active funds

Source: OECD, Climate Fund Inventory Database, 2015 (<https://qdd.oecd.org/subject.aspx?subject=climatefundinventory>), individual fund websites (see Annex 1) and own estimates

...With very limited insights/transparency.

The wide and diverse universe of climate funds begs a series of important questions:

- How much do the 81 active funds commit and disburse per year (in aggregate and in per objective and countries)?
- To what end: mitigation, adaptation, biodiversity, technical assistance, investment projects, etc.?
- To whom: private sector? Public sector?
- In what form: grants, loans, equity, guarantees?
- Do they leverage their resources?
- Who finances these funds?
- What is their consolidated budget?
- With what results and impact?

Unfortunately, few answers exist on such basic questions because this information is not available to the public. The difficulty in aggregating annual fund commitments and disbursements arises from the fact that the 81 fund websites have vastly different standards regarding public reporting. For example, some funds produce annual reports while others only provide general information directly on their website. And, even for funds that produce annual reports, many report only cumulative financial results rather than annual financial results. In addition, these reports often do not provide information on both commitments and disbursements (most often only on the former). Another difficulty in aggregating data stems from the fact that some fund websites are outdated or do not report in a timely manner. *It does not mean that the information does not exist, but it is most likely restricted to the funders of these funds.*

The answers we can give are indirect, limited, and sadly disappointing: Besides climate funds, other forms of climate finance already exist and have developed in leaps and bounds over the last 30 years. Yet, surprisingly, very little consolidated information exists. On the amounts and flow of climate finance by type of channels (total, national banks, green bonds, bilateral and multilateral channels, climate funds, etc.), the only consolidated information that we found is in: (i) the Climate Policy Initiative (CPI) in their very useful “Global Landscape of Climate Finance 2021”⁶ and (ii) the “Report of the Standing Committee on Finance (SCF)” issued on October 2022 for the Conference of the Parties (COP).⁷ Both sources underline that their aggregated estimates are plagued by many issues related to lack of harmonized definitions and reporting standards.

In 2019-2020, the annual average of total climate finance flows amounted to \$632 billion according to the CPI and \$803 billion according to the SCF. Despite the huge difference in total climate finance estimates, it is interesting to note that both sources are consistent in showing that one of the smallest sources of climate finance are the estimated disbursements of the multilateral climate funds: \$4 billion according to the CPI and \$3.1 billion according to the SCF. This is respectively 0.6 percent and 0.3 percent of the total of climate finance flows. May

⁶ Climate Policy Initiative (CPI), Global Landscape of Climate Finance 2021, 2021.

⁷ UNFCCC “Report of the Standing Committee on Finance (SCF)” issued on October 2022 for the Conference of the Parties (COP) held in Sharm El-Sheik in November 2022. UN FCCC/cp/2022/8/Add.1-FCCC/PA/CMA/2022/7/Add.1

be a better and fairer comparison is with the average annual disbursement flows financed by the own resources (i.e., excluding the disbursement of the climate funds that they host) of the Multilateral Development Finance Institutions (DFIs) and of the Multilateral Development Banks (MDBs) in 2019-20. According to CPI, the Multilateral DFIs disbursed \$68 billion on climate projects and, according to the SCF, the MDBs disbursed \$38.3 billion on climate projects and programs. This means that the disbursements of Multilateral climate funds represent only 5.8 percent of the climate disbursements of Multilateral DFIs in 2019-2020 according to CPI, and 8 percent of the MDBs disbursements according to SCF.

Another way to look at this data is to compare the estimated total disbursements of multilateral climate funds of \$ 4 billion (by CPI) and \$ 3.1 billion (by SCF) to the 62 publicly funded multilateral funds (50 housed in MDBs or UN agencies and 12 standalone funds).⁸ This is a tiny amount of disbursement flows per active fund. Even worse, if we subtract the two largest funds (namely the Green Climate Fund and the Global Environment Facility - which have the most transparent financial data on their websites- see annex 4) that showed disbursements of \$1.3 billion in 2020, this leaves an aggregate disbursement of \$2.7 billion spread over 60 funds if we take the CPI estimates and \$1.8 billion if we take the SCF estimates. This is equivalent to a yearly average disbursement of, respectively \$45 million or \$30 million in 2019-2020, per multilateral climate fund

This system cannot provide value for money for either the donors or the recipients of these funds.

The very limited publicly available information prevents any deep analysis. However, this opacity itself and the tiny average amounts of disbursements per fund raise serious questions.

The first question is to try and understand why “official donors” de facto participated in this seemingly unchecked “exuberance”? There are many drivers. First and foremost, it is a way for official donors to earmark “climate” and use the existing organizations that are generating the projects (MDBs, UN, bilateral agencies), thereby ensuring that their political priorities are catered to. While each new fund may have a good rationale when taken individually, when taken as a “system,” the plethora of funds has not yet produced the necessary results at scale and may never do so. And finally, there is simply no coordination, “no pilot in the plane,” or no “architect” to ensure the efficiency, effectiveness and impact of the climate fund system. As a result, the multiplication of climate funds has added to an already badly fragmented aid system as it evolved over the last 30-40 years (see “A changing landscape: Trends in Official Financial flows and the aid architecture. World Bank, November 2021).

A mitigating factor providing a possible rationale, is budgetary. By housing many of the climate funds in the existing MDBs, UN agencies and bilateral aid agencies, which means using their services, a lot of budgetary expenses can be saved by official donors. These expenses can add up very quickly: human resource policies and management; IT systems; financial management through use of the treasury functions for investment and cash management; legal services; procurement; application of environment, social and governance (ESG)

⁸ Only some standalone funds are multilateral (see footnote 5 and annex 1).

standards; due diligence and compliance policies and implementation; project design and supervision; etc.

And most of the time, these services are charged at marginal rather than full cost. So, by limiting the dedicated staffing of such funds to three basic functions (as opposed to stand-alone funds), namely fund raising, allocation of the funds raised, and reporting and convening the ad hoc governance set up by and for the donors of these funds, the creation of each of the publicly financed 58 Climate funds housed in MDBs, UN agencies, or bilateral agencies may not look so expensive. Still, even such limited budget costs add up when the number of funds increases, especially in view of the small amounts disbursed into real projects on the ground.

Another charitable interpretation of the benefit of the multiplication of the climate funds is that it may encourage innovation and addresses niche issues. In practice, however, it is far from being proven. And hard questions need also to be asked as to the knowledge generated by the “system” of these funds and how it is shared given the lack of the most basic information, and of any independent body to evaluate, curate and disseminate the possible knowledge being generated. As a result, successful good practices and possible innovations cannot be scaled up. Knowledge management is hard enough within a single organization with an established research department and an independent evaluation function (e.g., the World Bank Group’s Independent Evaluation Group, which reports directly to the board of directors), let alone of a system made of 73 publicly financed entities with no common definitions, standards or oversight.

In addition to being most likely sub-optimal for the efficient allocation of global taxpayer’s monies and contrary to good fiscal principles, the fragmentation of the climate funds system is also a “tax on capacity” for recipients’ governments and/or private sector entities. This “capacity tax” is a hidden but very real and heavy tax on recipients’ governments that must deal with hundreds of aid institutions and financing channels, with their own rules and procedures. This cost of aid fragmentation is well documented⁹, and it is the heaviest for the poorest countries where administrative and implementation capacity is generally weak.

Conclusion: Time for a serious reset

The analysis above which remains a first attempt for lack of relevant information raises grave doubts about the value for money and impact of the current Climate Funds system, and yet, new funds are being contemplated. Before embarking on adding to the fragmentation of funds (and/or other publicly-funded multilateral new channels of climate finance), it is urgent to increase the transparency, efficiency and impact reporting of the existing climate funds. This would be a useful first step towards rationalizing and consolidating this channel of climate finance. This will, among other things, facilitate the much-needed coordination with

⁹ For example: UNDP 2016: Fragmentation of Official Development Aid; OECD 2011: Fragmentation of Aid: Concepts, Measurements and Implications; European Commission 2010: The impact of fragmentation of aid on the sustainability of aid flows; World Bank 2012: Aid fragmentation and effectiveness; IMF 2015: Fragmentation in international aid: an overview.

recipients' country strategies or the "country platforms" that the G20 recommended to help rationalize aid flows.¹⁰

Such consolidation could start with the 62 multilateral, official donors' financed climate funds. It could be done in many ways: by hosting institutions (MDBs, UN); along key specific functional specializations (e.g., mitigation, adaptation, biodiversity); geographies (global or regional); type of recipient executing agencies involved (public or private); or maybe even by financial instruments (technical assistance, loans, equity, grants, guarantees). Or a combination of the above. For the surviving consolidated funds, harmonizing definitions and standards, setting up transparent reporting requirements on financial flows and results, as well as improving knowledge management should be a prerequisite before setting up new multilateral donor funded climate funds.

The inconvenient truth is that it is politically easier and tempting to create yet another climate fund to show that "we are doing something" rather than making the painstaking effort to ensure efficiency and effectiveness and build on lessons learned from what we have been doing already for 30 years. Beyond the specific example of the climate funds, the fundamental issue is that the aid architecture evolved anarchically, without a blueprint, in a series of ad hoc adjustments. It is true however that the geopolitical and economic realities today are very different from what they were when the post-WWII system was created. If anything, there are more players (new official donors as well as private foundations), an evolving balance of power, and new major challenges.

As a result, consensus is harder to achieve, and some degree of additional complexity is inevitable. But rationalization is essential for both efficiency and legitimacy reasons. At least the "traditional" donors -the OECD's 33 Development Assistance Committee (DAC) members, for example- should try to improve parts of the existing system that is under their purview. Given the urgency, climate finance should be an obvious candidate.

¹⁰ CGD, "Some Thoughts on Country Platforms," December 2020. <https://www.cgdev.org/publication/some-thoughts-country-platforms>

Annex 1: List of Active Funds (Estimated) and Methodological Note

Public Funds			Private Funds				
Name of fund	Part of 2015 OECD List	Housed at:	Name of fund	Part of OECD List	Housed at:		
1	Adaptation for Smallholder Agriculture Program	✓	Multilateral housed at MDB/UN agency	1	Acumen	✓	Stand-alone private fund
2	ADB Clean Energy Financing Partnership Facility	✓	Multilateral housed at MDB/UN agency	2	Catalyst - Breakthrough Energy		Stand-alone private fund
3	ADB Climate Change Fund	✓	Multilateral housed at MDB/UN agency	3	Catalyst Fund	✓	Stand-alone private fund
4	Africa Climate Change Fund	✓	Multilateral housed at MDB/UN agency	4	Earth Fund (Jeff Bezos)		Stand-alone private fund
5	Africa Water Facility	✓	Multilateral housed at MDB/UN agency	5	Ikea Foundation		Stand-alone private fund
6	ASEAN Catalytic Green Finance Facility		Multilateral housed at MDB/UN agency	6	Climate and Land Use Alliance	✓	Stand-alone private fund
7	ASEAN Infrastructure Fund	✓	Multilateral housed at MDB/UN agency	7	Rockefeller Climate Solutions Fund		Stand-alone private fund
8	BioCarbon Fund	✓	Multilateral housed at MDB/UN agency	8	Africa Enterprise Challenge Fund: Renewable Energy and Adaptation to Climate Technologies	✓	Stand-alone private fund
9	Carbon Initiative for Development	✓	Multilateral housed at MDB/UN agency				
10	Central African Forest Initiative (CAFI)		Multilateral housed at MDB/UN agency				
11	Climate Investment Funds	✓	Multilateral housed at MDB/UN agency				
12	Clean Technology Fund	✓	Multilateral housed at MDB/UN agency				
13	ClimDev-Africa Special Fund	✓	Multilateral housed at MDB/UN agency				
14	Congo Basin Forest Fund	✓	Multilateral housed at MDB/UN agency				
15	EIB Climate Change Technical Assistance Facility	✓	Multilateral housed at MDB/UN agency				
16	EIB Post-2012 Carbon Credit Fund	✓	Multilateral housed at MDB/UN agency				
17	EIB-KfW Value Added Carbon Fund II	✓	Multilateral housed at MDB/UN agency				
18	End-User Finance for Access to Clean Energy Technologies in South and South-East Asia (FACET)	✓	Multilateral housed at MDB/UN agency				

19	Enhanced Adaptation for Smallholder Agriculture Programme	✓	Multilateral housed at MDB/UN agency
20	Forest Carbon Partnership Facility	✓	Multilateral housed at MDB/UN agency
21	Forest Investment Program	✓	Multilateral housed at MDB/UN agency
22	GEF Trust Fund	✓	Multilateral housed at MDB/UN agency
23	Global Facility for Disaster Reduction and Recovery	✓	Multilateral housed at MDB/UN agency
24	Global Index Insurance Facility	✓	Multilateral housed at MDB/UN agency
25	IDB Regional Fund of Agricultural Technology	✓	Multilateral housed at MDB/UN agency
26	IDB's Sustainable Energy and Climate Change Initiative	✓	Multilateral housed at MDB/UN agency
27	IFC Catalyst Fund		Multilateral housed at MDB/UN agency
28	Least Developed Countries Fund	✓	Multilateral housed at MDB/UN agency
29	Mediterranean Investment Facility	✓	Multilateral housed at MDB/UN agency
30	Multilateral Investment Fund (MIF) of the IDB Group	✓	Multilateral housed at MDB/UN agency
31	Partnership for Market Readiness	✓	Multilateral housed at MDB/UN agency
32	Pilot Program for Climate Resilience	✓	Multilateral housed at MDB/UN agency
33	Private Financing Advisory Network (PFAN)	✓	Multilateral housed at MDB/UN agency
34	Public-Private Infrastructure Advisory Facility	✓	Multilateral housed at MDB/UN agency
35	Scaling-Up Renewable Energy Program for Low-Income Countries	✓	Multilateral housed at MDB/UN agency
36	Seed Capital Assistance Facility	✓	Multilateral housed at MDB/UN agency
37	Special Climate Change Fund	✓	Multilateral housed at MDB/UN agency
38	Strategic Climate Fund	✓	Multilateral housed at MDB/UN agency
39	Sustainable Energy Fund for Africa	✓	Multilateral housed at MDB/UN agency
40	UN Reduced Emissions from Deforestation and Forest Degradation Programme	✓	Multilateral housed at MDB/UN agency

41	UNFCCC Adaptation Fund	✓	Multilateral housed at MDB/UN agency
42	World Bank Carbon Funds and Facilities	✓	Multilateral housed at MDB/UN agency
43	World Bank Group Catastrophic Risk Management	✓	Multilateral housed at MDB/UN agency
44	Canada Fund for the Private Sector in the Americas	✓	Multilateral housed at MDB/UN agency
45	Canada-IFC Blended Climate Finance Program		Multilateral housed at MDB/UN agency
46	Canada-IFC Renewable Energy Program for Africa		Multilateral housed at MDB/UN agency
47	Canadian Climate Fund for the Private Sector in Asia II	✓	Multilateral housed at MDB/UN agency
48	Korea Green Growth Trust Fund	✓	Multilateral housed at MDB/UN agency
49	Amazon Fund		Multilateral housed at Bilateral Agency (BNDES)
50	Indonesia Climate Change Trust Fund		Multilateral housed at Bilateral Agency (BAPPENAS)
51	Caribbean Catastrophe Risk Insurance Facility (CCRIF)	✓	Multilateral stand-alone fund
52	Climate and Development Knowledge Network	✓	Multilateral stand-alone fund
53	Climate Finance Partnership Fund (CFPF)		Multilateral stand-alone fund
54	Interact Climate Change Facility	✓	Multilateral stand-alone fund
55	IRENA / Abu Dhabi Fund for Development	✓	Multilateral stand-alone fund
56	Renewable Energy and Energy Efficiency Partnership	✓	Multilateral stand-alone fund
57	Global Climate Change Alliance+	✓	Multilateral stand-alone fund
58	Global Climate Partnership Fund	✓	Multilateral stand-alone fund
59	Green Climate Fund	✓	Multilateral stand-alone fund
60	Nationally Appropriate Mitigation Action facility (UK and Germany)	✓	Multilateral stand-alone fund
61	Nordic Climate Facility	✓	Multilateral stand-alone fund
62	Nordic Environment Finance Corporation (NEFCO) Carbon Finance and Funds	✓	Multilateral stand-alone fund

63	Australia's International Forest Carbon Initiative	✓	Bilateral fund housed at Bilateral agency
64	DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH	✓	Bilateral fund housed at Bilateral agency
65	Dutch Fund for Climate and Development		Bilateral fund housed at Bilateral agency
66	Energy and Environment Partnership	✓	Bilateral fund housed at Bilateral agency
67	FMO Entrepreneurial Bank (IDF and AEF)	✓	Bilateral fund housed at Bilateral agency
68	French Facility for Global Environment (FFEM)		Bilateral fund housed at Bilateral agency
69	InsuResilience Investment Fund	✓	Bilateral fund housed at Bilateral agency
70	Norwegian Investment Fund for Developing Countries	✓	Bilateral fund housed at Bilateral agency
71	International Climate Fund (UK) now International Climate Finance	✓	Bilateral stand-alone fund
72	International Climate Initiative (Germany)	✓	Bilateral stand-alone fund
73	Norway International Climate and Forest Initiative	✓	Bilateral stand-alone fund
Total of multilateral funds			62
<i>Total of multilateral funds housed at MDBs/Bilateral Agencies/UN Agencies</i>			<i>50</i>
<i>Total of stand-alone multilateral funds</i>			<i>12</i>
Total of bilateral funds			11
<i>Total of bilateral funds housed at bilateral agencies</i>			<i>8</i>
<i>Total of stand-alone bilateral funds</i>			<i>3</i>
Total of stand-alone private funds			8
Total "active" funds			81

Source: OECD, Climate Fund Inventory Database, 2015 (<https://gdd.oecd.org/subject.aspx?subject=climatefundinventory>) and individual fund websites

Methodological Note

The above list of 81 active funds was created by:

1. Starting with the OECD's 2015 fund inventory,¹¹ the list of 91 funds was reviewed fund website by fund website to verify that each was a climate fund, that it existed, and that it was currently active. Of the 91 funds, 13 are no longer active, 10 could not be verified to have ever existed or to be climate funds according to OECD's own definition, and 1 was a duplicate. (For example, IDA was NOT included as a fund in annex 1, because it finances much more than only climate-related projects and is an integral part of the World Bank, hence classified as an MDB rather than a fund). The reasons for excluding each of these 24 funds is provided in Annex 2. **That left 67 active funds based on the OCED list.**
2. Next, the 2022 Climate Funds Update Fund (which is maintained by the Heinrich-Böll-Stiftung Washington, DC and ODI) list was reviewed for additional climate funds. Their excel file list provides a list of 28 active funds. It is important to note that:
 - a. of the 28 funds, only three of the funds were not included on the original 2015 OECD list (the 2009 Amazon fund, the 2010 Indonesia Climate Change Trust Fund and the 2015 Central African Forest Initiative (CAFI)). **Hence, only these three funds were added to the active fund list, increasing the total to 70 active funds;**
 - b. two of the funds are focused on a single country - Amazon fund and Indonesia Climate Change Trust Fund;
 - c. there are 5 iterations of GEF listed and 2 of the GCF (like the OECD paper, this report lists them as single funds, i.e., we list 2 in our list instead of the 7 counted in the Climate fund update list).
 - d. this report lists the Forest Carbon Partnership Facility Funds (Readiness Fund and Carbon Fund) as one fund (in line with the OECD list);
 - e. two of the 28 funds are no longer active (MDB Achievement Fund and Global Energy Efficiency and Renewable Energy Fund (GEEREF)).
3. The final **11 active funds were discovered through an internet search**, (4 were launched before end-2015, and 7 were launched between 2017-22). These "new" 11 funds that are not part of the 2015 OECD list nor the ODI Update List, describe themselves as either private, multilateral, or bilateral climate funds (according to the OECD definition).
4. The resulting **81 active funds** were classified as either a:
 - a. Multilateral Fund: A fund that has more than one donor and/or is housed by a multilateral institution.
 - b. Bilateral Fund: Single donor fund and housed in bilateral agency or is stand-alone.
 - c. Private Fund: Funded by private sources and managed on a stand-alone basis.

¹¹ The 2015 OECD list included three funds that were established in 2015.

Annex 2: Original 2015 OECD Climate Fund List

X=Excluded from updated list in Annex 1	Fund Name	Notes
	Acumen (1)	
	Adaptation for Smallholder Agriculture Program (2)	
X	ADB Carbon Market Initiative (3)	Terminated/Existence can't be verified
	ADB Clean Energy Financing Partnership Facility (4)	
	ADB Climate Change Fund (5)	
	Africa Climate Change Fund (6)	
	Africa Enterprise Challenge Fund: Renewable Energy and Adaptation to Climate Technologies (7)	
	Africa Water Facility (8)	
X	African Carbon Asset Development Facility (9)	Terminated/Existence can't be verified
	ASEAN Infrastructure Fund (10)	
	Australia's International Forest Carbon Initiative (11)	
	BioCarbon Fund (12)	
	Canada Climate Change Program (13)	
X	Canada Fund for African Climate Resilience (14)	Terminated/Existence can't be verified
	Canada Fund for the Private Sector in the Americas (15)	
	Canadian Climate Fund for the Private Sector in Asia (16)	
X	Carbon Finance for Agriculture, Silviculture, Conservation, and Action against Deforestation (17)	UNEP project, and no further information available
	Carbon Initiative for Development (18)	
	Caribbean Catastrophe Risk Insurance Facility (CCRIF) (19)	
	Clean Technology Fund (20)	
	Climate and Development Knowledge Network (21)	
	Climate and Land Use Alliance (22)	
	Climate Catalyst Fund (23)	
X	Climate Finance Innovation Facility (24)	UNEP project, and no further information available
	Climate Insurance Fund (25)	Note renamed "InsuResilience"
	Climate Investment Funds (26)	

X	Climate Public Private Partnership (27)	Existence can't be verified
	Climate Technology Initiative (CTI) Private Financing Advisory Network (PFAN) (28)	
	ClimDev-Africa Special Fund (29)	
	Congo Basin Forest Fund (30)	
X	Danish Climate Investment Fund (31)	Existence can't be verified (at least independent from general Danish development investment fund)
	DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH (32)	
	EIB Climate Change Technical Assistance Facility (33)	
	EIB Post-2012 Carbon Credit Fund (34)	
	EIB-KfW Carbon Programme II (35)	
	End-User Finance for Access to Clean Energy Technologies in South and South-East Asia (FACET) (36)	
	Energy and Environment Partnership (37)	
	FMO Entrepreneurial Bank (IDF and AEF) (38)	
	Forest Carbon Partnership Facility (39)	
	Forest Investment Program (40)	
X	Fund Solutions for Climate Finance (KfW & Partners) (41)	Terminated/Existence can't be verified
X	GEF Small Grants Programme (42)	Cannot be verified that it is an independent fund from GEF
	GEF Trust Fund - Climate Change focal area (GEF 6) (43)	
	Germany's International Climate Initiative (44)	
	Global Climate Change Alliance+ (45)	
	Global Climate Partnership Fund (46)	
X	Global Energy Efficiency and Renewable Energy Fund (47)	
	Global Facility for Disaster Reduction and Recovery (48)	
	Global Index Insurance Facility (49)	
	Green Climate Fund (50)	
	IDB Regional Fund of Agricultural Technology (51)	
X	IDB's Infrastructure Fund (52)	Terminated/Existence can't be verified
	IDB's Sustainable Energy and Climate Change Initiative (53)	
X	IFC Partial Credit Guarantees (54)	Existence can't be verified
X	IFC Risk Sharing Facility (55)	Existence can't be verified

	Interact Climate Change Facility (56)	
	International Climate Fund (UK) (57)	
X	International Climate Initiative (Germany) (58)	repeat of 44
X	International Development Association (59)	MDB, not a climate fund
	IRENA / Abu Dhabi Fund for Development (60)	
X	Japan's Fast Start Finance (61)	Terminated/Existence can't be verified
X	KfW Development & Climate Finance (62)	Existence can't be verified
	Korea Green Growth Trust Fund (63)	
	Least Developed Countries Fund (64)	
X	MDB Pilot Program for Climate Resilience (65)	Not a standalone fund
	Mediterranean Investment Facility (66)	
X	Multilateral Carbon Credit Fund (67)	Terminated/Existence can't be verified
	Multilateral Investment Fund (MIF) of the IDB Group (68)	
	Nationally Appropriate Mitigation Action facility (UK and Germany) (69)	
	Nordic Climate Facility (70)	
	Nordic Environment Finance Corporation (NEFCO) Carbon Finance and Funds (71)	
	Norway International Climate and Forest Initiative (72)	
	Norwegian Investment Fund for Developing Countries (73)	
	Partnership for Market Readiness (74)	
	Pilot Program for Climate Resilience (75)	
	Public-Private Infrastructure Advisory Facility (76)	
	Renewable Energy and Energy Efficiency Partnership (77)	
	Scaling-Up Renewable Energy Program for Low-Income Countries (78)	
	Seed Capital Assistance Facility (79)	
	Special Climate Change Fund (80)	
	Strategic Climate Fund (81)	
	Sustainable Energy Fund for Africa (82)	
	UN Reduced Emissions from Deforestation and Forest Degradation Programme (83)	
X	UNDP Green Commodities Facility (84)	Terminated/Existence can't be verified
X	UNDP/MDG Carbon Facility (85)	Terminated/Existence can't be verified

X	UNDP/Spain MDG Achievement Fund (86)	Terminated/Existence can't be verified
X	UNEP Renewable Energy Enterprise Development (87)	Terminated/Existence can't be verified
	UNFCCC Adaptation Fund (88)	
X	US Global Climate Change Initiative (89)	Terminated/Existence can't be verified
	World Bank Carbon Funds and Facilities (90)	
	World Bank Group Catastrophic Risk Management (91)	

Note: 24 of the 91 above funds were not included in Annex 1.

Source: OECD, Climate Fund Inventory Database, 2015 (<https://qdd.oecd.org/subject.aspx?subject=climatefundinventory>) and owned internet research

Annex 3: Climate Funds Update – List of Climate Funds as of December 2022

	Fund	Annex 1	Reason for exclusion from Annex 1	OECD List - Annex 2	Fund Type	Fund focus
1	Adaptation for Smallholder Agriculture Programme (ASAP)	X		X	Multilateral	Adaptation
2	Adaptation for Smallholder Agriculture Programme (ASAP+)	X		X	Multilateral	Multiple Foci
3	Adaptation Fund (AF)	X		X	Multilateral	Adaptation
4	Amazon Fund	X			Multi Donor National	Mitigation - REDD
5	BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCarbon Fund ISFL)	X		X	Multilateral	Mitigation - REDD
6	Central African Forest Initiative (CAFI)	X			Multi Donor Regional	Mitigation - REDD
7	Clean Technology Fund (CTF)	X		X	Multilateral	Mitigation - General
8	Congo Basin Forest Fund (CBFF)	X		X	Multi Donor Regional	Mitigation - REDD
9	Forest Carbon Partnership Facility - Readiness Fund (FCPF-RF)	X		X	Multilateral	Mitigation - REDD
10	Forest Carbon Partnership Facility - Carbon Fund (FCPF-CF)	X		X	Multilateral	Mitigation - REDD
11	Forest Investment Program (FIP)	X		X	Multilateral	Mitigation - REDD
12	Global Environment Facility (GEF4)	X	Note: included as one fund - GEF	X	Multilateral	Multiple Foci
13	Global Environment Facility (GEF5)	X	Note: included as one fund - GEF	X	Multilateral	Multiple Foci
14	Global Environment Facility (GEF6)	X	Note: included as one fund - GEF	X	Multilateral	Multiple Foci
15	Global Environment Facility (GEF7)	X	Note: included as one fund - GEF	X	Multilateral	Multiple Foci
16	Global Environment Facility (GEF8)	X	Note: included as one fund - GEF	X	Multilateral	Multiple Foci
17	Global Climate Change Alliance (GCCA)	X		X	Multilateral	Multiple Foci
18	Global Energy Efficiency and Renewable Energy Fund (GEEREF)		Terminated	X	Multilateral	Mitigation - General
19	Green Climate Fund IRM (GCF IRM)	X	Note: included as one fund - GCF	X	Multilateral	Multiple Foci
20	Green Climate Fund (GCF-1)	X	Note: included as one fund - GCF	X	Multilateral	Multiple Foci
21	Indonesia Climate Change Trust Fund (ICCTF)	X			Multi Donor National	Multiple Foci
22	Least Developed Countries Fund (LDCF)	X		X	Multilateral	Adaptation
23	MDG Achievement Fund		Terminated	X	Multilateral	Adaptation
24	Partnership for Market Readiness	X		X	Multilateral	Mitigation - General

25	Pilot Program for Climate Resilience (PPCR)	X		X	Multilateral	Adaptation
26	Scaling Up Renewable Energy Program (SREP)	X		X	Multilateral	Mitigation - General
27	Special Climate Change Fund (SCCF)	X		X	Multilateral	Adaptation
28	UN-REDD Programme	X		X	Multilateral	Mitigation - REDD

Note: The Climate Funds Update Data Dashboard includes information on approvals, disbursements, and number of projects for each of the above funds. However, as each of these funds has been active for different number of years, it is impossible to compare across funds because the data is cumulative (not annual).

Source: Climate Funds Update, December 2022. <https://climatefundsupdate.org/data-dashboard/>. Climate Funds Update is maintained by the Heinrich-Böll-Stiftung Washington, DC and ODI.

Annex 4: Commitments, Disbursements, and Administrative Budget of GCF and GEF

	2020 Commitments (USD billion)	2020 Disbursements (USD billion)	2020 Admin Budget (USD million)	of which: staff (USD million)	Sources	Notes
GCF	2.1	0.59	52.3	36.1	GCF, Climate Action During the Pandemic – Annual Results Report 2020, 2021	Annual report provides all relevant information
GEF	1.2	0.728	35.8	n/a	World Bank Group, June 30, 2021 and 2020 - Global Environment Facility Trust Fund (GEF) Independent Auditors' Report and Statements of Receipts, Disbursements and Fund Balance, 2021 GEF, The GEF Monitoring Report 2020, 2020	
Total	3.3	1.3	88.1	n/a		

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“Sur quoi la fondera-t-il l'économie du monde qu'il veut gouverner? Sera-ce sur le caprice de chaque particulier? Quelle confusion! Sera-ce sur la justice? Il l'ignore.”

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